

## LBT INVESTOR CALL TO DISCUSS CCS ACQUISITION

9.00am AEDT, Wednesday 12<sup>th</sup> 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](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                                                                                                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Brent Barnes</b><br>Chief Executive Officer & Managing Director<br>Tel: +61 8 8227 1555<br>E: <a href="mailto:info@lbtinnovations.com">info@lbtinnovations.com</a> |



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](http://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.

## **NOT AN OFFER FOR SECURITIES**

This Presentation is not a prospectus, product disclosure statement or other offering document under Australian law (and will not be lodged with ASIC) or any other law. This Presentation does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any shares nor does it constitute financial product or investment advice nor take into account your investment objectives, taxation situation, financial situation or needs. An investor must not act on the basis of any matter contained in this Presentation but must make its own assessment of the Company and conduct its own investigations and analysis. Before making an investment in the Company, a prospective investor should consider whether such an investment is appropriate to their particular investment objectives and financial situation and seek appropriate advice, including legal, taxation and financial advice appropriate to their jurisdiction and circumstances.

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## **OTHER JURISDICTIONS**

This Presentation may only be accessed in other jurisdictions where it is legal to do so.



# 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



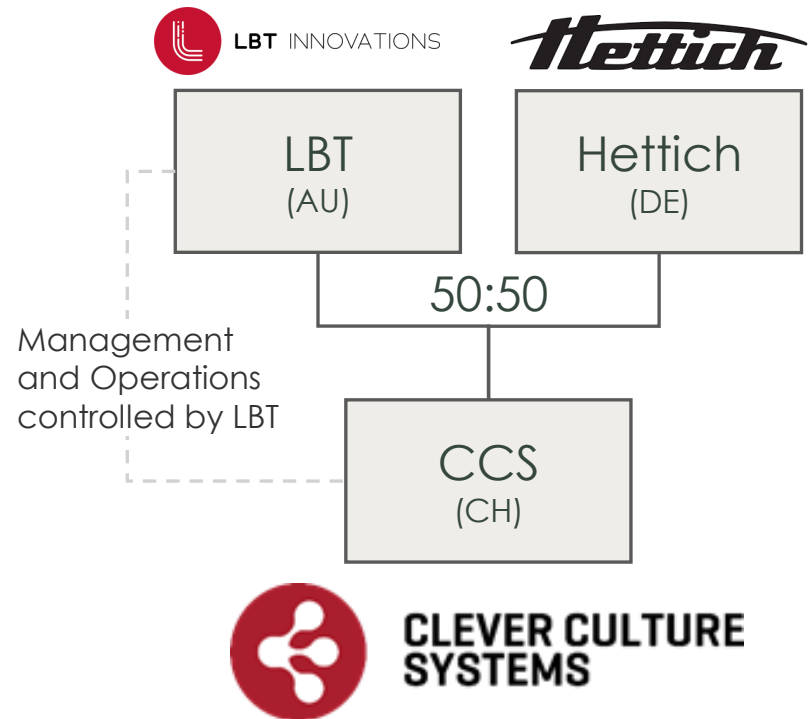
\* Hettich Holding Beteiligungs- und Verwaltungs-GmbH

# 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<br>(30.66m shares 9.1c per share – 24/12/2021)                               |
| LBT Options                | \$0.2m<br>(8m share options at 0.25c per share;<br>Expiry: 3 years from completion) |
| <b>Total Consideration</b> | <b>\$4.0m</b>                                                                       |

### 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 revenue<sup>1</sup> 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 <sup>3</sup> | 30         | 13         | 43               | +43%        |
| <b>Sales Revenue</b>                        |            |            |                  |             |
| <b>Year 1</b>                               | <b>172</b> | <b>145</b> | <b>328</b>       | <b>+90%</b> |
| <b>Life of Instrument (7 years)</b>         | <b>352</b> | <b>233</b> | <b>585</b>       | <b>+66%</b> |

## **LBT operational costs<sup>2</sup> 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)                |             |
| <b>LBT cost base</b>                       |                      |             |
| <b>LBT incremental costs (2022)</b>        | <b>1,200</b>         | <b>+17%</b> |
| <b>Expected Quarterly cash burn (2022)</b> | <b>2,100</b>         | <b>+17%</b> |

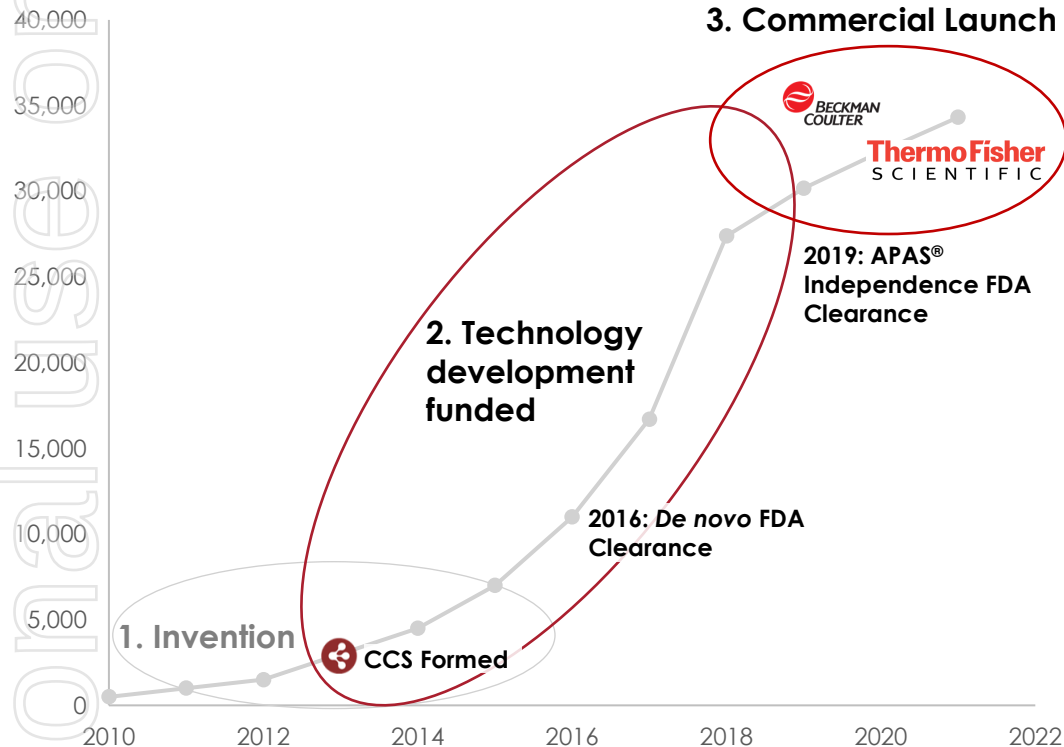
Notes:

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

\$ Cumulative spend (000's)



### 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*

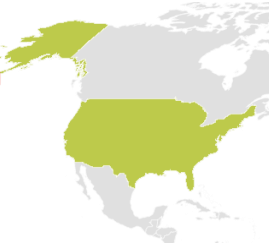
**ThermoFisher**  
SCIENTIFIC

 **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 Leads<sup>1</sup>: >300

Advanced Opportunities<sup>2</sup>: 4

*"We are very pleased to incorporate the APAS<sup>®</sup> 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



 **BECKMAN  
Coulter**

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

TAM: >500 labs

Qualified Leads<sup>1</sup>: ~70

Advanced Opportunities<sup>2</sup>: 5

## Australia Direct Sales



TAM: ~50 labs

Qualified Leads<sup>1</sup>: 20

Advanced Opportunities<sup>2</sup>: 1

# 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

ersonal use only



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