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**Universal Biosensors**

12 June 2014

Dear Securityholder,

Our Company had to overcome a number of operational and strategic challenges in 2013. We saw dramatic changes in the blood glucose monitoring industry; in US pricing and reimbursement, tighter regulatory requirements and restructuring by most of the major industry players.

LifeScan undertook a recall of most of the meters that use the OneTouch® Verio® strips and at the end of the year, LifeScan then transferred all glucose strip production from UBI to their own in-house facilities. Finally, the planned launch of our first coagulation test with Siemens Healthcare was rescheduled to 2014, as we strive to complete the development of an exciting new product capable of winning market share.

I have been delighted by the way our UBI team has responded with great resilience, talent and energy in meeting these challenges head on and dealing effectively with them.

At the end of the year we accessed new capital through a term loan facility to ensure that the Company can move forward with its growth plans with confidence. We are delighted to have secured this capital with a US-based financing partner that is supportive of our future vision for the Company.

From an operational perspective, we entered 2014 with growing revenues from glucose strip sales, several new products on the way for coagulation testing and an opportunity to take increasing control of our own destiny with the patient self-test for PT/INR. The launch of our PT/INR product with Siemens Healthcare this year will put UBI in a very select group of companies that have successfully developed a blood glucose testing product and applied their skills to other point-of-care tests. POC testing is a growing market opportunity for UBI, as an increasing proportion of medical diagnostics are being performed outside traditional laboratory settings and near to the patient.

While we don't believe it is reflective of underlying value, we acknowledge there has been a disappointing decline in the Company's share price. The Board and management remain committed to the creation of value through the effective execution and communication of the Company's development plans.

As part of our ongoing program of Board renewal, we have made three changes to our Board over the past few years. This is significant for a small company like UBI and we will be continuing this process of renewal moving forward. To this end, we intend to make further Board changes and, as part of this process we will seek to identify a natural successor for my role.

I would like to thank the Board and the UBI team for their hard work and dedication during 2013. I would also like to thank our securityholders as well as Athyrium, who provided us with our term loan facility in 2013. I would like to thank Dr Jane Wilson, who stepped down as director in 2013, for her significant contribution to our Company over the last 7 years, and at the same time welcome Chris Smith to our Board.

Andrew Denver  
Chairman



# Universal Biosensors, Inc.

ARBN 121 559 993

## Annual General Meeting

12<sup>th</sup> June 2014

*AGM Presentation*



# Important Disclaimer

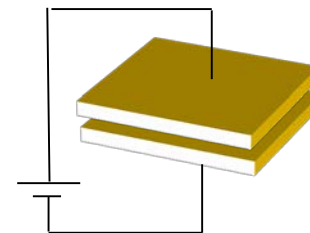
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- This presentation is intended to provide a general outline only and is not intended to be a definitive statement on the subject matter. This presentation is not financial advice and has been prepared without taking into account the objectives, financial situation or needs of a particular person.
- Neither the Company, nor its officers or advisors or any other person warrants the accuracy of the analysis herein or guarantees the investment performance of the Company. Investors must make their own independent assessment of the Company and undertake such additional enquiries as they deem necessary or appropriate for their own investment purposes.
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- The Company is subject to a number of risks. For a summary of key risks, refer to the Company's most recent Form 10-K filed with the United States Securities and Exchange Commission.
- Under applicable United States securities laws all of the shares of our common stock are "restricted securities" as that term is defined in Rule 144 under the Securities Act of 1933, as amended. Restricted securities may be resold in the public market to United States persons as defined in Regulation S only if registered for resale or if they qualify for an exemption from registration under the Securities Act. We have not agreed to register any of our common stock for resale by security holders.



# Company overview

- Medical diagnostics company focused on the development and manufacturing of diagnostic test systems for use at the point-of-care (POC)
- Building on core strengths
  - ✓ Patent-protected electrochemical sensor technology that supports accurate, easy to use, low cost diagnostics
  - ✓ World class research & development team
  - ✓ High volume, low cost manufacturing supporting multiple products
- Validated by world leaders
  - ✓ First UBI-developed product, OneTouch Verio launched internationally by LifeScan
  - ✓ Worldwide partnership in POC coagulation testing with Siemens





# Key achievements: last 12 months

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## Blood Glucose Testing

- ✓ Latest Quarterly Service (Q1 2014) fees up 44% vs prior comparable period
- ✓ 2 new OneTouch Verio systems launched, including world first BGM with wireless iPhone connectivity
- ✓ Transition of all OneTouch Verio strip manufacturing to LifeScan's own facility in Inverness
  - ✓ Enabling UBI to access R&D Tax Rebate in 2013
  - ✓ Releasing working capital
  - ✓ Allowing UBI to focus on more profitable future manufacturing activities

## Coagulation Testing

- ✓ Significant progress towards Siemens' expected launch of PT-INR test in Q3 2014
- ✓ Significant progress in development of 2 further coagulation tests with Siemens
- ✓ Development of advanced prototype Patient Self Test PT-INR system and non-binding terms agreed with distributors in jurisdictions representing >50% of today's target market

## Future Products

- ✓ Continued progress towards a POC immunoassay and molecular testing platform, with significantly increased sensitivity demonstrated

## Financial

- ✓ \$19.5M cash at 31<sup>st</sup> March 2014, following Dec 2013 debt financing of \$US15M
- ✓ Improving profitability of operations (gross margins up by 31% in Q1 2014 vs pcp)
- ✓ Operating cash burn improved (down 15% in Q1 2014 to \$3.4M)



# Profit & loss and cashflow (Q1 2014)

	3 months ended 31 <sup>st</sup> March			Comments
	2014 (A\$'M)	2013 (A\$'M)	Change	
Quarterly Service Fees	1.2	0.8	Up 44%	Increasing unit sales
Revenue from Products	0.0	3.7	Down 100%	UBI ceased glucose strip manufacturing
Revenue from Services*	0.2	0.3	Down 38%	Based on partners' project requirements
<b>Total Revenue</b>	<b>1.4</b>	<b>4.8</b>	<b>Down 72%</b>	
Cost of Goods Sold & Services	0.1	3.8	Down 100%	UBI ceased glucose strip manufacturing
<b>Contribution from Products &amp; Services</b>	<b>1.3</b>	<b>1.0</b>	<b>Up 31%</b>	Quarterly Service Fees flowing straight through
R&D Expense (net)	2.9	2.7	Up 10%	4 products nearing commercialisation, offset by R&D tax rebates
G&A Expense	1.4	1.3	Up 6%	No material change
Financing costs	0.7	0.0	Up \$0.7M	Cost of debt financing
<b>Net Loss after Tax</b>	<b>3.6</b>	<b>4.6</b>	<b>Improved 23%</b>	
<b>Operating Cash outflow</b>	<b>3.4</b>	<b>4.0</b>	<b>Improved 15%</b>	

\*Excludes Quarterly Service Fees shown separately



# Balance sheet

## Balance Sheet as at 31 March 2014

	A\$
Current Assets (excluding cash)	12,782,655
Cash	19,464,748
Property, Plant & Equipment (net)	15,579,609
Other Non-Current Assets	2,920,000
Total Assets	<u>50,747,012</u>
Current Liabilities	5,745,182
Non-Current Liabilities	19,114,415
Stockholders' Equity	25,887,415
Total Liabilities & Stockholders' Equity	<u>50,747,012</u>



# Capital structure as at 31<sup>st</sup> May 2014

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Number of shares on issue	175,608,938
Market capitalization	~A\$39 million
Number of options on issue	~10.1 million
Cash (at 31 <sup>st</sup> March 2014)	~A\$19.5 million





# Pioneering a revolution in diagnostics



*Bringing  
the lab to  
the patient*



## Healthcare Challenges:

- Aging populations, living longer with chronic conditions
- Skills shortages
- Exploding healthcare costs
- Variable standards of care in
  - Remote / regional areas
  - Developing economies

## Point-of-Care (POC) Testing Technology:

Drives better health economics by enabling more timely and frequent diagnosis through:

- ✓ Rapid, accurate results
- ✓ Simple use that empowers the patient
- ✓ Reduced logistics challenge



# Building value through continued innovation

## Diabetes Care

- Blood Glucose testing product developed with market leader LifeScan
- In the world's largest diagnostics market
- Creating core capabilities for future leverage
  - ✓ IP
  - ✓ Product development
  - ✓ Biosensor production
  - ✓ Quality systems



**PRODUCT SUCCESS  
GENERATING  
REVENUE AND CASH  
FOR UBI**

## POC Coagulation Management

- Aiming at 4 products in \$1B market by end 2015
  - ✓ 3 with Siemens (PT-INR launch Q3 2014)
  - ✓ PT-INR Patient Self-Test
- UBI exclusive strip manufacturer for Siemens' products



**POTENTIAL TO CREATE VALUE TO UBI OF  
SIMILAR MAGNITUDE TO BLOOD GLUCOSE**

## "Universal POC"

- Immunoassay & Molecular Diagnostics platform
- High growth POC markets worth over \$3.5B
- Targeting low cost, high performance system



**DEVELOPING GROUND-BREAKING  
TECHNOLOGY PLATFORM WITH WIDE  
APPLICATION**



# Operational objectives - the next 18 months

## Coagulation targets

- Launch of Siemens' PT-INR product
  - ✓ Commercial production of coagulation test strips
  - ✓ Regulatory approval and first sales
- Launch of 2 further coagulation tests with Siemens
- Launch UBI owned Patient Self-Test PT-INR system
  - ✓ Complete development
  - ✓ Execute distribution agreements in key markets
  - ✓ Regulatory approval and first sales



## Beyond

- Continue to build out POC diagnostic capabilities to address multi-billion dollar immunoassay and molecular diagnostics markets





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## Annual General Meeting

12<sup>th</sup> June 2014

*End of Presentation*