

## ASX: LBT COMPANY UPDATE

# Proven AI technology disrupting microbiology

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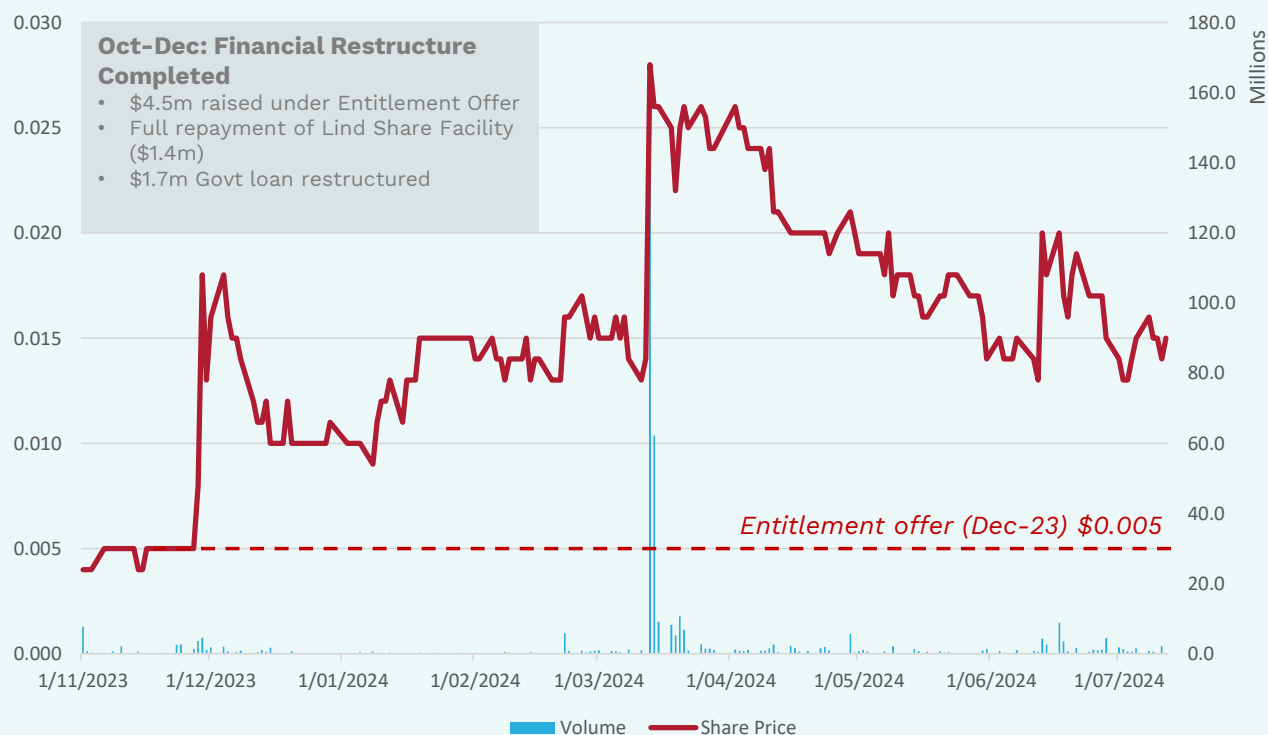
## Second Pass | Time for a Re-Assessment

- Updated strategy starting to show commercial success
- Raised capital Dec-23 supports new strategy
- Refreshed board. Own 20%+ Company



# Corporate Overview

## Financial restructure following updated Company strategy



### Key Statistics (Closing Price on 11 July 2024)

Share Price	\$0.014 per share
Shares on Issue	1.57 billion
Market Cap.	\$21.9 million
Listed options	594 million
• LBTO	180m options, expiring 15-09-24 at \$0.005
• LBTOA	414m options, expiring 15-11-25 at \$0.008

### Financials (AUD)

Cash & Receivables	\$2.5 million (31 March 24) <i>(\$1m Options exercised early in Jun-24)</i>
Annual Cost Base	\$4.8m expected <i>(incl. R&amp;DTI refund)</i>
SAFA Loan Facility	\$1.74 million outstanding <i>(low interest rate, interest only until 2026)</i>
Key Shareholders	Board & Mgmt: >22%, Industry: ~11%, Top 20: ~67%



# Market sector pivot using same technology platform

Pharmaceutical market - significant growth driver

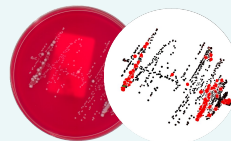
AstraZeneca cornerstone customer – \$1.1m R&D funding (finalised)

Sales achieved ~6 months ahead of schedule

**APAS** CLINICAL



Infectious diseases testing used by hospitals, reference/private laboratories.



**APAS** PharmaQC



Sterility monitoring in aseptic manufacturing.  
Example: drug manufacturing.



**NovaCina**







## Aseptic manufacturing addressable market: AU\$2.8bn<sup>7-1</sup>

- ~14,300 FDA registered drug manufacturing facilities worldwide<sup>7-1</sup>
- Positive market trends: Pharmaceutical Contract Drug Manufacturing forecast to grow 7.6% (2022-2030)<sup>7-2</sup>
- Top 20 Pharma Companies operate ~600 manufacturing facilities globally<sup>7-3</sup>
- Land and Expand: Technology validated at one location and scaled across the network



# Digital disruption

Automated reading, interpretation and reporting of microbial growth on culture plates

**APAS** INDEPENDENCE



## APAS®

Automated Plate Assessment System



### Cutting edge AI technology

Machine learning for microbiology applications



### Demonstrated performance

Extensive scientific data, faster than microbiologist



### Improved data integrity

Automatic data trails and audit reports



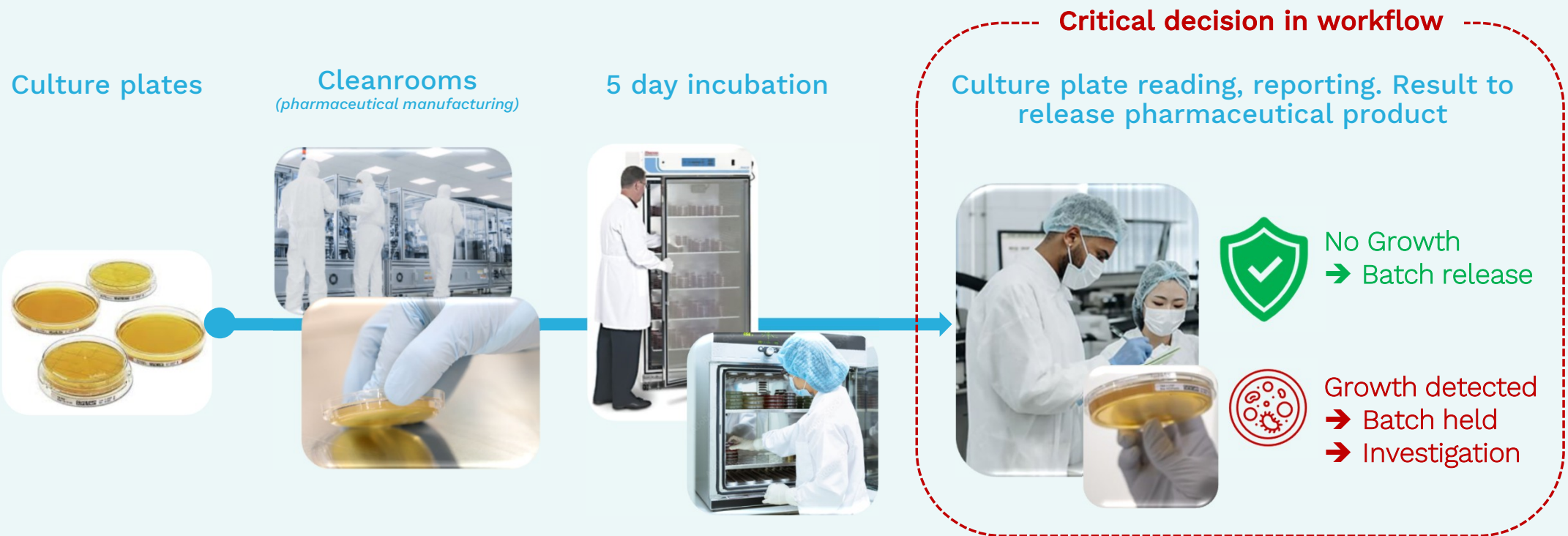
### Easy integration and user operation

Simple plug and play technology



# Environmental monitoring workflow

Mandatory process in every pharmaceutical manufacturing facility globally





# Environmental monitoring workflow

Mandatory process in every pharmaceutical manufacturing facility globally

Culture plates



Cleanrooms  
*(pharmaceutical manufacturing)*



5 day incubation



**Automates critical decision**

APAS automates reporting quicker with improved quality and traceability of results



APAS INDEPENDENCE



No Growth >90%  
→ Batch release automatically



Growth detected  
~10% reviewed manually



## Incorrect result is costly

### Quality Control. High cost of failed results

- Up to US\$1bn lost revenue<sup>5-1</sup>
- US\$1m cost per event for failed product<sup>5-1</sup>

### Traceability & data integrity. Highly regulated industry

- 116% increase in regulatory observations to drug establishments<sup>5-2</sup>
- 86% warning letters cite data integrity issues<sup>5-2</sup>

### Efficiency. High demand on Microbiologists

- 2 Microbiologists read every environmental monitoring plate
- Inefficient resource use >98% plates have zero growth<sup>5-3</sup>



# Up to AU\$1.0m revenue per APAS® sale\*

Includes up-front Capex and Annual Recurring Revenue (ARR) streams



Product / Service	Description	Revenue Model	Approx. Split
APAS® Independence	Laboratory Instrumentation	Upfront Capex <i>(inc. financing options)</i>	50%
APAS Apps®	AI Software Licence	🔄 ARR	25%
APAS Service#	Support and maintenance services	🔄 ARR	15%
Implementation Services	Instrument connectivity, technical data and validation support	One-off	10%

\* Typical revenue over 5 years (expected initial contracted term)

# Third-party service provider / distributor expected to provide service



Clever Culture Systems. Wholly owned by LBT Innovations.

ASX: LBT

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# Global rollout expected to start in 2024



## APAS® PharmaQC selected for automation<sup>11-1</sup>:

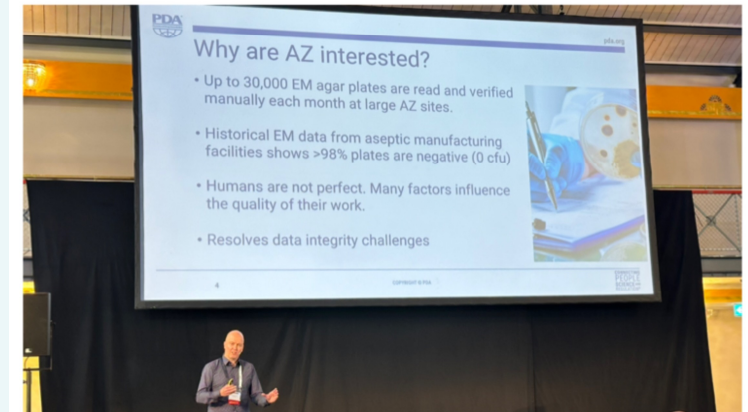
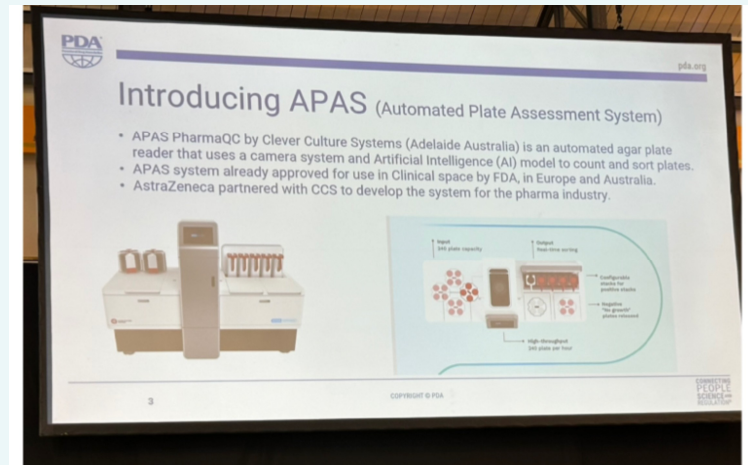
- ~30,000 plates per month at large AZ sites
- >98% of plates are negative
- Occasionally humans make mistakes
- Resolves data integrity challenges

## >AU\$1m funding to accelerate R&D:

- APAS® instrument installed in UK facility
- Product validation expected H2 CY24
- Global rollout anticipated following validation

## Pilot validation completed:

- APAS® PharmaQC achieved 100% sensitivity for microbial growth detection
- Positive performance results presented by AstraZeneca at global conferences





# Board and Management

Refreshed Board set expansion into pharmaceutical manufacturing industry as the True North for the Company

- Board and Management shareholding increased to 20%+
- International experience with healthcare and technology expertise
- Extensive public listed ASX experience in micro-cap and high-growth companies



**Brent Barnes**  
CEO and MD, AU



**Rebecca Wilson**  
Chair, AU



**Dan Hill**  
NED, AU



**Brian O'Dwyer**  
NED, US



**Ray Ridge**  
CFO and  
CoSec, AU





# Outlook - Multiple APAS® PharmaQC sales expected in F'25

- Support customers conduct their secondary validations
- Establish APAS® PharmaQC in routine use with AstraZeneca and NovaCina
- Create multi-sale opportunities through customer roll-out
- Targeting the largest pharmaceutical customers globally – 2 scheduled for Sep-24 QTR
- AstraZeneca expected to start their global rollout towards end 2024



# References

## Slide 5:

5-1 [www.researchandmarkets.com](http://www.researchandmarkets.com), *Global Pharmaceutical Market Report 2021: Covid-19 Impact and Recovery to 2030*.

5-2 <https://www.fda.gov/inspections-compliance-enforcement-and-criminal-investigations/inspection-references/inspection-observations>

5-3 <https://www.lbtinnovations.com/automated-reading-of-agar-plates-using-ai/>

## Slide 7:

7-1 *Global Pharmaceuticals & Medicine Manufacturing; IBISWorld Industry Report C1933-GL; Eva Koronios; June 2021*

([https://www.contractpharma.com/contents/view\\_blog/2018-02-02/an-interactive-global-map-of-pharma-manufacturing-sites/](https://www.contractpharma.com/contents/view_blog/2018-02-02/an-interactive-global-map-of-pharma-manufacturing-sites/)) + internal company analysis and estimate of 25% of total permits relating to sterile sites of a sufficient size to justify automation

7-2 <https://www.fda.gov/about-fda/economics-staff/fda-glance>

7-3 <https://www.morganmckinley.com/eu/article/difference-between-pharmaceutical-and-biotechnology>

## Slide 9

9-1 <https://investors.rapidmicrobio.com/news-and-events/presentations>

## Slide 10

10-1 *Internal Company calculations based on customer data and internally generated data*

## Slide 11

11-1 <https://investors.rapidmicrobio.com/news-and-events/presentations>

