



Universal Biosensors, Inc.

ARBN 121 559 993

Investor Presentation

February 2012



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Contents

- ➔ • **UBI Overview**
 - Blood Glucose Monitoring
 - Coagulation Testing
 - Future opportunities
 - Financials



Company overview

- **UBI develops and manufactures diagnostic tools for use at the point-of-care (“POC”)**
 - UBI has unique technology, protected by a strong patent portfolio, that supports accurate, low-cost and easy-to-use POC testing based on handheld meters and disposable test strips
 - The worldwide POC testing market is estimated at ~\$15B globally, growing at 11%
- **UBI has moved from development of technology to commercialisation via two important partnerships with world leading diagnostics players**
 - In 2010, LifeScan (a Johnson & Johnson company focused on diabetes care) began the global roll-out of the OneTouch Verio, a blood glucose testing product incorporating disposable strip and meter technology developed with UBI. This product is now sold in all major glucose testing markets including North America, Europe and Australia.
 - In 2011, UBI announced it had entered into a collaboration agreement with Siemens Healthcare Diagnostics for the development and commercialisation of POC products in the coagulation testing market
- **UBI generates revenue (\$14.7M in 2011) through four key sources:**
 - Service Fees: ~US1c for each glucose strip sold by LifeScan
 - Product Revenues: received for strips supplied from UBI’s factory
 - R&D Services: payments received for R&D and other technical services
 - Milestones: payments received for meeting R&D or regulatory milestones
- **Future growth will be driven by new product development, broadening the accessible market for UBI’s technology in POC testing to include immunoassay and molecular diagnostics**



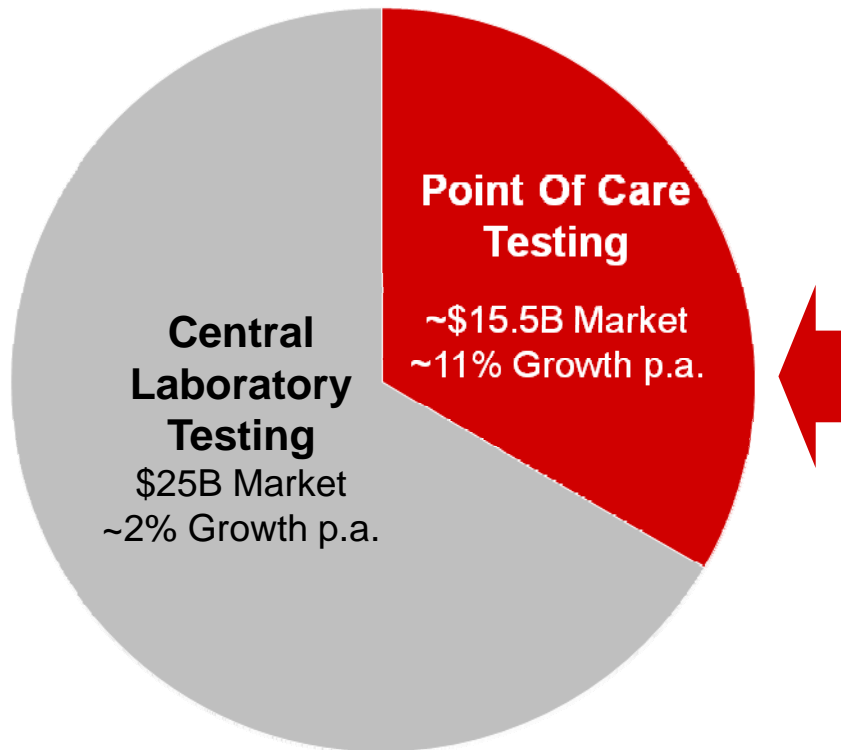
UBI can become a leader in POC diagnostics

- **We have built a strong foundation...**
 - A demonstrated point-of-care (“POC”) diagnostics technology platform
 - ISO13485 manufacturing capability established and operating
 - ~\$20M cash & receivables (31/12/11), & H2 2011 cash burn of \$2.4M
- **Our technology and business model has been validated by world leading companies...**
 - Global roll-out of first product (OneTouch Verio) underway with LifeScan
 - Novel glucose testing product in R&D phase with LifeScan
 - Global partnership with Siemens in POC coagulation testing
- **We have significant opportunities ahead...**
 - Point of care coagulation testing (for professional and home use)
 - Point of care immunoassay testing
 - Point of care molecular diagnostics testing



UBI targets the \$15B, growing POC market

Global In Vitro Diagnostics Market (2010 estimate)



Point of Care Growth Drivers

- ✓ Improved Health Economics (lower cost and better outcomes)
- ✓ Supports:
 - more timely diagnosis
 - increased frequency of testing for improved health outcomes
 - Management of chronic disease
 - Monitoring the effectiveness of a therapy
 - distributed healthcare for regional & remote areas as well as emerging economies



Using UBI's powerful diagnostic technology

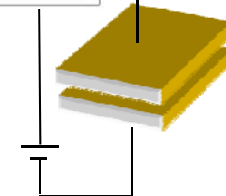
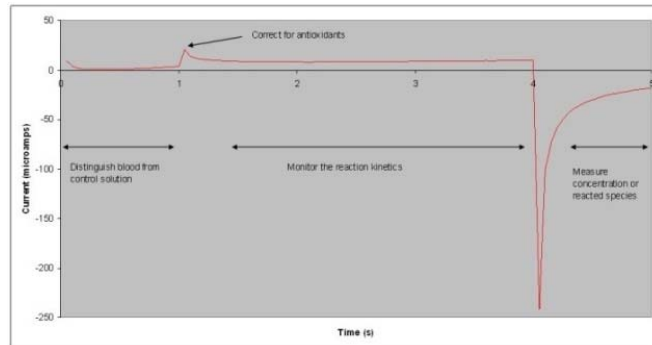
- **Well suited to Point-of-Care**

- ✓ Information-rich
(=*accurate & robust diagnosis*)
- ✓ Low cost to manufacture
(=*low cost per test*)
- ✓ Easy to use
(=*uses finger-prick drop of blood*)

- **Thoroughly protected**
(*44 patent families*)

- **Broad application**

- ✓ Across analytes
(*enzymes, immunoassay, molecular*)
- ✓ Across geographies
(*mature & emerging markets*)
- ✓ Across diagnostic settings
(*home-use, hospital, clinic*)





...and low cost, world-scale manufacturing





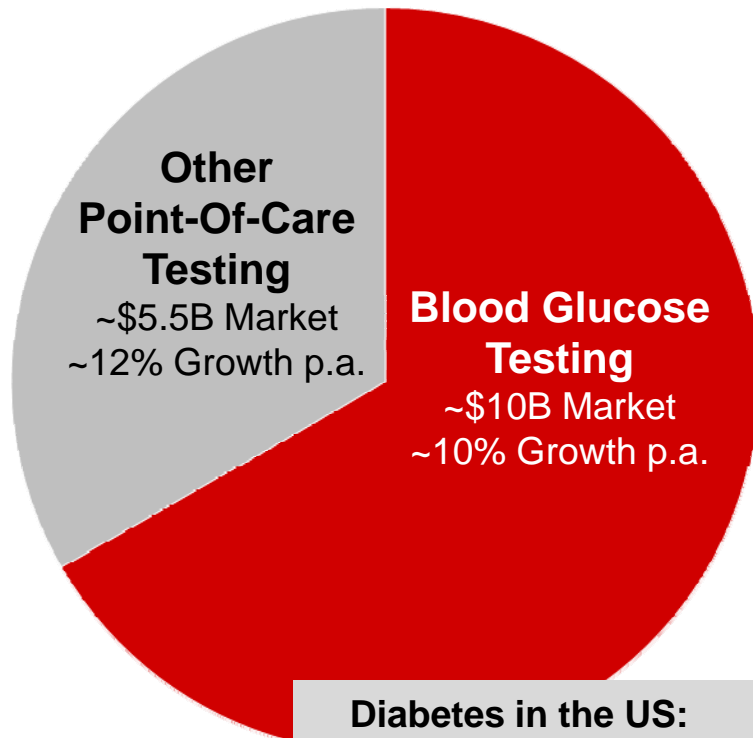
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1st target: the \$10B blood glucose segment

Global Point-Of-Care Diagnostics Market (2010 estimate)



Blood Glucose Growth Drivers

- Increased life expectancy of diabetes sufferers
- Growing incidence of diabetes in all geographies
- Technology improvements
- Increasing patient awareness

Diabetes in the US:

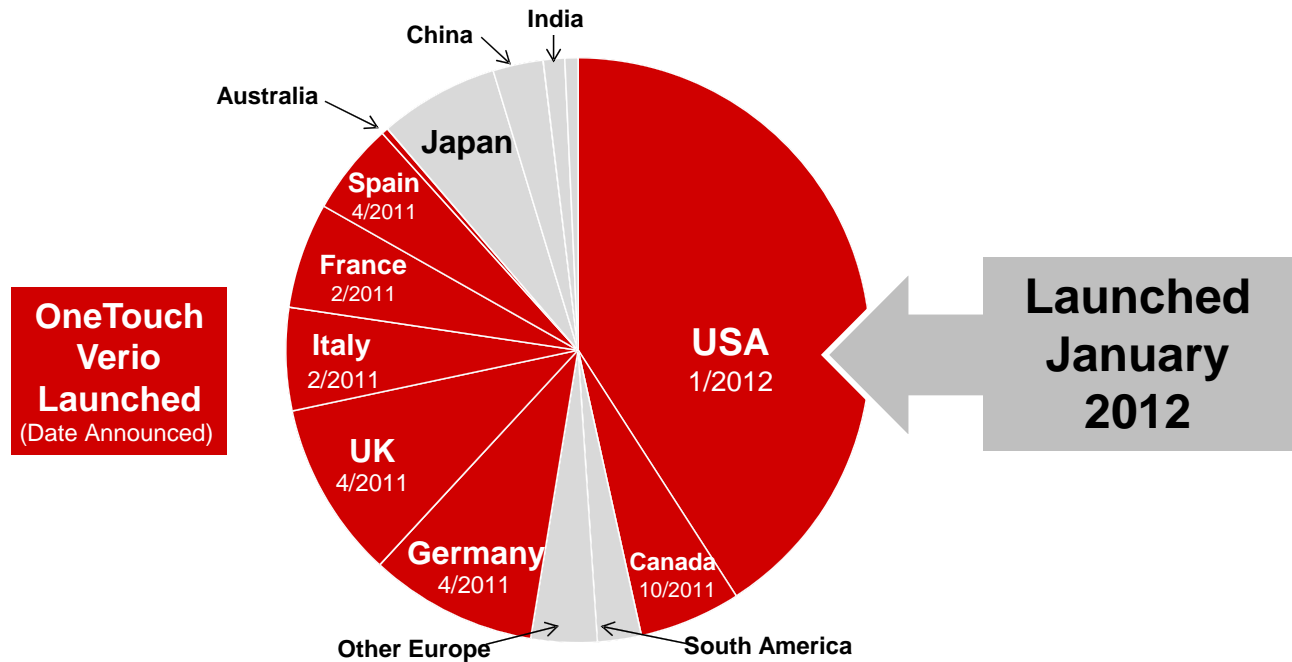
- *Type II prevalence doubled in US from 1990 to 2005;*
- *8.3% of US population affected;*
- *7 million people in US undiagnosed today;*



Global roll out across \$10B SMBG market



Self Monitored Blood Glucose Market (2015 estimate*)




Source: Global Data, SMBG Market Study Nov 2009

Note: images on this page are not representative of actual products approved in all markets.



OneTouch Verio IQ now in North America

<http://www.onetouch.com>



GET READY TO CHANGE THE WAY YOU LOOK AT TESTING.

The new OneTouch® Verio™ IQ is the first meter ever with PatternAlert™ Technology. Designed for people on insulin, it automatically puts high and low patterns right in the palm of your hand.

Ask your healthcare professional if OneTouch® Verio™ IQ is right for you.



“...we've also continued the global expansion of our highly accurate OneTouch Verio blood glucose-monitoring platform for diabetes patients. The OneTouch Verio system which was introduced in Canada last September has just been launched in the U.S. this month and we plan to launch it globally in the near future.”

– William C. Weldon, Johnson & Johnson Q4 2011 Earnings Call January 24, 2012



LifeScan / blood glucose - economics

Revenue Source	Revenue Detail
Service Fees <i>("Service Revenues")</i>	~ US1c received for each strip <u>sold</u> by LifeScan <ul style="list-style-type: none">• Irrespective of source of manufacture• LifeScan holds ~27% share of the >16B strips / annum SMBG market (2010)
Product Revenues <i>("Product Revenue")</i>	Received for all strips <u>supplied from UBI factory</u> <ul style="list-style-type: none">i) At low volumes ("Interim Costing Period"): fixed overhead contributionii) At higher volumes: Standard Cost + modest margin
R&D Services <i>("Service Revenues")</i>	Received for <u>R&D / services</u> provided by UBI <ul style="list-style-type: none">• Typically time & materials cost plus margin
Milestones <i>("Milestone Payments")</i>	Received on hitting <u>R&D or Regulatory milestones</u> <ul style="list-style-type: none">• Typically where UBI has taken some level of technical risk



Glucose business is building momentum

- OneTouch Verio IQ launched in US market (9th Jan 2012) and now with European (CE Mark) approval
- Insulet announces global agreement with LifeScan to integrate Verio technology with a future version of their Omnipod Personal Diabetes Manager (Feb 2012), demonstrating LifeScan commitment to the technology
- OneTouch Verio strip manufacturing expected to increase in 2012
 - UBI production volumes in 2012 expected to be higher than 2011 levels
 - LifeScan has commenced commercial manufacturing of OneTouch Verio strips in Inverness
 - Note: UBI earns ~1 cent Service Fee for each strip sold by LifeScan regardless of the manufacturer
- 12 month feasibility program with LifeScan for novel blood glucose testing product is on track



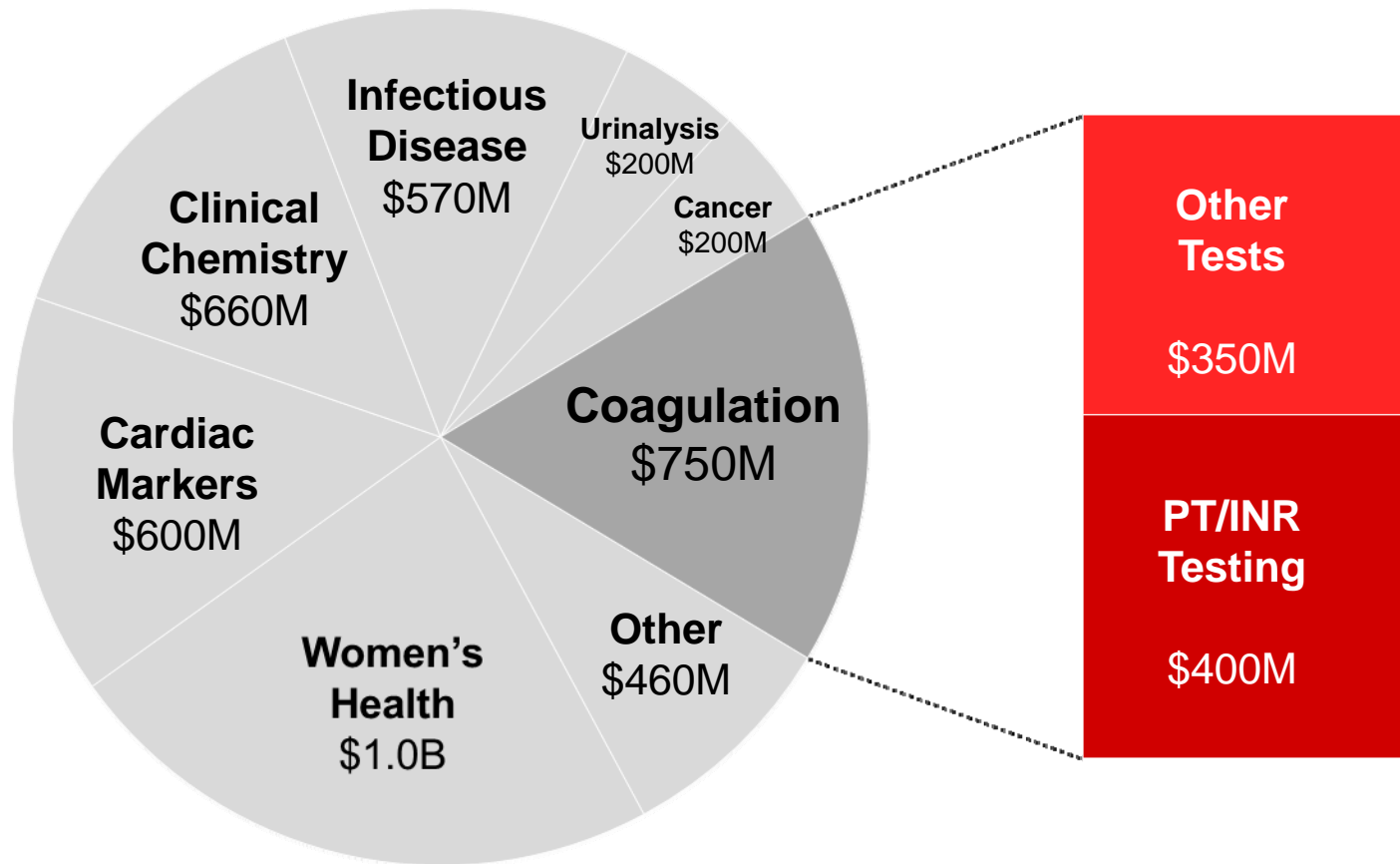
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Next opportunity: POC Coagulation Testing

Point-Of-Care Diagnostics Market (Excluding Glucose testing - 2008)

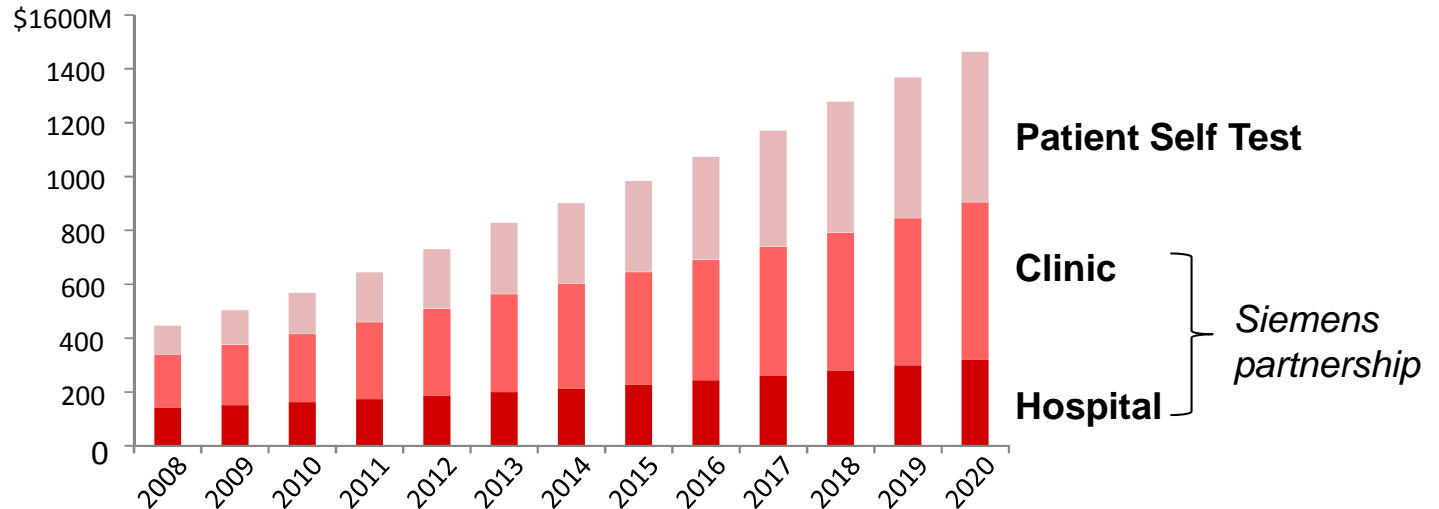




Global partnership with coagulation leader



Global POC PT/INR Market Projection (US\$M)



Market growth driven by:

- ✓ growing patient population
- ✓ ongoing Warfarin use,
- ✓ health benefits of increasing testing frequency



Siemens – a powerful new partner for UBI

- Partnership in the worldwide Coagulation market
 - ✓ Excludes patient-self-testing segment which UBI is free to pursue separately
- Multiple coagulation products to be developed
 - ✓ PT/INR product first to launch (2013)
 - ✓ Further products to follow
- Initial technology fee of \$3 million and a series of 6 payments tied to product development milestones to fund a significant portion of the R&D effort
- UBI will manufacture test strips exclusively
- Siemens to sell & distribute the products worldwide



Partnership strengthens competitiveness



- **Competitive product**

- ✓ Strip cost
- ✓ Meter cost
- ✓ Feature set
- ✓ Ease-of-use

+

- **Competitive channel**

- ✓ Global healthcare brand
- ✓ Global distribution
- ✓ Technical & customer support



PT/INR offers good economic potential

Maximum annual earnings opportunity (at 100% market share):

- Consider a target audience of >7 million Warfarin patients worldwide
- Assume 100% of this market
- Consider PT/INR monitoring frequency ranging from 4-weekly to weekly
- Consider earnings per test strip ranging from \$0.50 to \$1.50

Indicative Testing Frequency	Indicative Earnings per Strip		
	\$0.50	\$1.00	\$1.50
Once every 4 weeks (~91M tests/annum)	\$45M	\$91M	\$136M
Once every 2 weeks (~182M tests/annum)	\$91M	\$182M	\$273M
Once every week (~364M tests/annum)	\$182M	\$364M	\$546M

Note: this analysis is intended to illustrate the scope of the opportunity within PT/INR testing across a range of input assumptions and in no way represents a forecast of likely UBI earnings.



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Immunoassay technology opens big markets

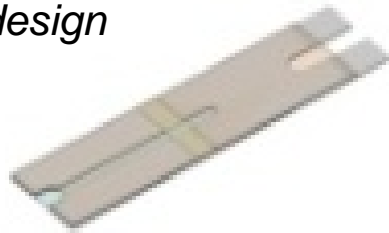
PoC Testing Market <i>(excluding blood glucose)</i>	World Sales <i>(2016E - USD'M)</i>	CAGR <i>(2010-16E)</i>	Typical Analysis Methods
Coagulation	1,320	7%	Physical (eg viscosity), Enzymatic
General Immuno, DoA, Clinical Chemistry	1,385	8%	Immunoassay & many other
Cardiac Markers	1,460	11%	Immunoassay
Cancer Markers	380	8%	Immunoassay, Molecular
Infectious disease	1,480	12%	Immunoassay, Molecular
Cholesterol	700	10%	Enzymatic



Immunoassay platform concept

Objective is to develop a standard immunoassay strip design that can be combined with commercially available antibodies to more rapidly deliver a range of point-of-care tests.

*Immunoassay
platform strip
design*



- + Antibody 1 → D-Dimer?
- + Antibody 2 → CRP?
- + Antibody 3 → Cardiac Marker?
- + etc → etc



Important near term milestones

Verio (US1c) Quarterly Service Fees increasing	Quarterly
\$4.5M technology feasibility program for LifeScan completed	2012
First R&D milestones for Siemens completed	2012
Launch of PT-INR product with Siemens	2013
Immunoassay platform feasibility demonstrated	2012
Rapid DNA detection using UBI strip technology demonstrated	2013



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Financials: Income Statement (2008-2011)

	Years Ended December 31,			
	2011	2010	2009	2008
	A\$	A\$	A\$	A\$
Revenue				
Revenue from products	\$ 12,063,582	\$ 11,760,009	\$ 132,733	\$ -
Revenue from services	2,632,870	6,420,027	4,187,196	4,291,944
Milestone payment	-	-	17,722,641	-
Total revenue	14,696,452	18,180,036	22,042,570	4,291,944
Operating costs & expenses				
Cost of goods sold and services	13,018,451	12,282,736	627,403	3,121,754
Research and development	9,812,396	6,482,150	14,898,072	11,585,258
General and administrative	7,271,488	7,185,550	5,635,569	5,510,127
Total operating costs & expenses	30,102,335	25,950,436	21,161,044	20,217,139
Profit/(loss) from operations	(15,405,883)	(7,770,400)	881,526	(15,925,195)
Other income	713,766	1,159,875	548,937	3,929,103
Net profit/(loss) before tax	(14,692,117)	(6,610,525)	1,430,463	(11,996,092)
Income tax benefit	-	-	-	206
Net profit/(loss)	(14,692,117)	(6,610,525)	1,430,463	(11,995,886)



Financials: Balance Sheet (31st Dec 2011)

Balance Sheet as at 31 December 2011

	A\$
Current Assets (excluding cash)	9,512,078
Cash	15,089,209
Property, Plant & Equipment (net)	20,295,180
Non-current receivables	320,000
Total Assets	<u>45,216,467</u>
Current Liabilities	7,016,764
Non-Current Liabilities	3,177,097
Stockholders' Equity	35,022,606
Total Liabilities & Stockholders' Equity	<u>45,216,467</u>



Financials: Capital Structure

Number of shares on issue	159,139,965
Market capitalization (at 31 December 2011)	~A\$119 million
Number of options on issue	11,417,536
Cash (at 31 December 2011)	~A\$15 million
Equity raised since inception	~A\$78 million



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