

LBT INVESTOR CALL TO DISCUSS CCS ACQUISITION

9.00am AEDT, Wednesday 12th January 2022

Adelaide, Australia, 11 January 2022: Australian medical technology company LBT Innovations Limited (ASX: LBT) (**LBT** or the **Company**), a leader in medical technology automation using artificial intelligence, announces that the Company will hold an investor conference call at **9.00am AEDT on Wednesday 12 January 2022** to discuss the acquisition of Hettich Holding Beteiligungs-und Verwaltungs-GmbH's 50% shareholding of its Clever Culture Systems joint venture (**CCS**).

A presentation will be provided by LBT's CEO and Managing Director, Brent Barnes, to discuss the details of the transaction and the strategic benefits for the Company, followed by a Q&A session at the end of the call.

The Company's presentation for the call is attached.

How to Access the Investor Call

All attendees must register to attend the call. Please register using the link below. After registering, you will receive a confirmation email about joining the webinar including options to attend via computer or telephone.

https://us06web.zoom.us/webinar/register/WN_usixtDUeRaKErdlcXv9SWw

A Q&A session will be held at the end of the conference call, in order to participate in this, you will need to join the conference via computer.

Accessing the Call after the event

A recording of the call will be available on the Investor Centre section of the Company's website for 60 days after the call.

Approved for release by the Chair of the LBT Board.

– ENDS –

About LBT Innovations

LBT Innovations (LBT) improves patient outcomes by making healthcare more efficient. Based in Adelaide, South Australia, the Company has a history of developing world leading products in microbiology automation. Its first product, MicroStreak®, was a global first in the automation of culture plate specimen processing. The Company's second product, the Automated Plate Assessment System (APAS® Independence) uses LBT's intelligent imaging and machine learning software to automate the imaging, analysis and interpretation of culture plates following incubation. The technology remains the only US FDA-cleared artificial intelligence technology for automated culture plate reading and is being commercialised through LBT's wholly owned subsidiary Clever Culture Systems AG (CCS). Channel partners for the sale and distribution of the APAS® Independence are in place for the United States (Thermo Fisher Scientific, Inc; Exclusive Distributor) and Europe (Beckman Coulter, Inc; Marketing Agent).

INVESTOR ENQUIRIES

LBT Innovations
Brent Barnes Chief Executive Officer & Managing Director Tel: +61 8 8227 1555 E: info@lbtinnovations.com



LBT INNOVATIONS

LBT to obtain full ownership of Clever Culture Systems (CCS)

*Transformative acquisition enables full
control of APAS® commercialisation*

January 2022

ASX code: LBT

lbtinnovations.com

Disclaimer

This document contains certain forward-looking statements that involve risks and uncertainties. Although we believe that the expectations reflected in the forward-looking statements are reasonable at this time, we can give no assurance that these expectations will prove to be correct.

Given these uncertainties, readers are cautioned not to place undue reliance on any forward-looking statements. Actual results could differ materially from those anticipated in these forward-looking statements due to many important factors, risk and uncertainties including, without limitation, risks associated with estimating potential quantity and timing of sales, risks associated with medical device development and manufacture, risks inherent in the extensive regulatory approval processes mandated by regulatory authorities, delays in clinical trials, future capital needs, general economic uncertainty and other risks detailed from time to time in the Company's announcements to the ASX.

Moreover, there can be no assurance that others will not independently develop similar products or processes or design around patents owned or licensed by the Company, or that patents owned or licensed by the Company will provide meaningful protection or competitive advantages.

All reasonable efforts have been made to provide accurate information, but the Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this presentation, except as may be required under applicable laws. Recipients should make their own enquiries in relation to any investment decisions from a licensed investment advisor.

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Acquiring remaining 50% of CCS Joint Venture

Transformative acquisition to acquire key strategic asset

Who is CCS?



Joint venture company **owned 50:50 by LBT and Hettich***

CCS is the **commercialisation entity** for APAS®

Strategic Rationale

Full control of CCS at **critical time in APAS® commercialisation**

Product launched with global giants **Beckman Coulter & Thermo Fisher**

Simplified ownership **opens strategic opportunities**

Transaction Details

LBT to acquire **Hettich 50% shares**, including **Shareholder loans of A\$17.3m**

Purchase Consideration: A\$4.0m

- A\$1.0m Cash
- 30.66 Shares
- 8m Options at 25c per share

Financial Benefits

Increased APAS® revenue expected to **accelerate time to cash breakeven**

Cost management plan to be executed post-acquisition



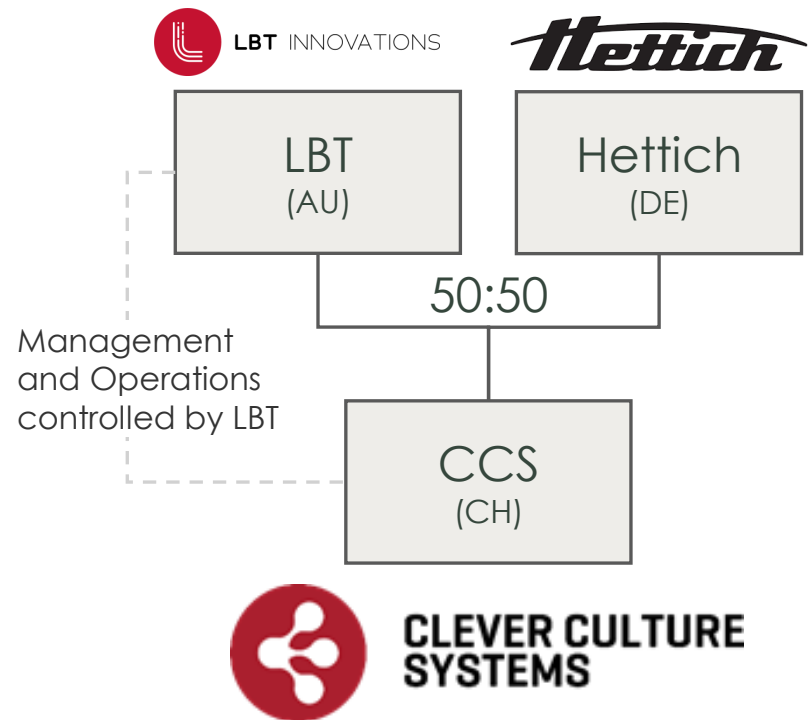
* Hettich Holding Beteiligungs- und Verwaltungs-GmbH

Clever Culture Systems history

LBT to acquire:

- Hettich 50% shareholding in CCS
- Hettich A\$17.3m Shareholder loan

- CCS formed 2013
- 50:50 ownership between LBT and Hettich
- Joint venture to develop and commercialise APAS®
- LBT granted exclusive licence of APAS® technology to CCS
- >A\$30m funded equally to develop APAS® Independence products
- CCS profits distributed between LBT and Hettich



LBT acquires Hettich's 50% CCS shareholding

Mutually beneficial transaction

Hettich maintain upside through LBT shares and options

Transaction Summary

	AUD
Cash Consideration	\$1.0m
New LBT Shares	\$2.8m (30.66m shares 9.1c per share – 24/12/2021)
LBT Options	\$0.2m (8m share options at 0.25c per share; Expiry: 3 years from completion)
Total Consideration	\$4.0m

Acquisition of Hettich's 50% shareholding in CCS

- *Hettich Shareholder loans of A\$17.3m assigned to LBT*
- *No outstanding debt owing to Hettich*

Hettich remains invested in future of APAS® technology through LBT shares

- *<10% shareholding post-transaction*
- *LBT Options at 25c for future investment*

Transaction structure optimised to preserve LBT cash runway

- *Post-acquisition cash: ~A\$5.6m*
- *Research & Development Tax Incentive ~A\$0.8m expected February 2022*



Revenue outgrowing incremental costs

LBT share of revenue¹ increases by 66% over life of instrument

AUD 000's	Current		Post-acquisition	
	LBT	Hettich	LBT	Change
Per APAS® Instrument	142	142	284	+100%
Analysis Module annual license ³	30	13	43	+43%
Sales Revenue				
Year 1	172	145	328	+90%
Life of Instrument (7 years)	352	233	585	+66%

LBT operational costs² increase by 17% after cost savings

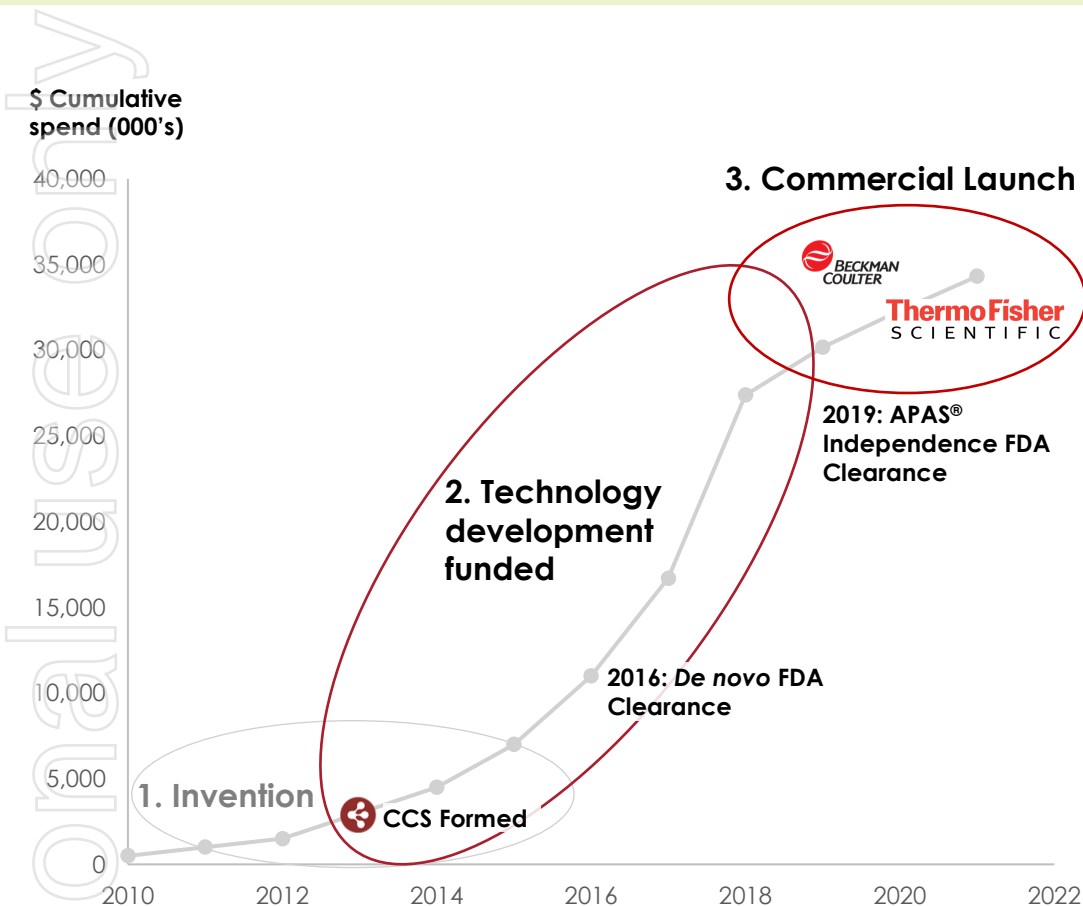
AUD 000's	LBT Post-acquisition	Change
Hettich annual contribution to CCS	2,000	+29%
Post-acquisition cost management plan	(800)	
LBT cost base		
LBT incremental costs (2022)	1,200	+17%
Expected Quarterly cash burn (2022)	2,100	+17%

Notes:

1. Indicative revenue model, figures after expected channel partner margin
2. Expected operating costs post-acquisition, Quarterly cash burn excludes profits from instrument sales
3. Assumes two Analysis Modules per Instrument

Major technology investment completed

De-risked commercial opportunity - Product launched in key markets



Invention and Product Development Complete

- FDA Clearance of prototype, 2016
- Development of APAS® Independence completed 2018
- Multiple products released to market

Funding the early sales process

- Product launched in AU, EU and US
- Sales pipeline growing
- 6 sales to date
- Partners established in key markets

Right time to acquire CCS

Acquisition provides full control of strategic asset at critical time

Significant investment complete

Product launched with early sales

COVID-19 recovery

Customer access returning towards pre-pandemic levels

Sales pipeline growing

Momentum building with channel partners in place

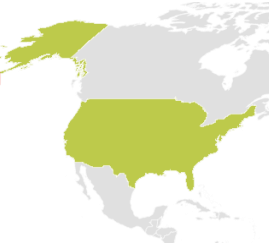
ThermoFisher
SCIENTIFIC

 **BECKMAN
COULTER**



Commercial partnerships to scale - US and EU

ThermoFisher
SCIENTIFIC



- US HQ (NYSE: TMO)
- Market Cap. US\$223bn*
- **5-year Exclusive Distribution Agreement**, includes Maintenance and Support services
- United States
- **Largest market for clinical microbiology**

 **BECKMAN
COULTER**



- US HQ – Danaher Corporation (NYSE: DHR)
- Market Cap. US\$235bn*
- 3-year Marketing Agreement
- Europe: France, Germany, UK (incl. option to extend)
- **Second largest market for clinical microbiology**

**Source: Market Capitalisation data as at 07/09/21*



Sales pipeline growing: 10 Advanced Opportunities

Product launched with channel partners: >400 qualified opportunities



ThermoFisher
SCIENTIFIC

United States

Thermo Fisher Exclusive Distributor

Total addressable market: >1,500 labs

Qualified Leads¹: >300

Advanced Opportunities²: 4

"We are very pleased to incorporate the APAS[®] Independence into our routine clinical workflow, where the instrument will be used daily to automate the reading of our MRSA cultures."

– Prof. Hilmar Wisplinghoff

Labor Wisplinghoff, Germany




EU: France, Germany, UK, Beckman Coulter Marketing Partner

TAM: >500 labs

Qualified Leads¹: ~70

Advanced Opportunities²: 5

Australia Direct Sales



TAM: ~50 labs

Qualified Leads¹: 20

Advanced Opportunities²: 1

1. Established customer relationship and APAS[®] buying criteria met
2. Advanced opportunities = Evaluation phase or further APAS[®] Independence Sales

Investment highlights and outlook

Strategic acquisition secures full ownership of APAS® opportunity

Operational benefits - Full control of product strategy

- Enables laser focus on APAS® commercialisation
- Alignment between R&D and commercial teams
- Integration plan in place to realise operational synergies
- Post-acquisition cost management plan in place



Commercial outlook - Exciting market opportunity

- Large global market opportunity: >US\$1 bn
- Major partners secured for APAS® commercialisation
- Advanced pipeline of opportunities: 10 laboratories
- Laboratories seeking operational efficiencies - COVID infrastructure established

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