



LBT INNOVATIONS

Capital raising to accelerate growth & Beckman Coulter partnership

Disruptive AI technology for healthcare

9 July 2020

ASX code: LBT

lbtinnovations.com

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1. Overview & Beckman Coulter partnership

2. Global Market Opportunity

3. APAS[®] Value Proposition

4. Funding & Future Outlook

Disruptive AI technology – commercial ready

APAS® Independence - **First** and **only** automated culture plate reader



One of the largest global diagnostic companies
7 July 20 – new EU partnership agreement



\$8m Placement to scale growth – extends runway to 2022



Patent protected



Global regulatory clearances



Innovative platform technology



Product launched – **EU and US sales**



Marketing partnership with Beckman Coulter

Expands sales presence with leading global healthcare distributor



3 year sales and marketing agreement

Benefit from Beckman Coulter's market leading brand and customer reach



Hybrid distribution model

Ensure aligned sales performance



Expanded European sales presence

Germany, UK and France



Co-ordinated sales strategy

Major meetings targeted for 2021



Maintain direct customer relationship

Joint customer partnerships to win



Plate Streaking

DxM Autoplak



Plate Reading

APAS INDEPENDENCE



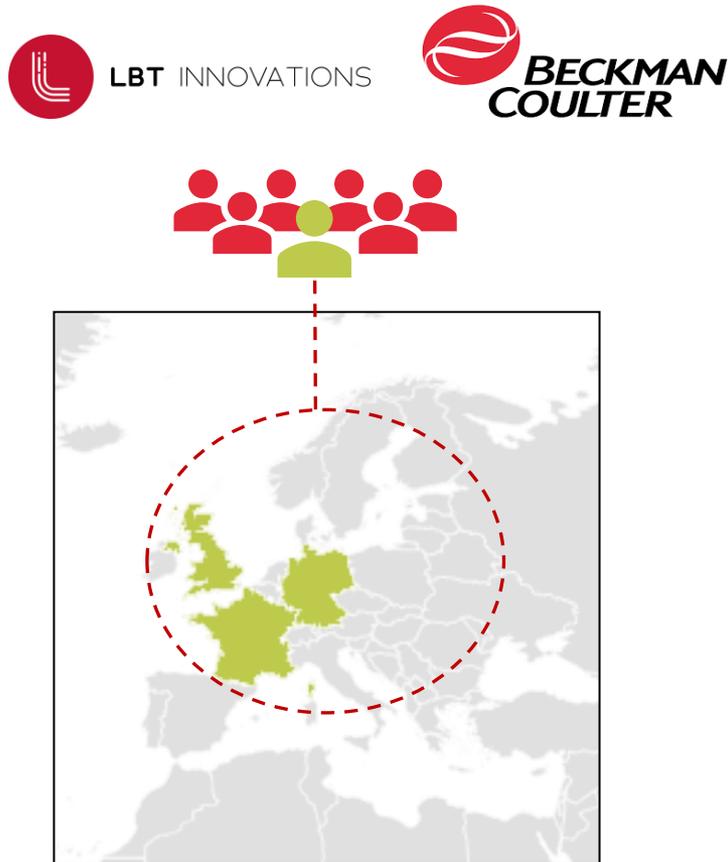
ID and AST

Bruker MALDI Biotyper

DxM MicroScan

LBT is delivering on its distribution strategy

Hybrid commercialisation model. **Template for success – EU launch initially**



Partnership to accelerate sales and scale

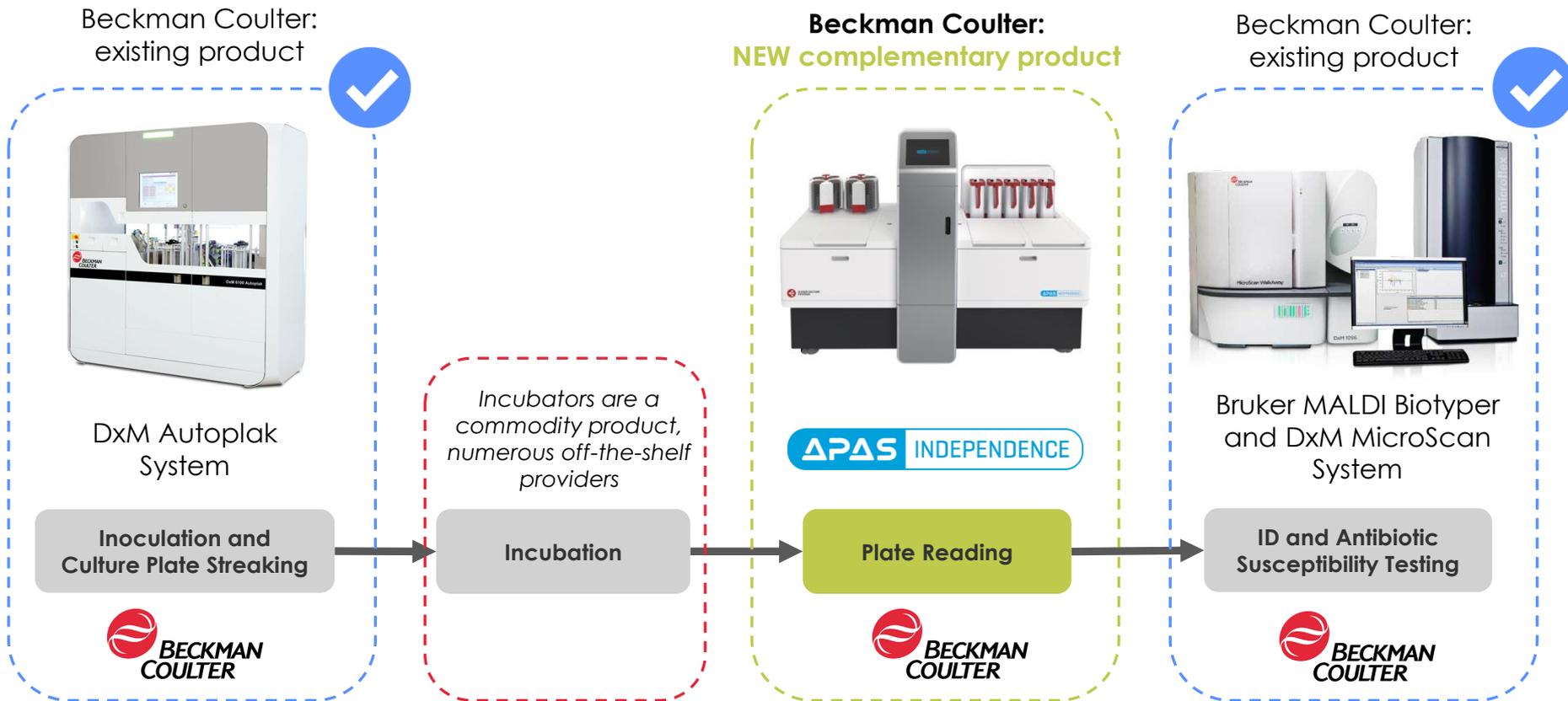
- **Trusted** global brand
- **Leading** market presence
- **Expanded** sales reach
- **Existing** customer base
- **Complementary** product portfolio

LBT deliver

- **Technology** and product expertise
- Existing sales **pipeline**
- **Service** and support capability

Beckman Coulter microbiology solutions

APAS® completes a best in class lab automation portfolio



Agenda

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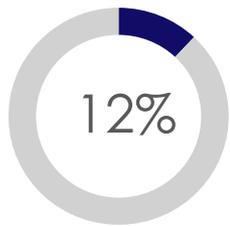
Challenges for microbiology laboratories

Around the world scientists still read plates **manually**
2.4 billion plates per annum and growing



Challenges for microbiology laboratories

Challenges



Inconsistent results

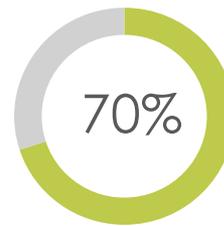
Variability in plate reading
Error rates up to 12%



Workplace safety issues

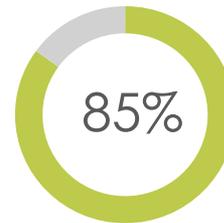
Strain injuries caused by repetitive manual processes
Staff sick days and annual leave

Market Need



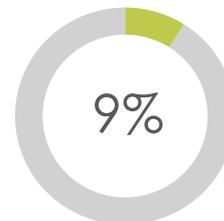
High demand

70% of clinical decisions based on *in vitro* diagnostic results



Inefficient use of resources

Up to 85% of plates read are negative

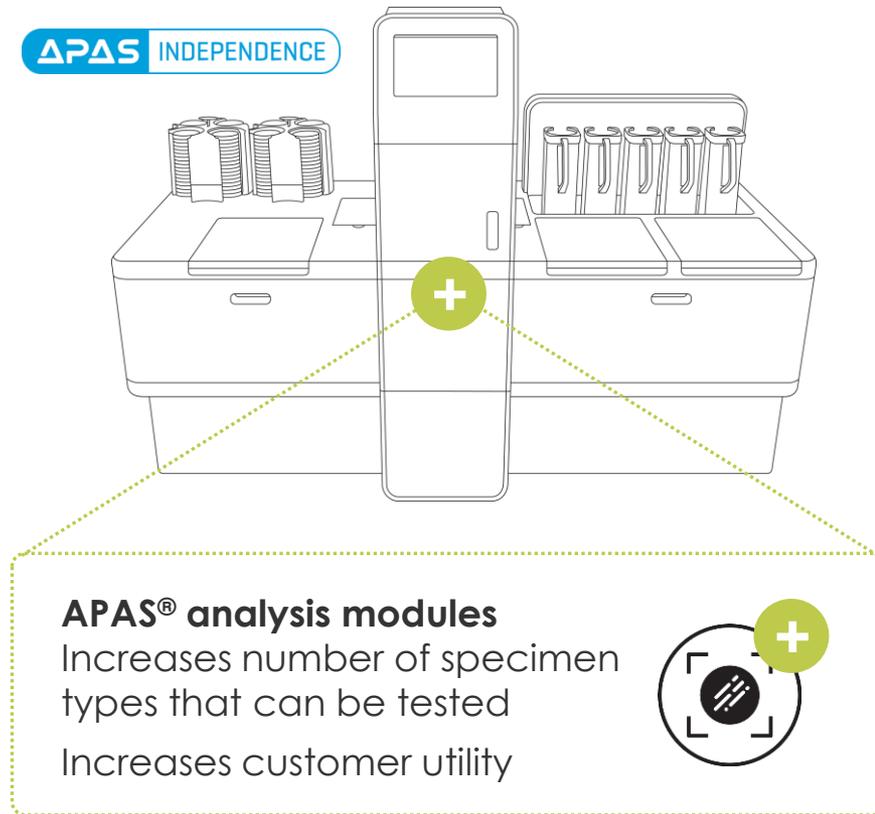


Qualified Microbiologists

9% vacancy rate in the US
Microbiologist average age is high (51 AUS / 42 US)

APAS[®] Independence

The first and only automated culture plate reader – **Powered by AI**



-  **Clinically proven**
in a 10,000-patient clinical trial
-  **3x faster**
than manual culture plate reading
-  **Available**
regulatory cleared in US, EU, AU
-  **Attractive return on investment**
payback between 2 - 3 years

Initial launch markets – 2,000+ addressable market

Early sales. Global footprint. Key opinion leaders. Foundation to scale.

USA

FDA Clearance
CoE: Hennepin Health, MN
1 Sales Exec
~1,500 Target Labs
1st Sale Hennepin Health



Australia (HQ)

TGA established
CoE: St Vincent's, Melbourne
Sales team
>30 Target Labs
1st Sale St Vincent's Hospital



EU: UK, Germany and France

CE Mark
CoE: Labor Dr Wisplinghoff, DE
**1 Sales Exec + Marketing Agent:
Beckman Coulter**
>500 Target Labs + France
1st Sale Labor Dr Wisplinghoff



**BECKMAN
COULTER**

CoE: Centre of Excellence

Total addressable market even larger

Compelling value proposition for medium and large laboratories

Number of labs globally

Small Labs

<400 plates per day

15,000

Delivering payback
in 2 – 3 years

Medium Labs

400 - 1000 plates per day

12,000

Large Labs

>1000 plates per day

1,000

Total Market Opportunity

13,000

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First mover advantage – clinical plate reading

APAS® Independence uses AI for advanced decision making



ONLY FDA CLEARED instrument
Reads and interprets plates



AFFORDABLE
USD 300,000



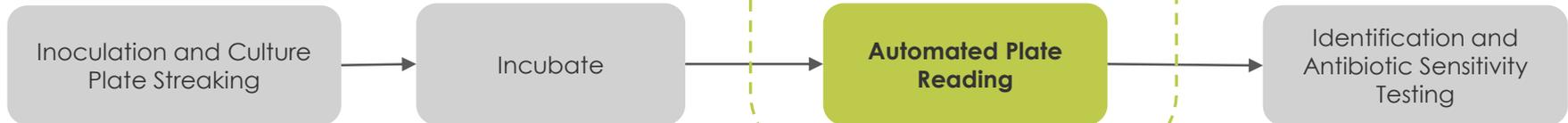
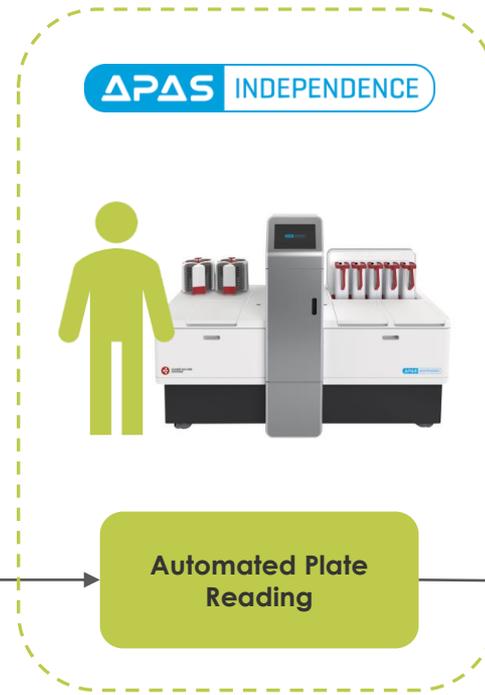
SMALL footprint
Plug and play



START AND WALK AWAY
Workflow efficiencies



BROAD market opportunity
Suitable for large and medium labs



Competitive landscape

Competitors offer large and expensive process automation

✘ **DO NOT** read plates
Automate lab workflow

↑\$ **HIGH** capital cost
~USD 2.5m+ cost

■ **LARGE** footprint
Complex installation

🕒 **LONG** integration period
Plates still read manually

📊 **LOW** penetration
150 units in 10 years



Copan WASPLab™



BD Kiestra™ Total Lab Automation

Sales model & market opportunity

Dual strategy of **direct** to market and **partner** appointments

<p>50:50 Joint Venture Profits shared equally</p> 	<p>1. CAPEX: Instrument ~USD 300k</p> <p>Flexible leasing models and SaaS established</p> 	<p>2. Annual Licenses: Analysis Module ~USD 20k – 40k</p> 
	<p>5 year revenue opportunity ~USD 450k per instrument</p>	

Launch markets



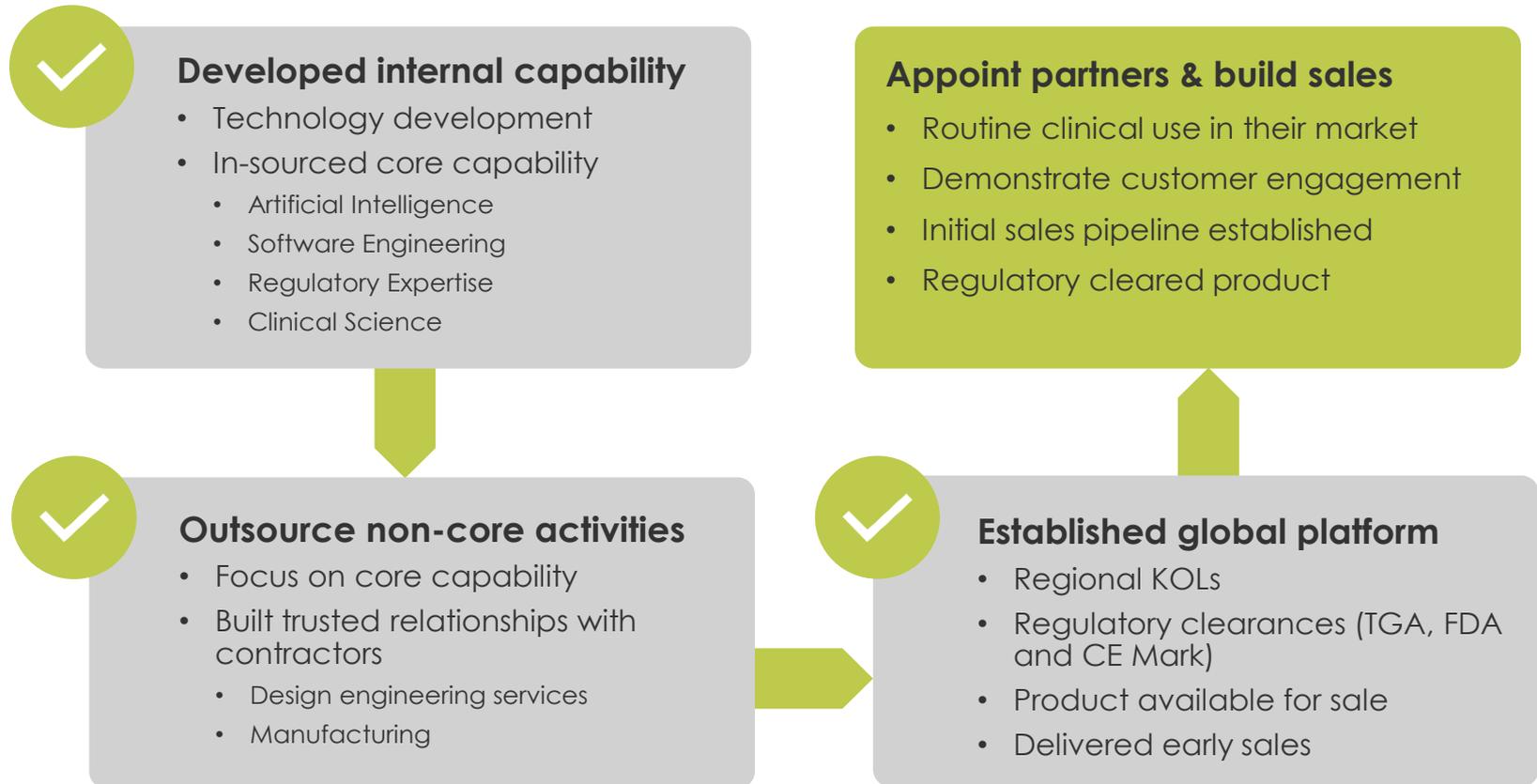
> **2000+ labs**

Market penetration	Instrument*	Analysis Module
20%	~USD 80 - 120 million	~USD 12 million p.a.
30%	~USD 120 - 180 million	~USD 18 million p.a.

* Sales estimate includes expected distributor margin

Template for future product development

Repeatable process: new opportunities – underpinned by core capability



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Corporate overview

Key Statistics (Closing on 6 July 2020)

Share Price	\$0.190 per share
12-month range	\$0.080 - \$0.240
Number of shares	235.5 million
Options Issued	5.0 million
Market Cap	~\$44.8 million

Financials (AUD)

Cash at 30 June 2020	\$7.1 million
SAFA Loan Facility	\$4 million facility, drawn down Low interest rate, 5-year term
Enterprise value	\$41.7 million
Shareholders	Insto (8%), Industry (7%), Dir + Mgmt (4%)

Prudent cash management - 2Q 2020 reduced operational cash costs by 20% to \$1.2m/Qtr and implemented staff equity plan for 5th day of working week



Board and leadership team



Brent Barnes
CEO and MD, AU

- 11 years senior executive at Cochlear Ltd (ASX: COH)
- Experience across Class I, II and III medical devices
- Held leadership roles in the US and Asia-Pacific
- Non-Executive Director Connek Ltd



Kate Costello
Chairman, AU

- Expertise in legal, corporate governance and company strategy
- Diverse Board experience across multiple industries
- Established leading governance consultancy
- Fellow of the Institute of Company Directors



Damian Lismore
NED, AU



Simon Arkell
NED, US



Caroline Popper
NED, US



Ray Ridge
CFO, AU



International board



Healthcare and technology



Public listed company experience (ASX and Nasdaq)



Compliance and financing expertise

Key Terms of Placement

Placement	Private Placement of A\$8 million by way of an excluded offer under Chapter 6D of the <i>Corporations Act 2001</i> (Cth).			
Placement Shares	New shares issued through the Placement will be fully paid ordinary shares, ranking pari passu with existing shares			
Use of Proceeds	USE OF PROCEEDS		(A\$000)	
	1. APAS® commercialisation in US ¹		\$2.00m	
	2. APAS® commercialisation in EU – activities with Beckman Coulter ¹		\$2.00m	
	3. Analysis module development, trials and regulatory ¹		\$2.00m	
	4. Working Capital ²		\$1.50m	
	Costs of the Offering		\$0.50m	
		Total	\$8.00m	
Pricing	The Placement Price of \$0.16 per share represents a discount of: <ul style="list-style-type: none"> ○ 21.9% to the 5-day VWAP ○ 17.0% to the 15-day VWAP ○ 7.2% to the 30-day VWAP ○ 15.8% to the last traded price of \$0.19 per share 			
Timing & Settlement	Trading Halt	7 July 2020	Manual settlement of Offer	14 July 2020
	Deadline for Bids	8 July 2020	DvP Settlement of Offer	14 July 2020
	Announcement of Placement LBT Recommences Trading & SPP record date	9 July 2020	Allotment of Placement Shares	15 July 2020
Approvals	Placement Shares shall be issued in accordance with the Company's capacity under ASX Listing Rule 7.1 & 7.1A			
Capital Structure	Shares on issue:	235.5m shares + 5.0m options		
	Placement Shares to be issued:	50.0m shares		
	Total Shares post Placement:	285.5m shares + 5.0m options		
SPP	Share Purchase Plan to existing shareholders at \$0.16 per share – targeted at \$1 million – reserve right to accept oversubscriptions.			

* The Company reserves the right to vary the Placement and SPP terms in its absolute discretion

^ All dates are indicative only and subject to change at the discretion of the Company

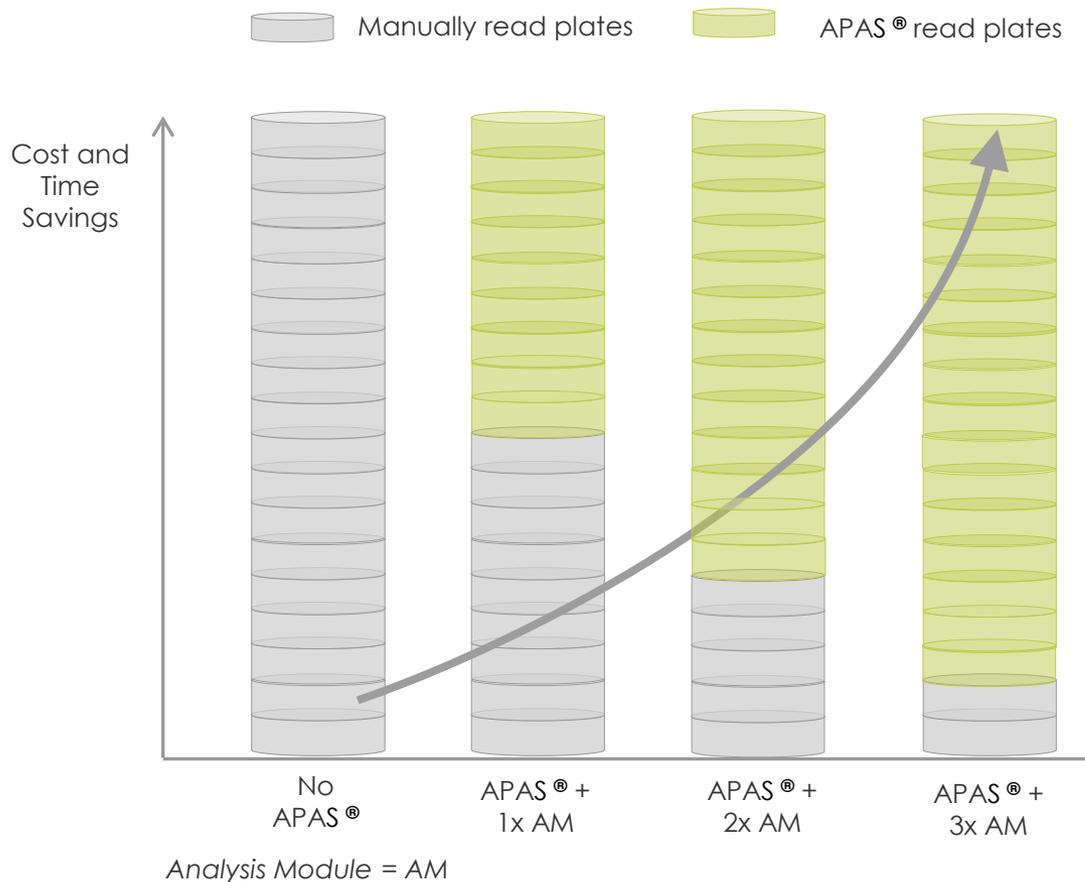
Use of Funds - APAS[®] commercialisation

Continuing to scale commercial activities to deliver sales potential

- **EU: \$2m – Execute on sales pipeline**
 - ✓ **Beckman Coulter appointed as marketing agent**
 - Opportunity to expand regional sales presence beyond UK, Germany and France
 - Possible expansion of Sales Exec to support marketing agent lead conversion
 - Establish service support to create additional revenue stream
 - Increase direct to consumer marketing
- **US: \$2m – Build out sales presence**
 - ✓ **Appointed regional Business Development Exec to execute on lead conversion**
 - Appoint local marketing agent for expanded sales presence
 - Expand targeted sales activity to secure sales with customers
 - Marketing: Trade shows and regional American microbiology conferences
 - Appointment of US sales/marketing/distribution partner(s) (2021)

Use of Funds – APAS® technology development

Additional APAS® analysis modules - \$2m - VRE and Anti Microbial Resistant



Expand suite of available analysis modules in US and EU to support commercialisation activities

- Finalise MRSA regulatory clearance in US
- Continue technology development in-house to control timetable and costs
- Complete clinical trials and regulatory submissions for EU Urine and VRE analysis modules
- Commence AMR analysis module for antibiotic susceptibility testing

Investment highlights

Competitive positioning strong

APAS® Independence - the **only FDA and CE cleared** product using **artificial intelligence** for microbiology plate reading

Clinically **proven** and **Independently verified** – **The Johns Hopkins Hospital** study

Large value proposition

Initial launch market - **2,000+ labs** meet APAS® target profile

5-year revenue opportunity **~USD 450,000 per instrument**

Platform for growth

Advanced technology and **internal capability** supports future product opportunities

\$8m Placement + cash \$7.1m
(30 June 2020) **funds into 2022**

Expanding sales & market access

Regulatory clearances - **US, EU, AU** with **first sales** in USA, Australia & Germany

Beckman Coulter marketing partnership accelerates EU sales



Appendices

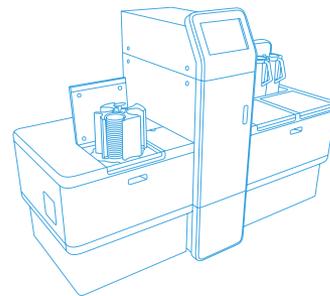
10 years of APAS[®] development – ready for launch

2010 →

Early technology development
Feasibility completion

2018

Regulatory clearances
Establish KOLs
Market awareness



2019

Market launch
Early sales
Build sales pipeline



2020+

Beckman Coulter partnership

Market penetration – US, AU, DE, UK

New markets – FR

AM library development



Comparable products case study

Large market opportunity for laboratory automation

Case Study	Launch	Sales Potential
<p>APAS Independence</p> 	2018	<p>Launched with FDA Clearance</p> <p>1,500 units after 10 years <i>(and still growing)</i></p> <p>Cumulative instrument sales: ~USD 450 million</p> <p>50% flows to LBT (after distributor fees & JV costs)</p> <p>Licence fees, building to: ~USD 45 million per annum</p> <p>Majority flows to LBT (after distributor fees)</p>
Comparison Products	Launch	Sales Achieved
<p>MALDI-TOF</p> <p>2 Manufacturers: Bruker & bioMérieux</p> 	2004	<p>~800 units placed after 8 years</p> <p>FDA Clearance after ~9 years</p> <p>700 units placed in US following FDA Clearance & years of clinical data</p> <p>~1,500 units placed after 10 years</p> <p>~12% global penetration</p>
<p>Previ Isola</p> 	2009	<p>~500 units placed after 5 years</p> <p>~4% global penetration</p> <p>bioMérieux terminated agreement with LBT in 2015 - Product no longer sold</p>



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