



Universal Biosensors

2 February 2015

Extension of option to draw additional funds from the Athyrium term loan facility

Universal Biosensors, Inc. (ASX: UBI) announced today that it has chosen not to draw down additional funds at this time under the term loan facility provided by funds managed by Athyrium Capital Management, LP ("Athyrium"), a US-based investment adviser. Athyrium has agreed to extend UBI's option to draw down a further US\$10 million until 31 July 2015.

In December 2013, Universal Biosensors entered into a five year term loan with funds managed by Athyrium of up to US\$25 million. Under the arrangement, Universal Biosensors drew down US\$15 million upfront and had the option to draw down two further tranches each of US\$5 million if certain commercial conditions were achieved prior to 30 January 2015.

Universal Biosensors met the commercial conditions required to draw down an additional US\$5 million before 30 January 2015, being the achievement of certain revenue thresholds in respect of OneTouch Verio blood glucose strips sold by LifeScan and coagulation test strips supplied to Siemens. However, with cash reserves of \$16.3 million at 31 December 2014 and expectations of increasing revenues from Quarterly Service Fees and coagulation test strip production on behalf of Siemens, the Company did not feel that the additional loan capital was required at this time.

The Company believes that the additional US\$10 million available to UBI under the Athyrium loan facility provides flexibility to respond to risks and opportunities with cost effective and non-dilutive capital. Under the agreed extension, the Company will have the option to draw down the additional funds within 30 days of any fiscal quarter ending on or before July 31, 2015 in which the existing revenue thresholds are met, subject to customary closing conditions. In consideration of granting an extension to the delayed draw tranches, Athyrium will be paid a fee of US\$200,000. The commitment fee on undrawn capital will remain in place in respect of the delayed draw tranches until UBI either decides to draw the funds or decides that the option is no longer required.

Paul Wright, CEO of Universal Biosensors said, *"This is an excellent outcome for the Company and its shareholders. While we feel the Company is in a solid cash position with cash breakeven in sight, we have retained the flexibility that the extended option under the facility provides. As expected, Athyrium have been a very supportive and constructive partner through this process."*

Richard Pines, a Partner at Athyrium, said, *"Our ability to provide flexibility is driven by the confidence we have in the Company to create value through its existing strategic partnerships and exciting proprietary pipeline of opportunities."*

Other than the variations agreed, the parties agreed that the Credit Agreement and all other loan documents shall continue in full force and effect on all existing terms and conditions. The key commercial terms of the loan facility are described in the ASX announcement dated 20 December 2013 (<http://www.asx.com.au/asxpdf/20131220/pdf/42lrjyshgfjzvl.pdf>).

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A copy of the Form 8-K to be filed with the US Securities and Exchange Commission describing the amendment to the Credit Agreement, is attached.

Ends

Enquiries:

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About Universal Biosensors

For additional information in relation to Universal Biosensors, refer to
<http://www.universalbiosensors.com>.

Universal Biosensors is a specialist medical diagnostics company, founded in 2001, that is focused on the development, manufacture and commercialisation of a range of in vitro diagnostic tests for point-of-care use. These tests capitalise on a technology platform which uses a novel electrochemical cell that can be adapted for multiple analytes and provide for enhanced measurements in whole blood.

About Athyrium Capital Management, LP

Athyrium Capital Management, LP is a specialized asset management company formed in 2008 to focus on investment opportunities in the global healthcare sector. As of December 31, 2014, Athyrium had over \$1 billion of assets under management. The Athyrium team has substantial investment experience in the healthcare sector across a wide range of asset classes including public equity, private equity, fixed income, royalties, and other structured securities. Athyrium invests across all healthcare verticals including biopharma, medical devices and products, and healthcare focused services. The team partners with management teams to implement creative financing solutions to companies' capital needs. For more information, please visit www.athyrium.com.

Forward-Looking Statements

The statements contained in this release that are not purely historical are forward-looking statements within the meaning of the Exchange Act. Forward-looking statements in this release include statements regarding our expectations, beliefs, hopes, intentions or strategies regarding the proposed offering. All forward-looking statements included in this release are based upon information available to us as of the date hereof, and we assume no obligation to update any such forward-looking statement as a result of new information, future events or otherwise. Our actual results could differ materially from our current expectations. We cannot assure you when, if at all, the proposed offering will occur, and the terms of any such offering are subject to change. Factors that could cause or contribute to such differences include, but are not limited to, factors and risks disclosed from time to time in reports filed with the SEC.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 8-K

**Current Report Pursuant to Section 13 or 15(d)
Of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **January 30, 2015**

UNIVERSAL BIOSENSORS, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

000-52607

(Commission File Number)

98-0424072

(IRS Employer
Identification No.)

1 Corporate Avenue, Rowville, 3178, Victoria Australia

(Address of Principal Executive Offices) (Zip Code)

Telephone: +61 3 9213 9000

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Amendment to Material Definitive Agreement.

On January 30, 2015, Universal Biosensors, Inc. (“UBI”) and its wholly owned subsidiary, Universal Biosensors Pty Ltd (“Borrower”) entered into an amendment to the credit agreement dated December 19, 2013 (the “Credit Agreement”) with Athyrium Opportunities Fund (A) LP (“Athyrium A”), as administrative agent (the “Administrative Agent”) and as a lender, and Athyrium Opportunities Fund (B) LP (“Athyrium B”) as a lender (Athyrium A and Athyrium B together with any other lenders party thereto from time to time, the “Lenders”) (the “Amendment”).

Pursuant to and subject to the terms of the Amendment and the Credit Agreement, the Lenders have agreed to extend the term during which the further two tranches each of US\$5,000,000 (the “Delayed Draw Loans”) may be drawn by the Borrower. The expiry date for draw down of the Delayed Draw Loans has been extended by six months; the Borrower may draw the Delayed Draw Loans within 30 days of any fiscal quarter ending on or before July 31, 2015 in which the Borrower satisfies certain conditions set forth in the Credit Agreement, including achieving specified quarterly service fee revenues from the sale of the OneTouch Verio blood glucose strips and coagulation manufacturing revenues.

In consideration of granting an extension to the Delayed Draw Loans, the Borrower will pay a non-refundable fee of \$200,000 to the Lenders. The commitment fee based on any available unused borrowing commitment under the Credit Agreement (being the Delayed Draw Loans) also remains payable until July 31, 2015. The Borrower has also agreed to pay certain reasonable out-of-pocket expenses incurred by Athyrium in connection with the Amendment.

As previously disclosed, the Borrower can make voluntary repayments, and must make mandatory prepayments, in certain prescribed circumstances and only at certain times, all as set forth in the Credit Agreement. Pursuant to the Amendment, in the event of any prepayment (1) on or prior to the second anniversary of the Closing Date with respect to any obligations under the Credit Agreement other than the Delayed Draw Loans, or (2) on or prior to June 19, 2016 with the respect to the Delayed Draw Loans, Borrower must also pay a prepayment premium of 20% of the principal of such prepayment due and payable on the applicable date. In addition, pursuant to the Amendment, in the event of any prepayment (1) after the second anniversary of the Closing Date with respect to any obligations under the Credit Agreement other than the Delayed Draw Loans, or (2) after June 19, 2016 with the respect to the Delayed Draw Loans, the Borrower must pay a prepayment premium commencing at 15% of the principal of such prepayment due and payable on the applicable date and reducing pro-rata on a monthly basis until the Maturity Date (as defined below).

Unless the facility is otherwise terminated earlier pursuant to the terms of the Credit Agreement, the Borrower is required to repay the outstanding principal amount of the loans drawn down, together with all accrued and unpaid interest thereon and all other obligations on December 19, 2018 (the “Maturity Date”).

Other than the variations agreed under the Amendment, the parties agreed that the Credit Agreement and all other loan documents shall continue in full force and effect on all existing terms and conditions.

The foregoing description of the Credit Agreement is not complete and is qualified in its entirety by reference to the description of the Credit Agreement, Third Amendment to the Amended and Restated Master Services and Supply Agreement and Common Stock Purchase Warrants in the Current Report on Form 8-K filed with the SEC on December 20, 2013 and the copies thereof filed with that Current Report as Exhibits 10.1, 10.2, 10.3 and 10.4, which descriptions and exhibits are hereby incorporated by reference.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.03.

Item 7.01 Regulation FD Disclosure

UBI issued a press release on February 2, 2015 announcing the Amendment. A copy of the press release is furnished with this Current Report as Exhibit 99.1 and is incorporated by reference into this Item 7.01.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Amendment dated January 30, 2015 to Credit Agreement by and among Athyrium Opportunities Fund (A) LP as Administrative Agent and a Lender, Universal Biosensors Pty Ltd as borrower, Universal Biosensors, Inc. as a Guarantor, and the other Lenders and Guarantors as party thereto from time to time
99.1	Press Release of Universal Biosensors, Inc. dated February 2, 2015.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: February 2, 2015

UNIVERSAL BIOSENSORS, INC.

By: /s/ Paul Wright
Name: Paul Wright
Title: Principal Executive Officer