



Universal Biosensors

Universal Biosensors, Inc.

ARBN 121 559 993

Investor Presentation

August 2013



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UBI investment case

- ✓ Targeting the attractive Point of Care (POC) diagnostics market: US\$15Bn, growing >10% annually
- ✓ With a powerful POC technology platform
 - Easy-to-use, low cost, and accurate POC diagnostic system
 - Proprietary, large-scale automated test-strip manufacturing in operation
 - Protected by over 500 patents
- ✓ Partnered with world leader **LifeScan (J&J)** in diabetes (blood glucose testing):
 - Selling in >90% of the US\$9Bn, ~17Bn test-strip global market
 - Profitable, revenue generating business
 - OneTouch Verio strip sales growth well in excess of market rates
- ✓ Partnered with world leader **Siemens** in POC coagulation testing
 - US\$1Bn global market
 - First of 3 products expected to launch in 2013
 - Coagulation opportunity could generate as much value for UBI as glucose
- ✓ Pipeline of high value future product opportunities
- ✓ Experienced, high-calibre management team
- ✓ ASX listed, ~A\$130M market capitalisation, A\$30M revenue in FY2012



Contents

• H1 FY2013 Results

- UBI Overview
 - Investment Case
 - Blood Glucose Monitoring
 - Coagulation Testing
 - Future Opportunities
 - Financial Data



Financial metrics (H1 FY2013)

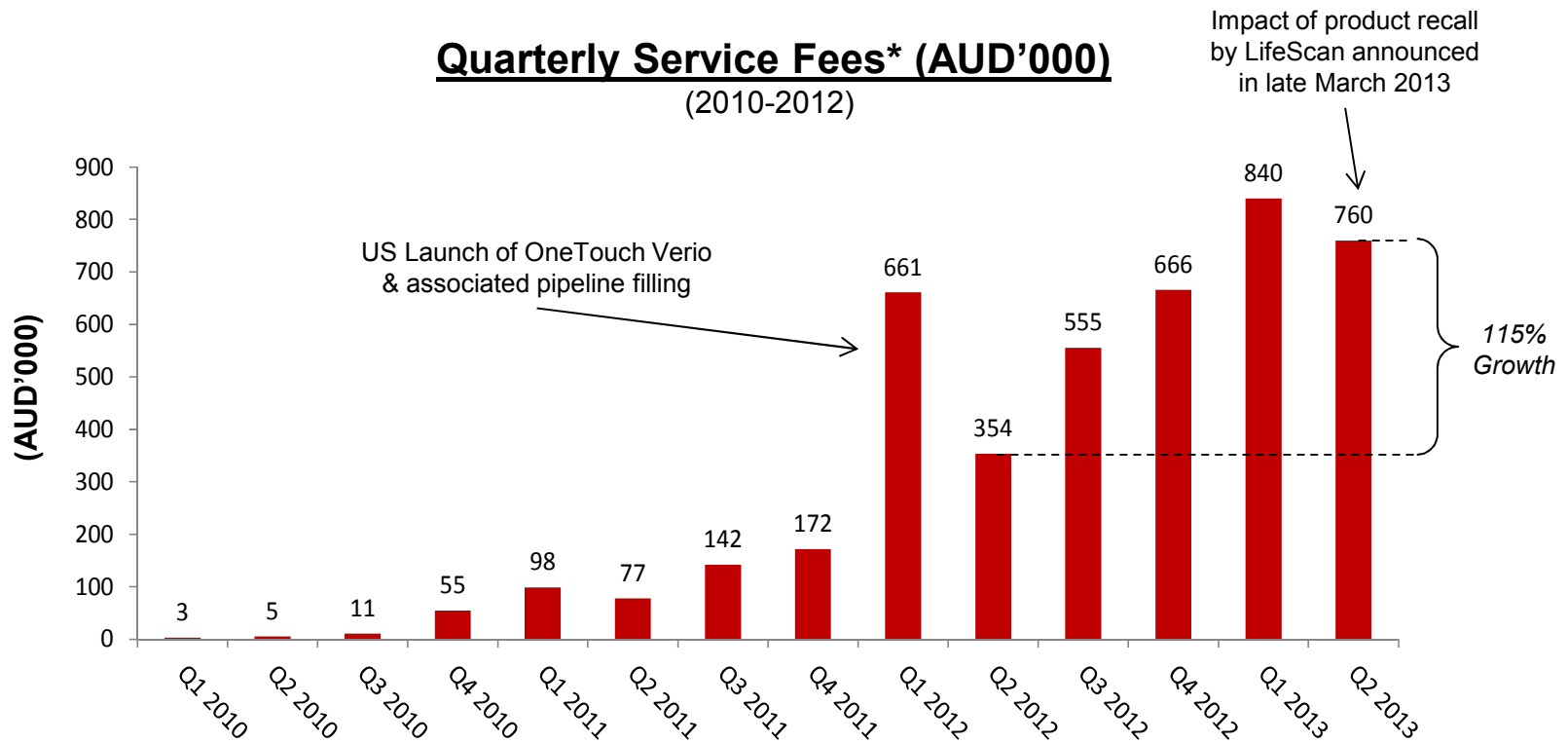
	3 months ended June 30 th			6 months ended June 30 th		
	2013 (A\$'M)	2012 (A\$'M)	Change	2013 (A\$'M)	2012 (A\$'M)	Change
Quarterly Service Fees	0.8	0.4	Up 115%	1.6	1.0	Up 58%
Revenue from Products	3.5	4.7	Down 27%	7.2	9.5	Down 24%
Revenue from Services*	0.5	3.2	Down 83%	0.8	4.2	Down 82%
Total Revenue	4.8	8.3	Down 43%	9.6	14.7	Down 35%
Cost of Goods Sold & Services	3.8	4.6	Down 19%	7.6	9.7	Down 23%
Contribution from Products & Services	1.0	3.7	Down 72%	2.0	5.0	Down 59%
R&D Expense	3.4	3.1	Up 11%	7.9	5.4	Up 47%
G&A Expense	1.5	1.6	Down 6%	2.8	3.1	Down 9%
Net Loss after Tax	3.0	1.0	Up \$2.0M	7.7	3.4	Up \$4.3M
Net Decrease in Cash	2.8	1.0	Up \$1.8M	6.2	0.4	Up \$5.8M

*Excludes Quarterly Service Fees shown separately



Quarterly Service Fees

Quarterly Service Fees represent a key value driver for UBI. Following LifeScan's worldwide meter recall at the end of March 2013, Q2 Quarterly Service Fees fell by 9% from Q1 levels. However, after swift resolution of the technical issues by LifeScan, June strip sales showed a strong recovery suggesting that the impact of the recall on strip sales is likely to be short term. Despite this slowing of momentum in Q2, strip sales for the quarter were 115% higher than the prior comparable period.



*Quarterly Service Fees are based on the number of Verio strips sold by LifeScan

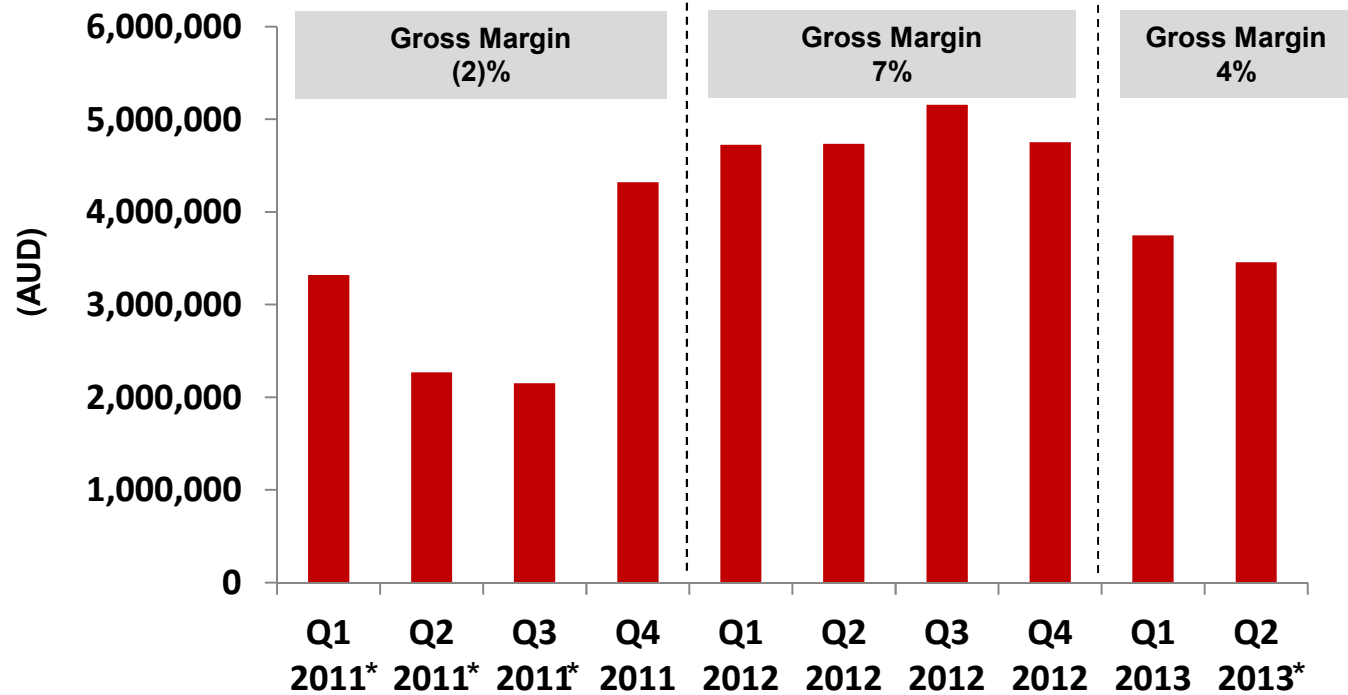
Source: UBI accounts - for important details relating to the terms of our commercial relationship with LifeScan, refer to our most recent Form 10K and agreements filed with the SEC.



Revenue from Products

Revenue from Products is generated from the manufacture of test strips. In FY2013, UBI manufacturing volumes were impacted as LifeScan began to manufacture an increased proportion of OneTouch Verio test strips at their own Inverness facility, consistent with the long term expectation that UBI will be a second source supplier of these strips to LifeScan. In Q2 FY2013, volumes have been further impacted by the short term effect of LifeScan's recent meter recall. Despite the lower volumes, we were able to achieve Q2 FY2013 manufacturing margins of 7%. UBI earns a ~US1cent Service Fee on every strip sold by LifeScan, regardless of where they are manufactured.

Revenues from Products
(2011-2013)

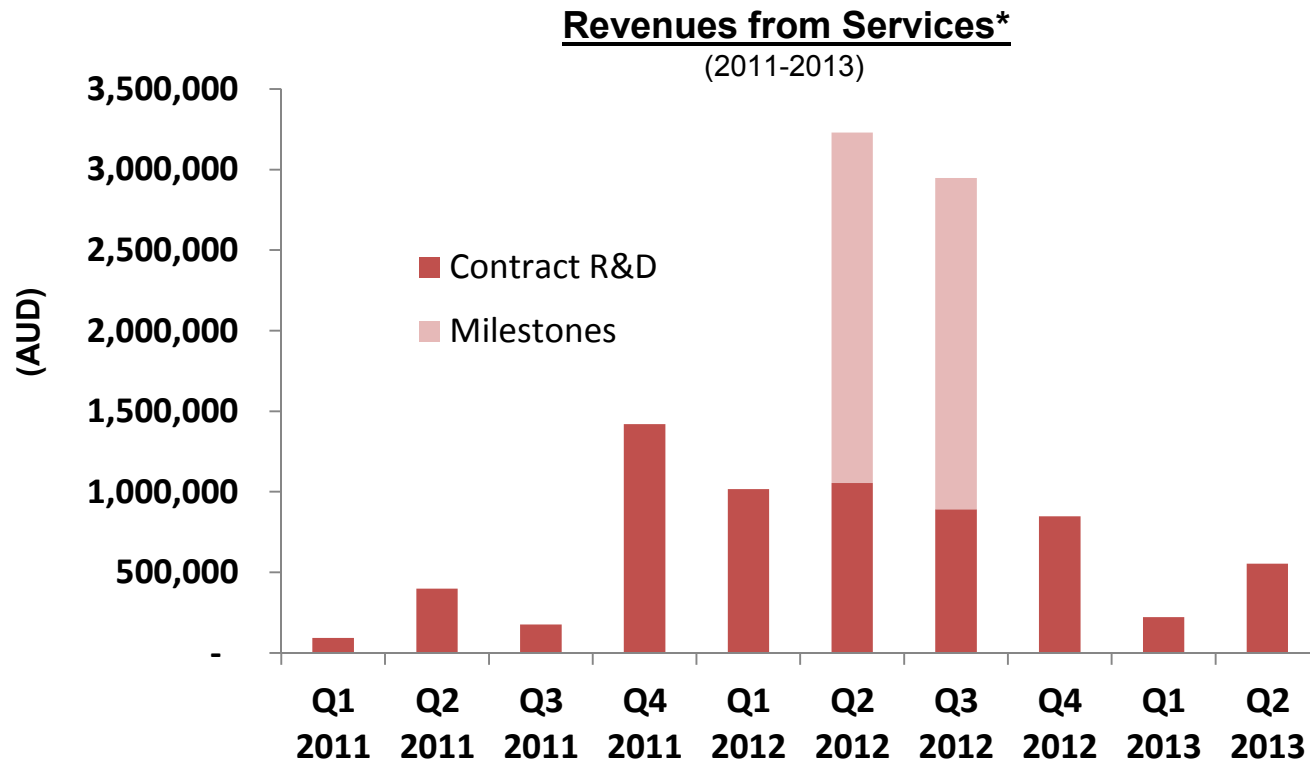


* UBI operated within the Interim Costing Period during this period
Source: UBI accounts



Revenue from Services*

Revenue from Services is generated from contract R&D projects with LifeScan as well as milestone and other payments from Siemens relating to the development of the new coagulation testing products. As such, these revenue streams are project-based and fluctuate depending on the timing of milestones and the R&D needs of our partners. During the first half of FY2013, there were no R&D projects underway with LifeScan following a major program in FY2012, and no milestone payments due from Siemens.



*Excluding Quarterly Service Fees

Source: UBI accounts



Blood glucose business is profitable

Profit & Loss – 6 Months Ended 30th June 2013

LifeScan / Glucose Products only

	AUD Millions
Revenue from strip manufacturing*	7.2
Revenue from R&D services**	-
Revenue from Quarterly Service Fees***	1.6
Total revenue	8.8
Cost of goods sold and services	6.9
Gross margin	1.9
<i>Gross margin as % of revenue</i>	<i>21%</i>

* Revenue earned from strips sold to LifeScan, manufactured by UBI – “Product Revenues”

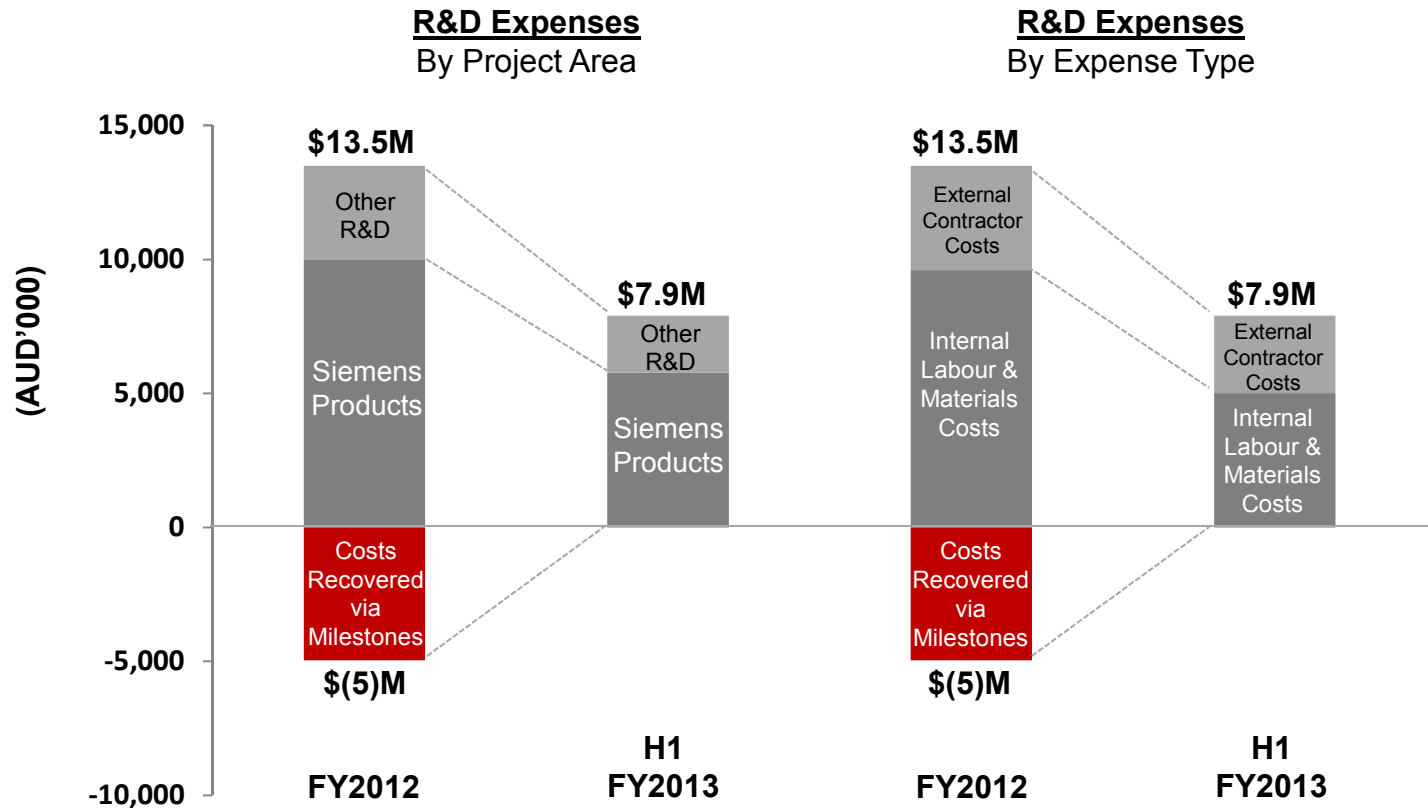
** Includes fees earned providing R&D services to LifeScan, but excludes any payments received from Siemens during the period.

*** ~US1c Service Fee earned on every Verio strip sold by LifeScan



R&D Expense

UBI will build shareholder value through the development and launch of new point of care testing products that leverage our platform detection technology and strip manufacturing capability. The bulk of our R&D investment (~80% in FY2013 YTD) is aimed at preparing a series of coagulation testing products for market launch, with a significant proportion of this spend recovered from our partner Siemens through a series of milestones and other payments. Over 35% of spend is with external contractors involved in meter development work that are not a fixed part of UBI's cost structure.

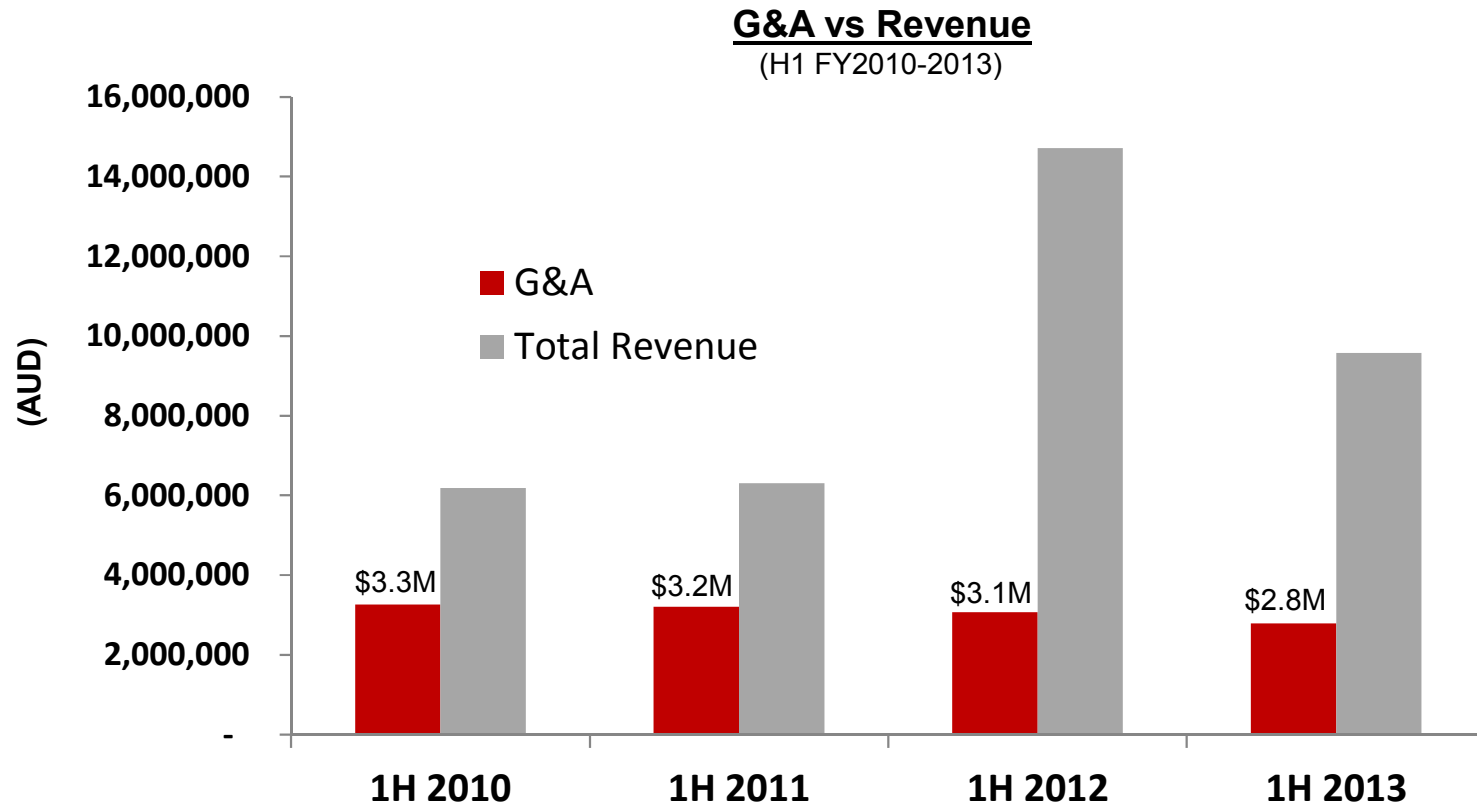


Source: UBI accounts



G&A Expense

G&A expenses are largely fixed in nature as shown by comparison to the revenues generated by the business in corresponding periods over time. Furthermore, these expenses have been reduced over time as part of management's ongoing cost efforts to improve the productivity of our overheads.

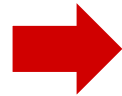


Source: UBI accounts



Contents

- H1 FY2013 Results



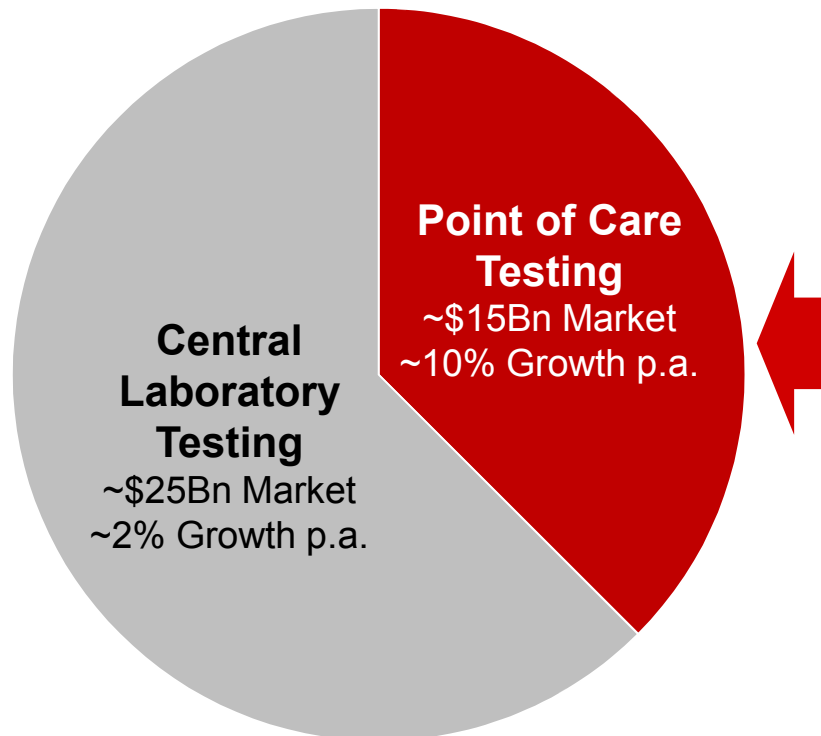
- **UBI Overview**

- Blood Glucose Monitoring
- Coagulation Testing
- Future Opportunities
- Financial Data



UBI targets the \$15Bn, growing POC market

Global In-Vitro Diagnostics Market (2012 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**

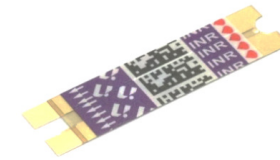
- ✓ **Easy to use**
(requires small drop of blood from finger-prick)
- ✓ **Accurate results**
(results that are accurate for each individual)
- ✓ **Low cost to manufacture**
(supports fully automated, scale manufacturing)

- **Broad application**

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

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

Disposable Test Strips



Handheld Readers





Universal Biosensors

...and low cost, scale manufacturing



- ISO 13485
- Highly automated
- Custom designed
- Scale appropriate

- Existing capacity to produce >750M glucose strips p.a.





Building a powerful diagnostics company

Blood Glucose

Coagulation

POC Diagnostics Leadership

- ✓ Core technology platform (strip & meter)
- ✓ Low-cost, scale manufacturing
- ✓ Early cash flow
 - Contract R&D
 - Strip production
 - Quarterly Service Fees

- ✓ **Validation by a world leader**



- ✓ Demonstrated broader capability of UBI technology
- ✓ Diversification reduces business risk
- ✓ Long term strip manufacturing secured by contract

- ✓ **Second validation by a world leader**



- Build out POC Diagnostics test menu
- Leverage core capabilities (development & manufacturing)
- Leverage & expand route-to-market partnerships
- **Extract greater returns from the value chain**



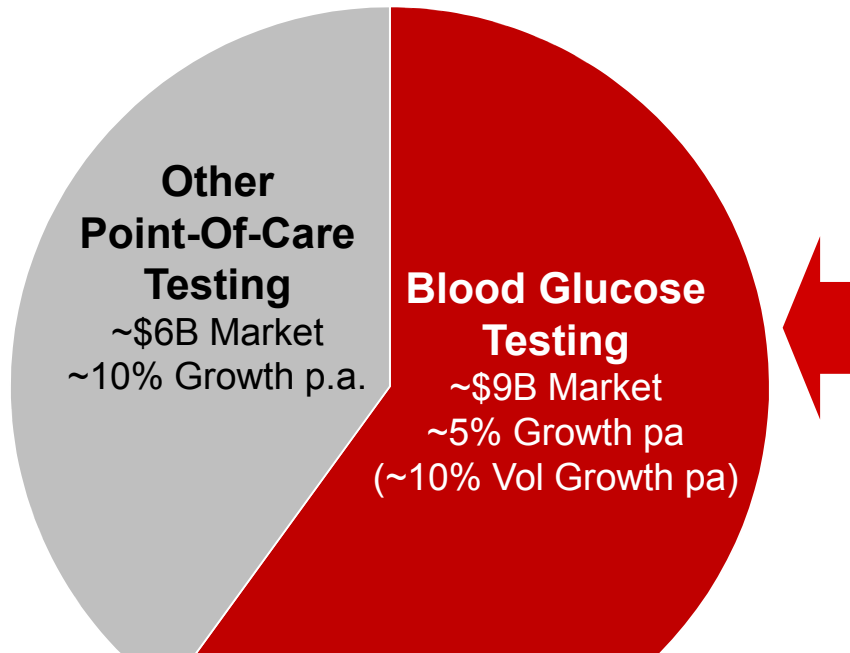
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1st target: the \$9B blood glucose segment

Global Point of Care Diagnostics Market (2013 estimate)



Blood Glucose Growth Drivers

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

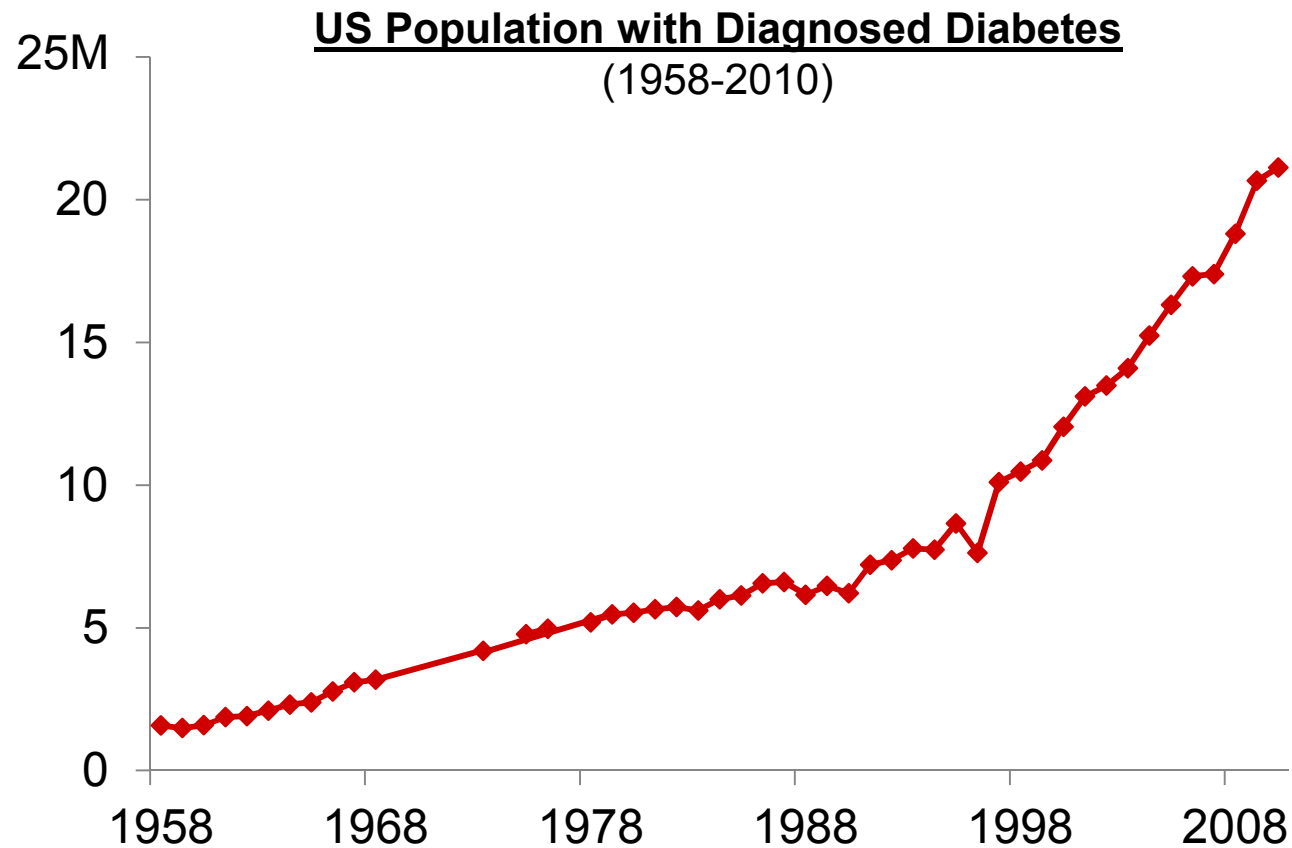
Diabetes in the US:

- *Type II prevalence doubled in US from 1990 to 2005;*
- *~8.3% of US population affected;*
- *~7 million people in US undiagnosed today;*
- *Economic burden of diabetes in US ~\$245Bn per annum (up 41% in 5 years)*



Growth in diabetes drives glucose testing

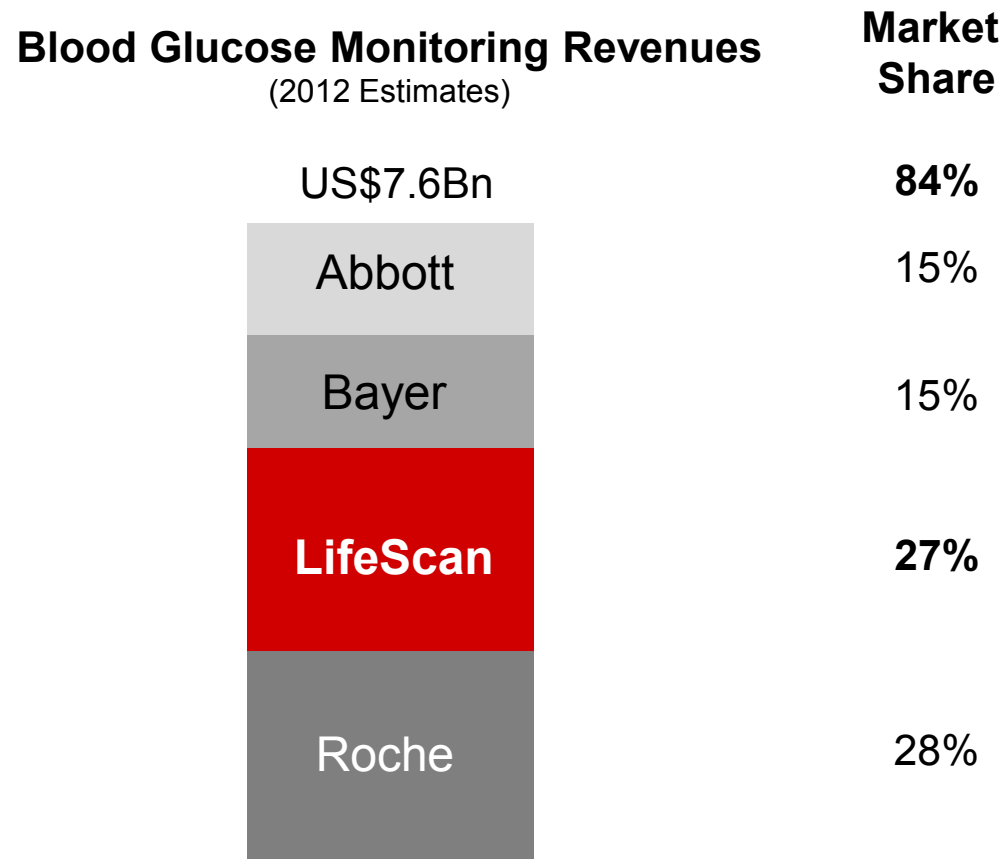
The ongoing growth in the number of people diagnosed with diabetes will continue to drive the use of blood glucose testing and strip volumes.





The “Big 4” blood glucose players

The “Big 4” blood glucose testing companies dominate the market, with LifeScan a leading player. In recent times, despite growth in blood glucose testing volumes, pricing pressures have seen a decline in revenues from all the major players.



Source: Company Financial Reports, analyst estimates, management estimates

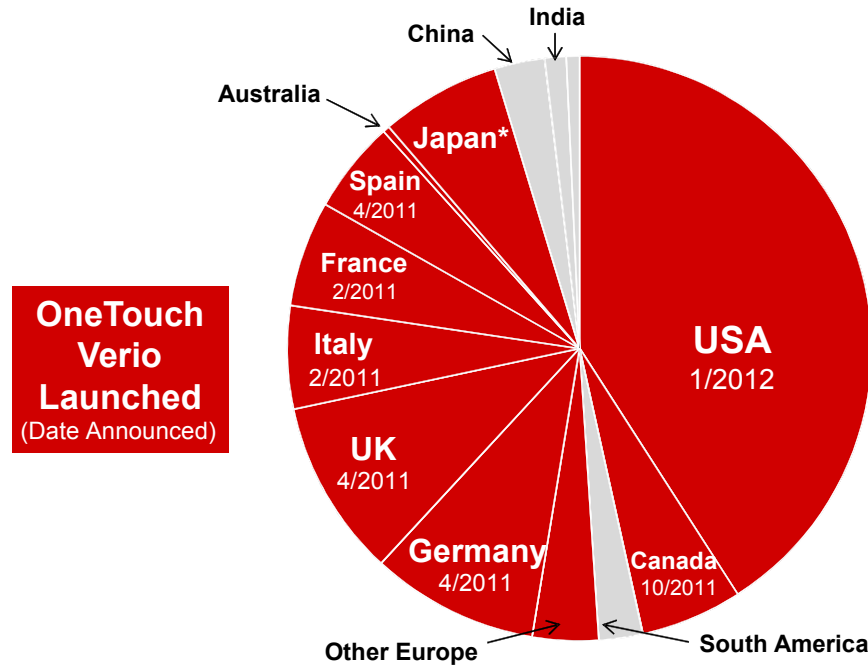


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OneTouch Verio global roll-out continues...



Self Monitored Blood Glucose Market
(2015 estimate*)



Estimated World Market

~17Bn tests / annum

Estimated LifeScan Share

~4.5Bn tests / annum

Source: Global Data, SMBG Market Study Nov 2009

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

*Product launched in Japan is aimed at Healthcare Professionals, rather than Self Monitored Blood Glucose



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...with a growing OneTouch Verio offering



OneTouch Verio
Initial launch in The Netherlands
and Australia (2010)



OneTouch Verio Pro
Launched in Europe (2011)



OneTouch Verio IQ
Launched in Canada (2011), USA, major
European markets and Australia (2012)



OneTouch Verio Pro+
Launched in Asia Pac, Japan, Nordics,
UK, Saudi Arabia (2012)



OneTouch Verio strips

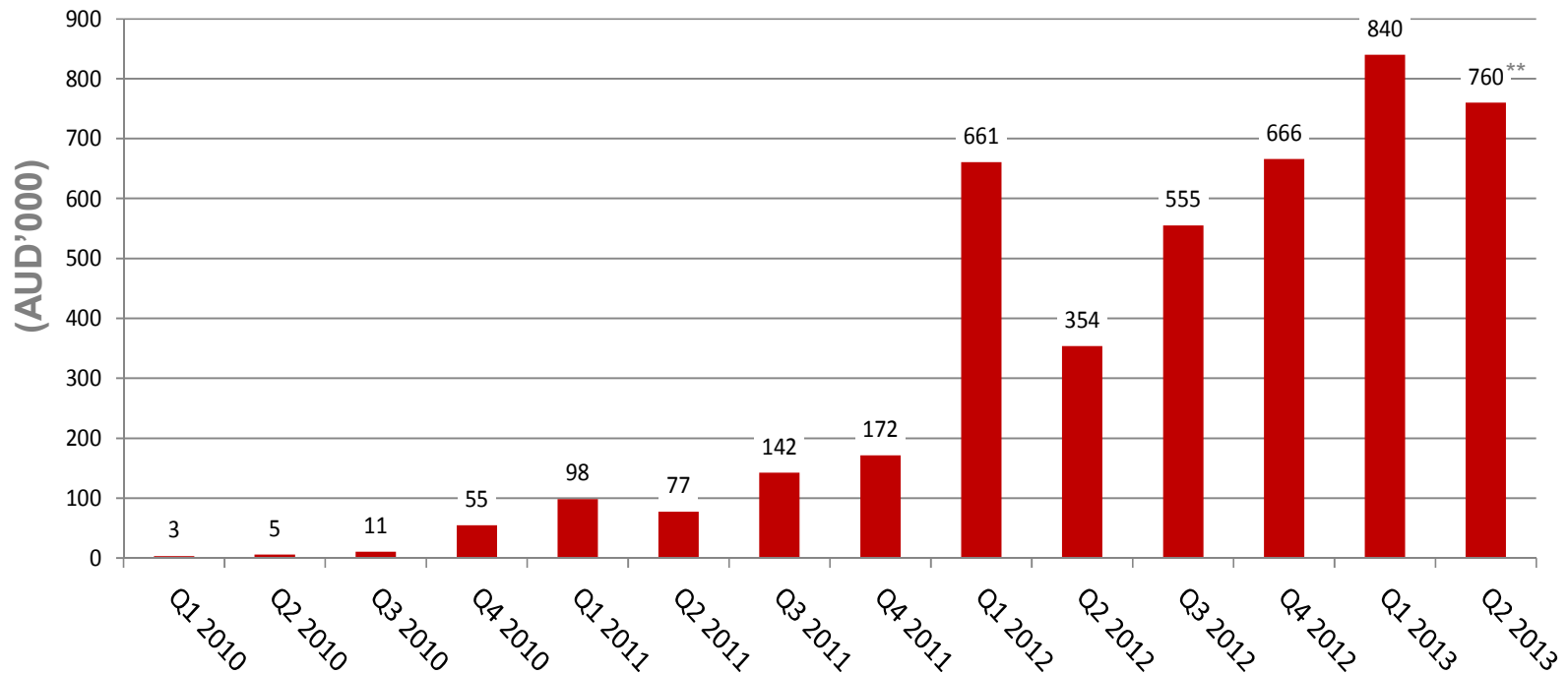


OneTouch Verio Sync
FDA Approved (2013)



Quarterly Service Fees are building...

Quarterly Service Fees* (2010-2012)



*Quarterly Service Fees are based on the number of Verio strips sold by LifeScan

**Quarterly Service Fees in Q2 2013 decreased following LifeScan's worldwide meter recall announced at end of March 2013

Note: OneTouch Verio launched in US market in January 2012

Source: UBI accounts - for important details relating to the terms of our commercial relationship with LifeScan, refer to our most recent form 10K and agreements filed with the SEC.



...driving profitability of the glucose business

Profit & Loss – 6 Months Ended 30th June 2013

LifeScan / Glucose Products only

	A\$ Millions	
Revenue from strip manufacturing*	7.2	➤ Greater portion of OneTouch Verio global demand now supplied from LifeScan facility
Revenue from R&D services**	-	➤ No contract R&D projects currently underway
Revenue from Quarterly Service Fees***	1.6	➤ Continued market penetration
Total revenue	8.8	
Cost of goods sold and services	6.9	➤ Modest 4% manufacturing margin in H1
Gross margin	1.9	
<i>Gross margin as % of revenue</i>	<i>21%</i>	

* Revenue earned from strips sold to LifeScan, manufactured by UBI – “Product Revenues”

** Includes fees earned providing R&D services to LifeScan, but excludes any payments received from Siemens during the period.

*** ~US1c Service Fee earned on every Verio strip sold by LifeScan



Blood glucose testing industry dynamics

Industry Dynamic

- Continued growth in prevalence of diabetes & glucose testing volume
- Pricing & margin pressures on SMBG products due to
 - Reimbursement pressures
 - Private label competition
 - Distribution channel shifts
- Regulators pushing for greater performance / accuracy
- Recent product recalls
 - LifeScan OneTouch Verio meters (March 2013)
 - Abbott Freestyle Insulin meters (April 2013)

Potential Implications for UBI

- Positive - should drive ongoing growth in glucose strip sales
- Neutral - Quarterly Service Fee revenues are volume rather than margin dependent
- Positive for OneTouch Verio
- Risk of lost sales momentum given early stage in product roll-out. Short term impact seen in Q2 FY2013 with:
 - slowing in growth of Quarterly Service Fees to 115% vs pcp
 - drop in manufacturing volumes, and return to Interim Costing Period



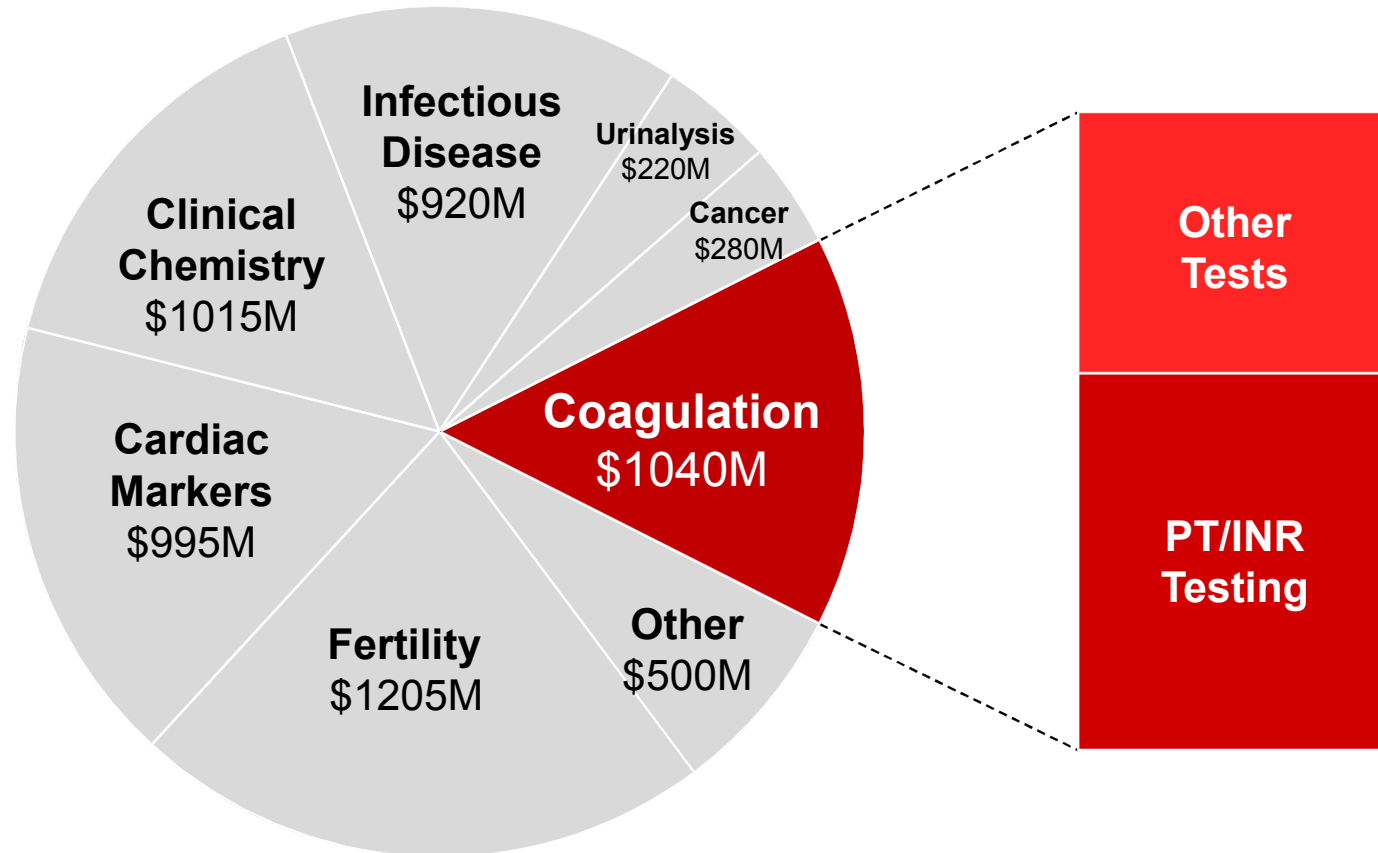
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Next opportunity: POC coagulation testing

Point-Of-Care Diagnostics Market (USD)
(Excluding Glucose testing - 2012E)



Source: Espicom Business Intelligence, 2011; Industry analysis; Management estimates



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Partnered with Siemens in POC coagulation



+

SIEMENS



PT-INR testing system:

- in development
- launch expected in 2013



Coagulation test #2:

- feasibility achieved June 2012
- now in development



Coagulation test #3:

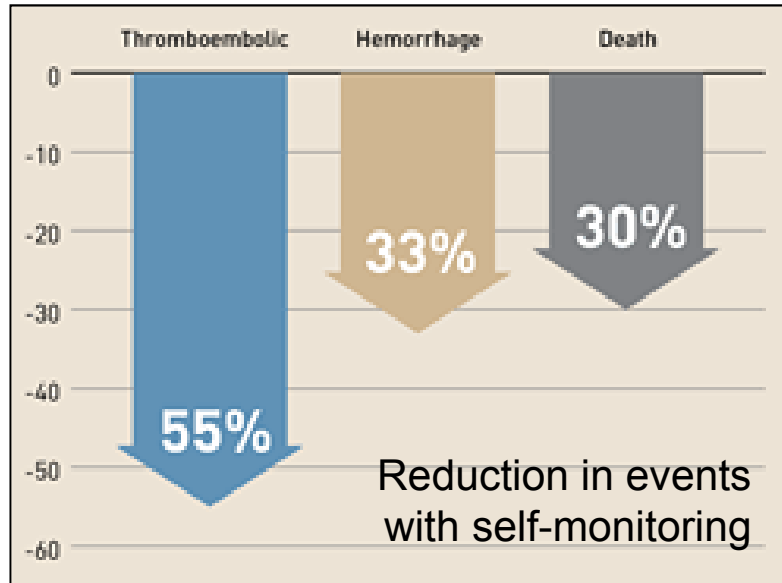
- feasibility achieved July 2012
- now in development

- Partnership in “professional” markets for Point-of-Care Coagulation testing worldwide
- UBI will be the exclusive manufacturer of 3 coagulation test strips for Siemens
- Siemens to register, market and distribute products worldwide
- Siemens contributes to development costs: US\$6.5M received to date, with 4 milestone payments to come
- UBI returns via gross margin on manufacturing & upside profit share



What is a PT/INR test?

- Prothrombin Time (PT) measures the clotting tendency of blood and is reported as an International Normalised Ratio (INR)
- Frequent INR testing is used to ensure that Warfarin patients remain in the Target Therapeutic Range (TTR)



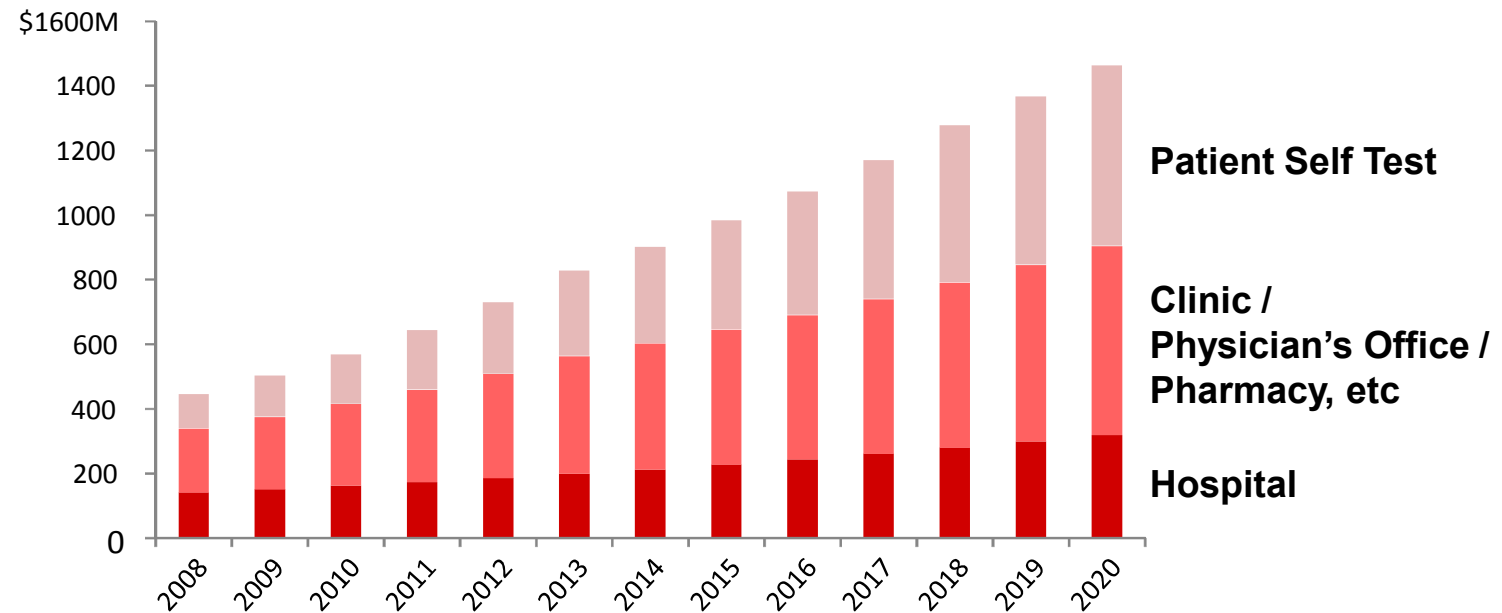
Heneghan C, Alonso-Coello P, Garcia-Alamino JM, et al. Self-monitoring of oral anticoagulation: a systematic review and meta-analysis. *Lancet*. 2006;367:404-411.

- More frequent monitoring may improve patient outcomes as patients remain within TTR longer
- Point of Care (POC) testing is required for more frequent monitoring



POC PT-INR testing will grow strongly

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



Market growth driven by:

- ✓ growing patient population
- ✓ ongoing Warfarin use (>7 million users in 2010)
- ✓ health benefits of increasing testing frequency (towards weekly)
- ✓ US Medicare reimbursement of weekly test at ~US\$5.53 / test

Source: Management estimates; Kalorama, *The Worldwide Market for In Vitro Diagnostic Tests*, 6th Ed., 2008; Trimark, "Point of Care Diagnostic Testing World Markets", April 2011



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Roche dominates POC coagulation testing

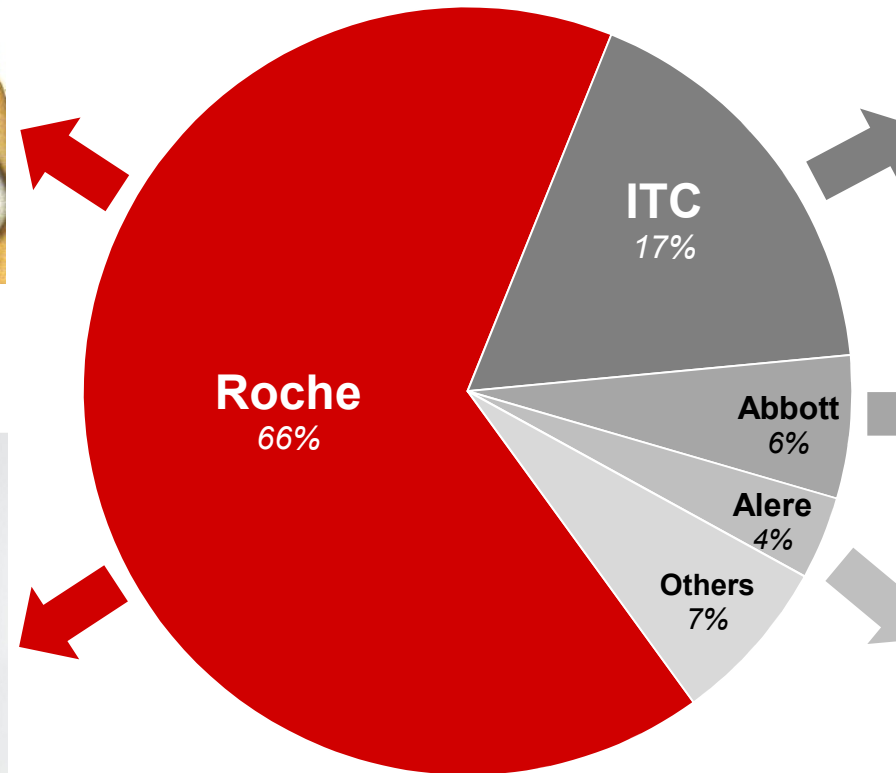
World POC coagulation testing market
(Estimated market share & product examples - 2012)



CoaguChek XS



CoaguChek XS Pro



ITC
ProTime



Abbott
i-Stat



Alere
INRatio2

Source: Management estimates



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First POC coagulation product on the way...



Providing access

Siemens answers bring lab accurate results at the point-of-care.

Xprecia Stride Analyzer

The addition of the handheld Xprecia Stride™ Analyzer* with the Innovin® Reagent to the Siemens portfolio will bring our hemostasis expertise to point-of-care settings. Featuring a comfortable, ergonomic design, this coagulation analyzer meets an escalating need for near-patient PT/INR results.

Ask your Siemens sales rep about the new Xprecia Stride Analyzer.



SIEMENS

*Under development. Not available for sale. Not all products will be available in all countries.

excellent platform for us to demonstrate how we help our customers fight the most threatening diseases while improving workflow efficiency and performance."

Instruments and Assays: Driving Clinical Excellence

Recognizing the growing demand for near-patient testing, Siemens is showcasing the company's advanced POC solutions that provide laboratory-quality, time-critical results to clinicians. Among these is a first look at the **Xprecia Stride™ Coagulation Analyzer**^{1,2}, a new handheld coagulation system that performs prothrombin time testing (PT/INR), and the first product to be developed by Siemens in partnership with Universal BioSensors. Siemens is also previewing the **Stratus® CS 200 Acute Care™ Diagnostic System**^{1,2}, an easy-to-use POC instrument featuring a



PT/INR offers good economic potential

Annual revenue opportunity:

- Consider a target audience of ~7 million Warfarin patients worldwide
- Assume, conservatively, that each patient tests 30 times per annum, on average
- Assume, conservatively, that UBI's price per test strip lies between US\$0.50-1.50

Annual Revenue Opportunity (USD)	Transfer Price per Strip (USD)		
	\$0.50	\$1.00	\$1.50
Market Share			
10%	\$10M	\$21M	\$32M
20%	\$21M	\$42M	\$63M
30%	\$32M	\$63M	\$95M

Note: this analysis is intended to illustrate the scale 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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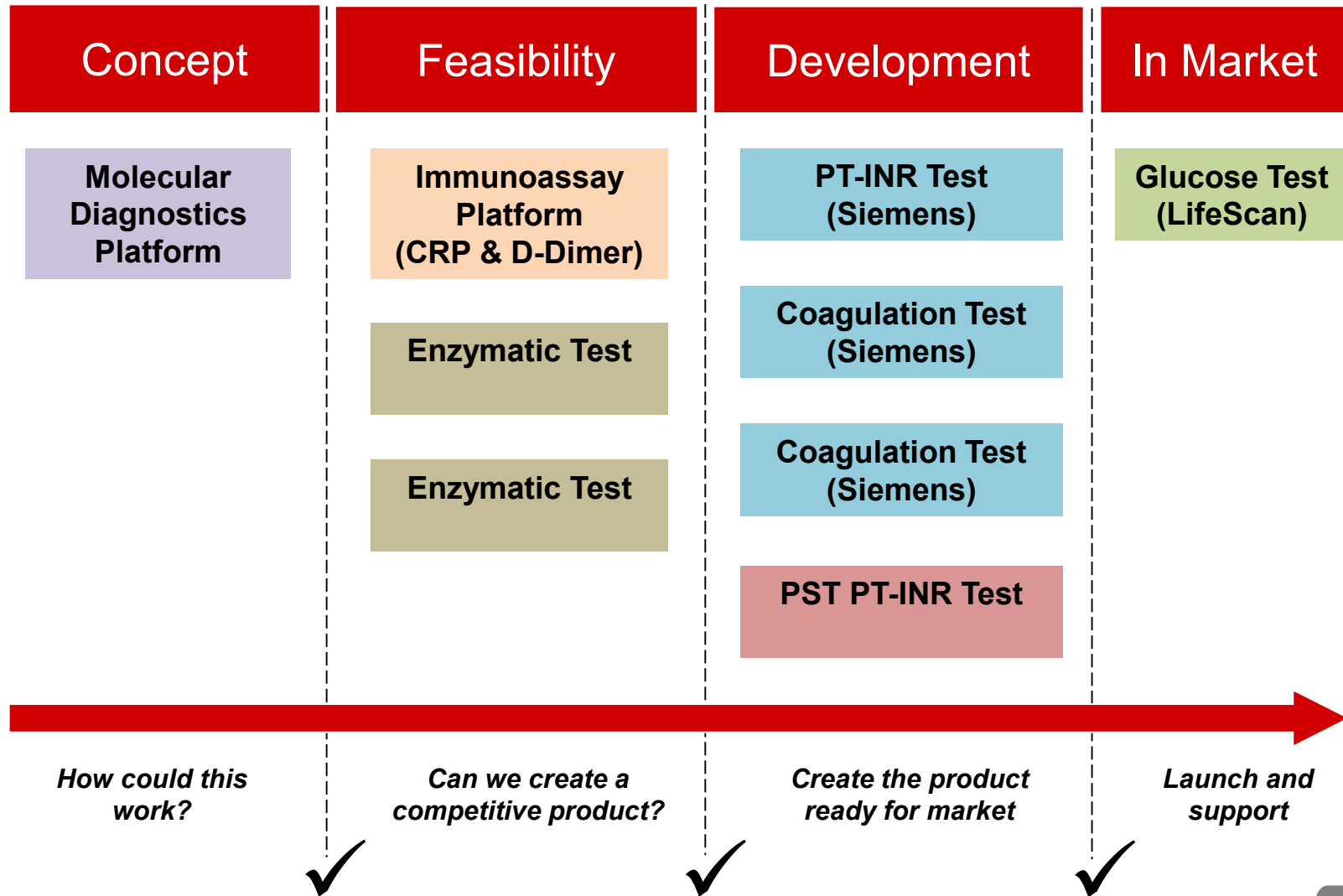


 - **Future Opportunities**

 - Financial Data



Creating a pipeline of future POCD products





Pipeline Update

Patient Self Test PT-INR

- Product specifications well advanced
- Meter development underway
- Strip development complete
- Distributor screening in progress

Immunoassay

- Continued focus on CRP / D-Dimer to prove capability
- Grant funding under Victorian Government's Technology Voucher Program for CSIRO support to enhance the platform for cardiac applications

Molecular Diagnostics

- Product vision and working concept in place
- Currently investigating "high-risk" components



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Financial summary: P&L & cash flow

	Six Months Ended June 30,	
	2013	2012
	A\$	A\$
Revenue		
Revenue from products	7,201,071	9,458,849
Revenue from services	2,378,356	5,260,528
Total revenue	9,579,427	14,719,377
Operating costs & expenses		
Cost of goods sold	6,920,431	9,316,187
Cost of services	632,013	429,979
Research and development	7,906,131	5,383,644
General and administrative	2,795,398	3,068,856
Total operating costs & expenses	18,253,973	18,198,666
Loss from operations	(8,674,546)	(3,479,289)
Other income	991,102	68,331
Net loss before tax	(7,683,444)	(3,410,958)
Reconciliation to cash		
Non-cash items	1,508,995	1,823,545
Change in working capital	(505,873)	1,230,574
Capital expenditure	(74,968)	(420,562)
Financing activities	560,806	397,870
Net decrease in cash	(6,194,484)	(379,531)



Financial summary: balance sheet

Balance Sheet as at 30 June 2013

	A\$
Current Assets (excluding cash)	6,698,248
Cash	18,095,399
Property, Plant & Equipment (net)	17,043,450
Other Non-Current Assets	320,000
Total Assets	42,157,097
<hr/>	
Current Liabilities	6,517,557
Non-Current Liabilities	3,480,272
Stockholders' Equity	32,159,268
Total Liabilities & Stockholders' Equity	42,157,097



Financial summary: capital structure

Number of shares on issue	174,709,420
Market capitalization (at 28 th July 2012)	A\$130 million
Number of options on issue	10.9 million
Cash (at 30 th June 2013)	A\$18.1 million
Equity raised since inception	A\$83 million



Top 5 UBI shareholders

Shareholder	30th June 2013 Holding
<i>The Principals Cornerstone Fund Pty Ltd</i>	10.4%
<i>CM Capital Investments Pty Ltd</i>	10.2%
<i>National Nominees Ltd</i>	8.7%
<i>Australian Executor Trustees SA Ltd</i>	7.4%
<i>PFM Cornerstone Ltd</i>	6.4%



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