

Universal Biosensors Inc
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Universal Biosensors

9 March 2016

Universal Biosensors and Siemens agree modifications to collaboration arrangements

Universal Biosensors (ASX: UBI) announced today that it has agreed amendments to its arrangements with Siemens Healthcare Diagnostics Inc. The parties have agreed to shift the focus of their joint product development activities, provide prepayment of milestones to UBI and improved strip pricing to support Siemens' entry into the point-of-care PT-INR testing market.

Under the Collaboration Agreement which commenced in September 2011, Universal Biosensors is developing three coagulation testing strips and associated reader products in collaboration with, and exclusively for, Siemens. In turn, Siemens contributes to the cost of development through a series of milestone payments. To date, UBI has been paid a total of US\$8 million for five of the seven milestones under the Collaboration Agreement.

Siemens and UBI have agreed to cease development work on one of the two remaining strip products in order to focus resources on an alternative product that offers the potential for greater return on investment to both companies.

To reflect this change, one of the outstanding milestones has been redefined and an additional milestone with an associated payment of US\$1.25 million has been added. At the same time, Siemens have agreed to prepay all outstanding milestone payments totalling US\$3.75 million during FY2016, of which US\$2.5 million will be paid during the second quarter.

Finally, as part of these amendments, UBI has agreed to a reduction in the transfer pricing of PT/INR strips manufactured and supplied to Siemens, applicable only to the sale of product at the lower volume tiers. This reduction in strip price will provide Siemens with greater flexibility during the early stages of product introduction.

Paul Wright, CEO of Universal Biosensors said: *"This is another excellent example of UBI and Siemens working together in partnership for mutual benefit. The prepayment of milestones will provide UBI with additional cash resources in the short term, while the realignment of our development program with Siemens ensures we are working on projects that offer the greatest return on our collective investment in the longer term. In addition, we are able to support Siemens building customer momentum in the PT-INR testing market"*.

A proposed Form 8-K to be filed with the United States SEC summarising the material terms of the letter agreement is enclosed with this announcement.

Ends

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About Universal Biosensors

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

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.

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, D.C. 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): March 9, 2016

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
(I.R.S. Employer
Identification Number)

**1 Corporate Avenue
Rowville, 3178, Victoria
Australia**
(address of principal executive offices)

Not Applicable
(Zip Code)

Registrant's telephone number, including area code: **+61 3 9213 9000**

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 Entry Into a Material Definitive Agreement

As previously disclosed by the Company, our wholly-owned operating subsidiary, Universal Biosensors Pty Ltd (“UBS”), and Siemens Healthcare Diagnostics Inc. (“Siemens”) are parties to:

- a Collaboration Agreement dated September 9, 2011, as amended on September 20, 2012 (the “**Collaboration Agreement**”) (a copy of which was incorporated by reference to our Quarterly Report on Form 10-Q filed on November 3, 2011 as Exhibit 10.20), pursuant to which the parties are collaborating in the development of coagulation-related test strip products (the “**Original Products**”), and associated readers for the Original Products (the “**Readers**”) for commercialization by Siemens in the hospital point-of-care and ambulatory care coagulation markets;
- a Supply Agreement dated September 20, 2012, pursuant to which UBS will manufacture and supply the Original Products to Siemens (the “**Supply Agreement**”) (a copy of which is incorporated by reference to our Quarterly Report on Form 10-Q/A filed on February 4, 2013 as Exhibit 10.2);
- a letter agreement titled “Supplemental Agreement – Reader Product Support Obligations and Responsibilities” dated September 20, 2012 (the “**Reader Letter**”) (a copy of which was incorporated by reference to our Quarterly Report on Form 10-Q/A filed on February 4, 2013 as Exhibit 10.3); and
- a letter agreement dated December 12, 2014 (“**December 2014 Letter**”).

On March 9, 2016, UBS and Siemens entered into the following additional letter agreement entitled “Conditional Prepayment of Milestones and other amendments” (the “**Prepayment Letter**”).

The Prepayment Letter amends the Collaboration Agreement by removing one of the Original Products to be developed and supplied. In addition, the Prepayment Letter adds an alternative product to be developed and supplied (the “**Alternative Product**”, the Alternative Product together with the remaining Original Products are referred to herein as the “**Products**”), under and in accordance with the terms of the Collaboration Agreement.

The Prepayment Letter amends and restates the annex to the Collaboration Agreement setting forth the milestones for the Products. To date, UBI has been paid five out of the seven milestones under the Collaboration Agreement. The annex is amended by varying the remaining milestones as well as introducing a new milestone with respect to the Alternative Product.

Under the Prepayment Letter, Siemens has agreed to prepay two of the outstanding milestones under the Collaboration Agreement totaling US\$2 million by April 30, 2016. The new milestone of US\$1.25 million will be paid by December 31, 2016. In addition, the final milestone of US\$500,000 due under the Reader Letter will be paid by April 30, 2016.

The prepaid milestone amounts will not be considered “paid” and will be repayable under certain circumstances until the corresponding milestone is achieved. Circumstances under which Siemens may require the repayment of the milestones include if:

- a milestone is not achieved and the parties agree that milestone is not achievable;
- the parties cease development of a Product based on technical infeasibility;
- the Collaboration Agreement is terminated in certain circumstances or expires;
- UBS suffers an insolvency event; or
- UBS assigns the Collaboration Agreement and/or Supply Agreement.

The Supply Agreement states the price payable by Siemens for each Product, and is based on the annual volume of such Product ordered, using a volume-based pricing schedule. UBS has agreed to a reduction in the transfer price payable for certain Products, only at the lower volume levels. The Prepayment Letter amends and restates the annex to the Supply Agreement setting forth the pricing for the Products.

The foregoing is a summary of certain terms of the Prepayment Letter. This summary does not purport to be complete and is qualified in its entirety by reference to the full text of the Prepayment Letter, which will be filed as an exhibit to the Company’s Quarterly Report on Form 10-Q for the quarter ending March 31, 2016. The Company intends to seek confidential treatment for certain portions of the Prepayment Letter pursuant to a confidential treatment request that it intends to submit to the Securities and Exchange Commission.

Item 7.01 Regulation FD

The Company filed a release with the Australian Securities Exchange (“**ASX Release**”) on March 9, 2016 announcing the amendment to the above agreements by the Prepayment Letter. A copy of the ASX Release is included as Exhibit 99.1 to this current report on Form 8-K. The information in the ASX Release attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

Item 9.01 Financial Statements and Exhibits.

The following exhibits are being furnished herewith:

<u>Exhibit</u>	<u>Description</u>
99.1	ASX Release of Universal Biosensors, Inc. dated March 9, 2016

SIGNATURES

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.

UNIVERSAL BIOSENSORS, INC.

Date: March 9, 2016

By: _____
Andrew Denver
Chairman