



Universal Biosensors

Universal Biosensors, Inc.

ARBN 121 559 993

Buchan “Three Tickers” Presentation

13th March 2013



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UBI in summary

Powerful technology for growing POC diagnostics markets

- Point-of-care (“POC”) diagnostics is ~\$15Bn market with ~10% growth pa
- Electro-chemical sensor technology, protected by 44 patent families...
- ...enables easy-to-use, accurate, low cost diagnostics using a handheld reader & disposable test strips, ideal for POC applications

World-scale strip manufacturing plant in operation

- ISO13485 certified, fully automated, world-scale manufacturing in place
- Includes capacity to produce >750M glucose test strips p.a.

1st product, used to manage diabetes, now being sold in major world markets by LifeScan

- Blood glucose self-testing market is ~\$9Bn; volume growth ~10% pa
- LifeScan (J&J) sells 4-5Bn glucose test strips p.a. (~27% market share)...
- ...now sells glucose strips developed with UBI in >85% of world market
- UBI earns ~US1c per Verio strip sold, and a transfer price on supply
- UBI has demonstrated feasibility of a novel glucose testing product

2nd product, for POC PT-INR testing, planned to launch in 2013 with Siemens

- UBI partnership with Siemens in “professional” POC coagulation testing
- PT-INR testing market estimated at ~\$700M today, growing at ~10% p.a.
- Aim to launch PT-INR test in 2013; other POC coagulation tests to follow
- UBI revenues from R&D milestones, strip manufacturing & profit share

R&D will broaden UBI’s test menu

- UBI will apply its strip technology to immunoassay & molecular tests...
- ...while using proven strip designs to expand test “menu” cost effectively

UBI aims to be a leader in POC diagnostics

- UBI’s capability has now been validated by 2 world-leading companies
- UBI’s early glucose business generating positive gross margins
- New products will leverage manufacturing investment and build profits
- Cash balance: \$23.6M (31/12/12), with 2012 cash burn of \$4.0M
- UBI is ASX-listed with market capitalisation of ~\$150M (5th Feb 2013)



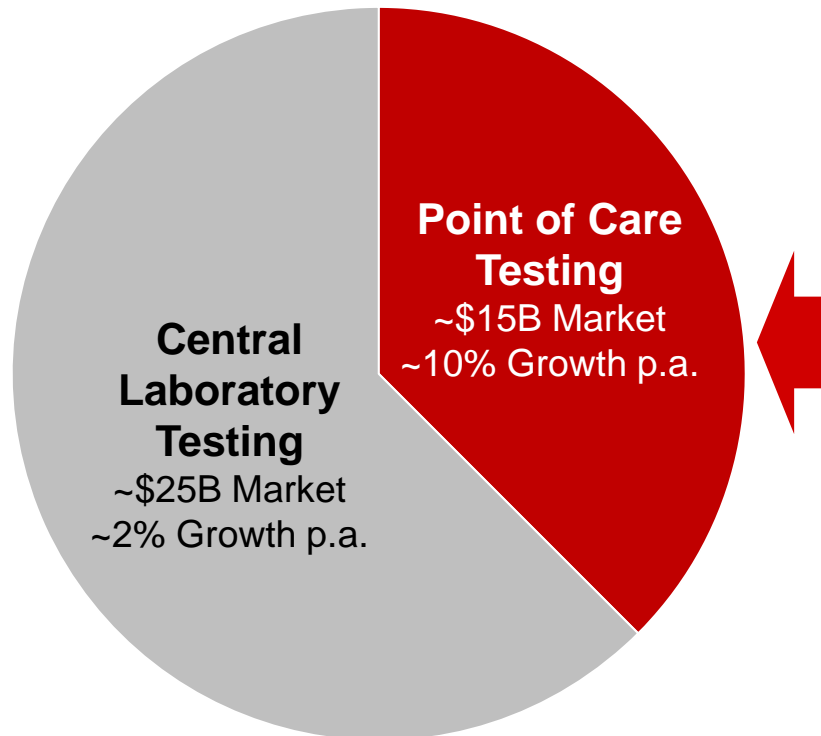
Contents

- ➔ • **UBI Overview**
- The Story So Far
 - Blood Glucose Testing
 - Coagulation Testing
- Future Opportunities
- Milestones & Financials



UBI targets the \$15B, growing POC market

Global In-Vitro Diagnostics Market (2012 estimate)



Point of Care Growth Drivers

- ✓ Improved Health Economics (lower cost, better health 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)*

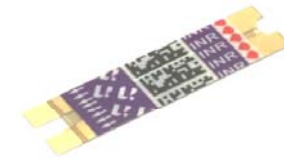
- ✓ **Across diagnostic settings**

- (hospital, clinic, physician's office, home)*

- **Patent protected**

- (44 patent families)*

Disposable Test Strips



Handheld Readers





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...and low cost, scale manufacturing



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

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





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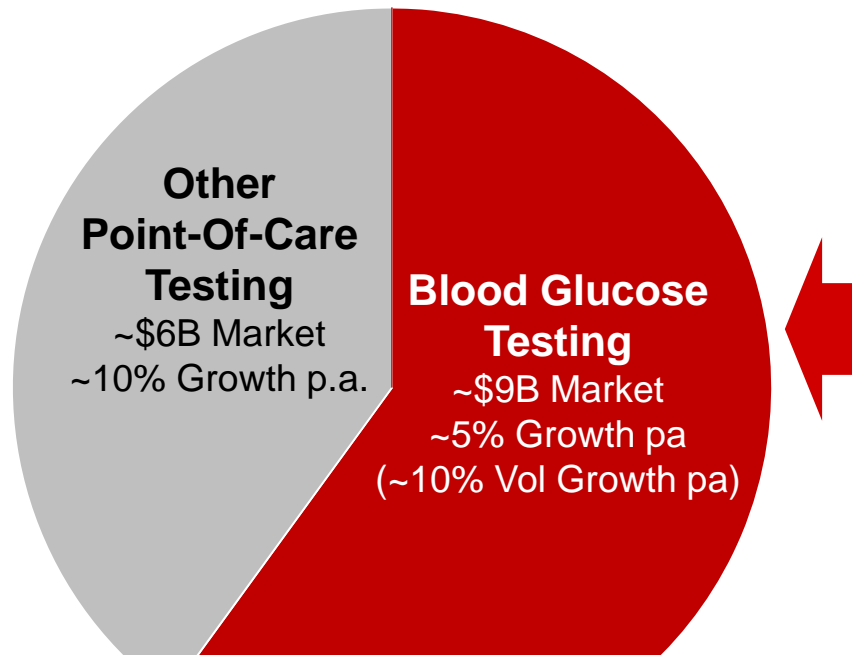
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1st target: the \$9B blood glucose segment

Global Point of Care Diagnostics Market (2012 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)*

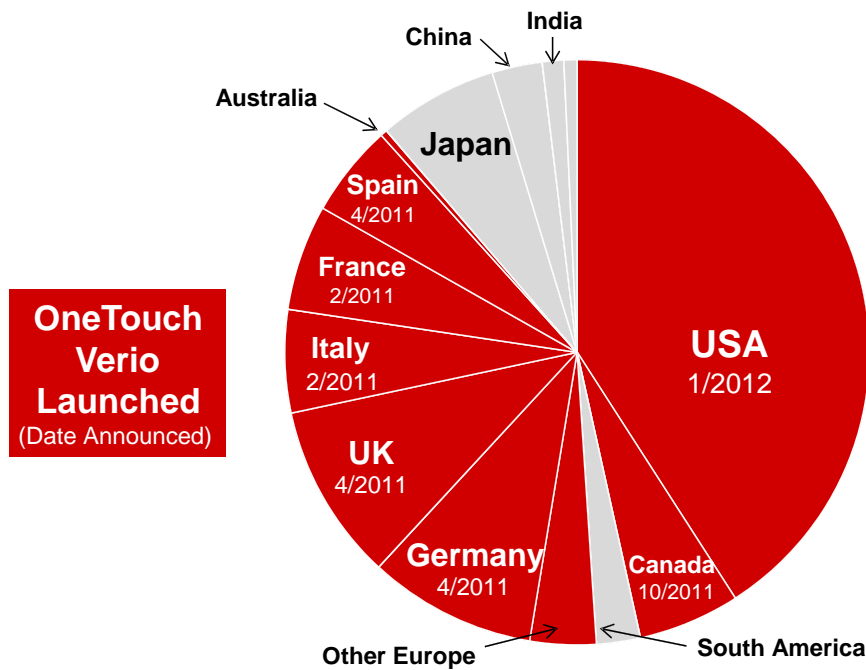


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Global roll-out in \$9B SMBG market



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.



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Growing family of OneTouch Verio systems



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 strips



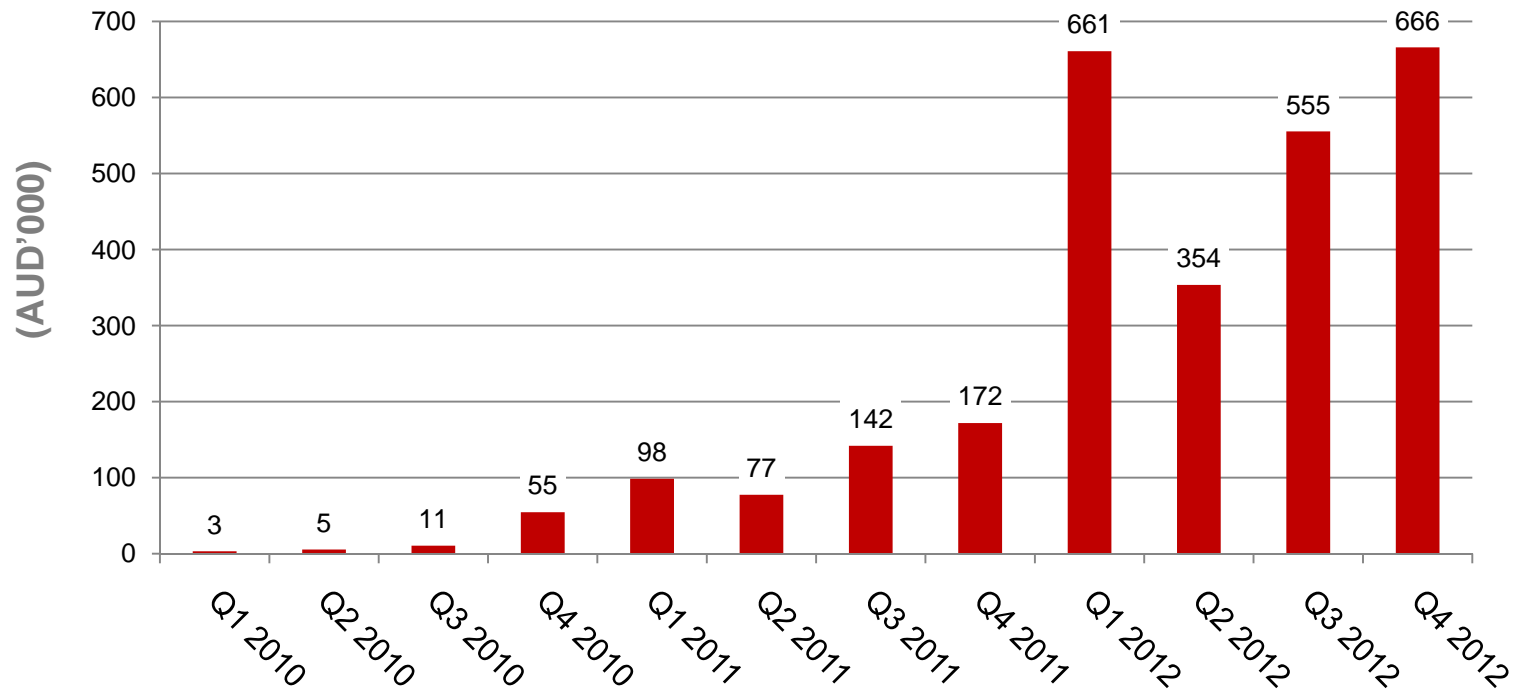
OneTouch Verio Sync:
FDA Approved (2013)

*"The first meter to automatically send
blood glucose results wirelessly via
Bluetooth technology to an iPhone, iPad
or iPod touch using the OneTouch®
Reveal™ mobile app"*



Quarterly Service Fees are building

Quarterly Service Fees* (AUD'000)
(2010-2012)



*Quarterly Service Fees are based on the number of Verio strips sold by LifeScan
Note: OneTouch Verio launched in US market in January 2012
Source: UBI accounts (2010-12)



The “glucose business” is already profitable

Profit & Loss – Year Ended 31st Dec 2012

LifeScan / Glucose Products only

	A\$ Millions
Revenue from products*	19.4
Revenue from services**	5.3
Total revenue	24.7
Cost of goods sold and services	18.6
Gross margin	6.1
<i>Gross margin as % of revenue</i>	<i>25%</i>

* Revenue earned from strips sold to LifeScan, manufactured by UBI

** Includes ~US1c Service Fee earned on every Verio strip sold by LifeScan + fees earned providing R&D Services to LifeScan, but excludes the milestone payment received from Siemens during the period.



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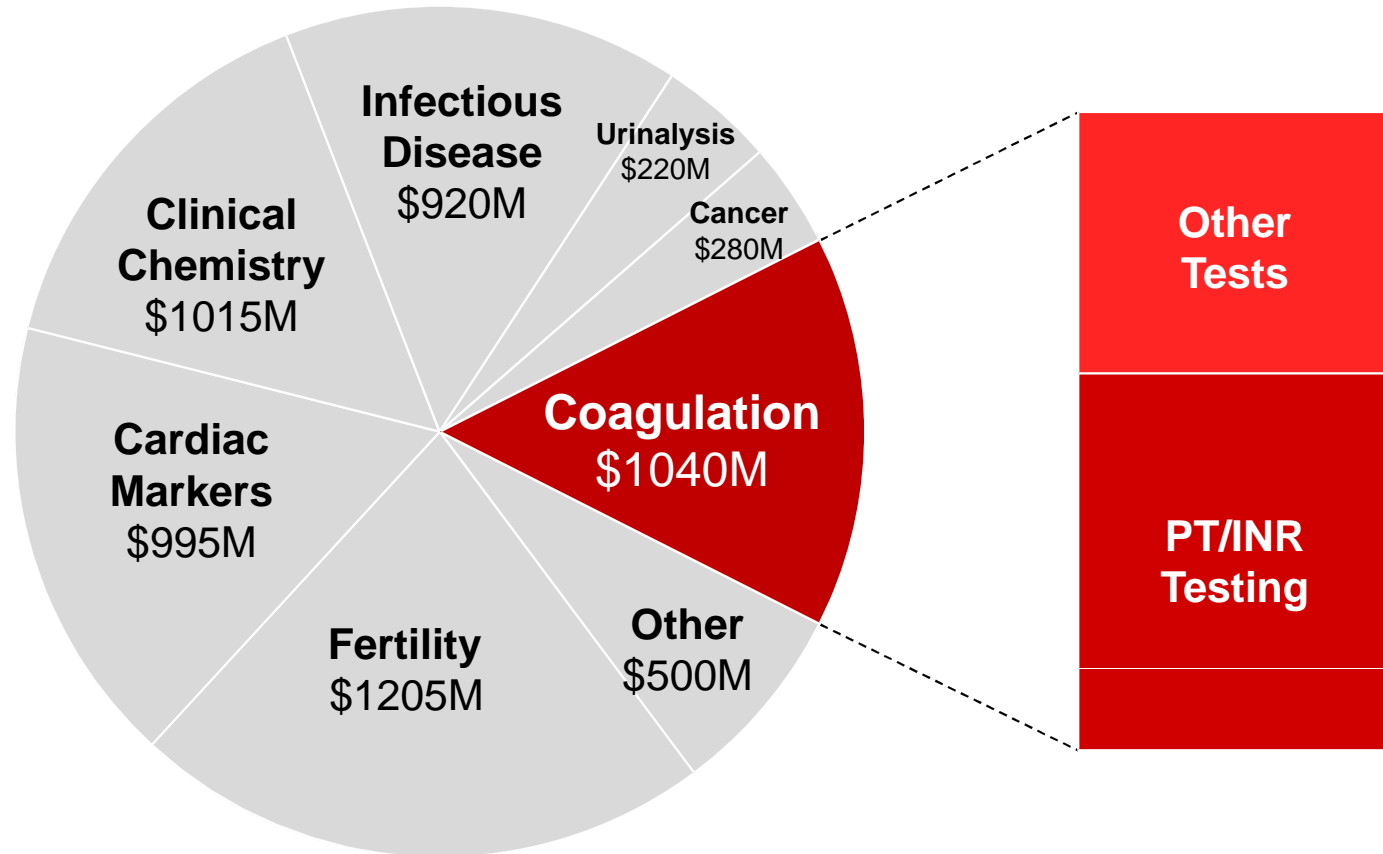
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Next opportunity: POC coagulation testing

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

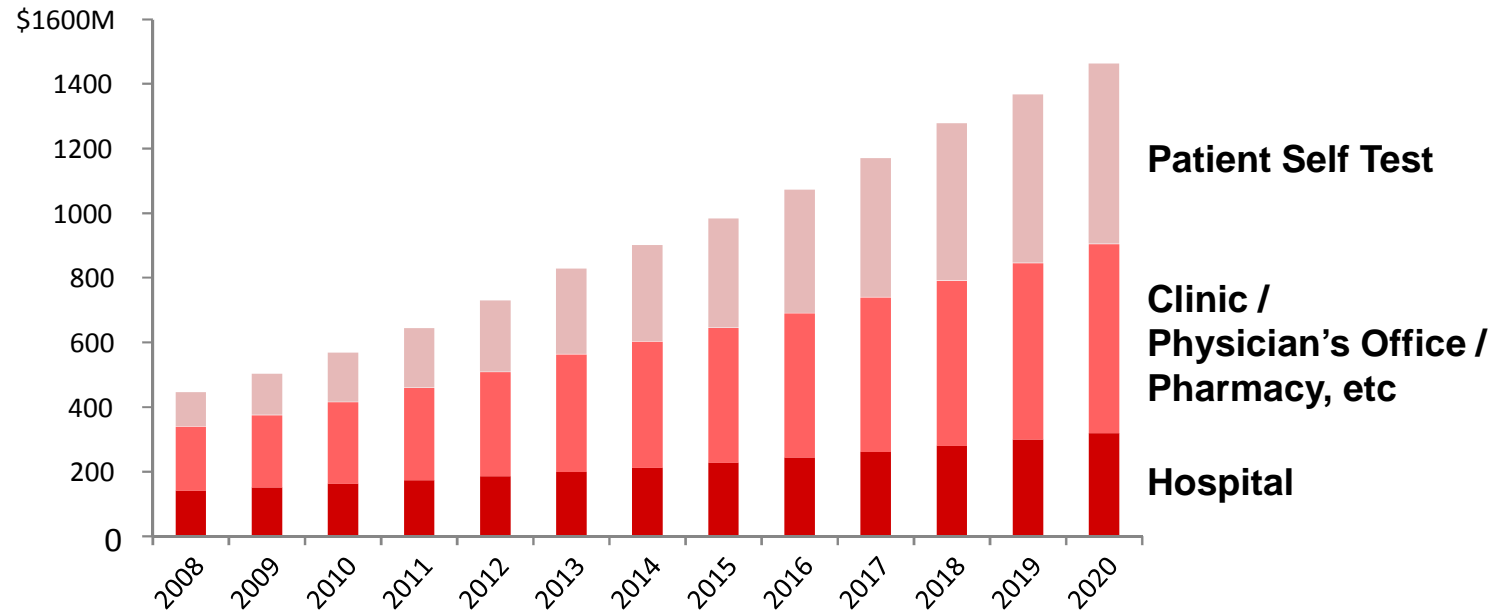


Source: Espicom Business Intelligence, 2011; Industry analysis; Management estimates



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 ~\$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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In 2013, Siemens will launch the 1st of 3 tests



+

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: \$6M received to date, with 4 milestone payments to come
- UBI returns via gross margin on manufacturing & upside profit share



UBI will pursue Patient Self-Test PT-INR

- **An opportunity for UBI to extract more from the value chain**
 - ✓ UBI will develop and control a complete POC system
 - ✓ Selling through specialised distributors
 - ✓ With potential to generate higher returns
- **Leveraging existing UBI assets**
 - ✓ A working PT-INR strip
 - ✓ Proven manufacturing processes and installed capacity
 - ✓ Home-test reader development experience



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

Annual Earnings Opportunity (at 100% market share)	Indicative Earnings per Strip		
Indicative Testing Frequency	\$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 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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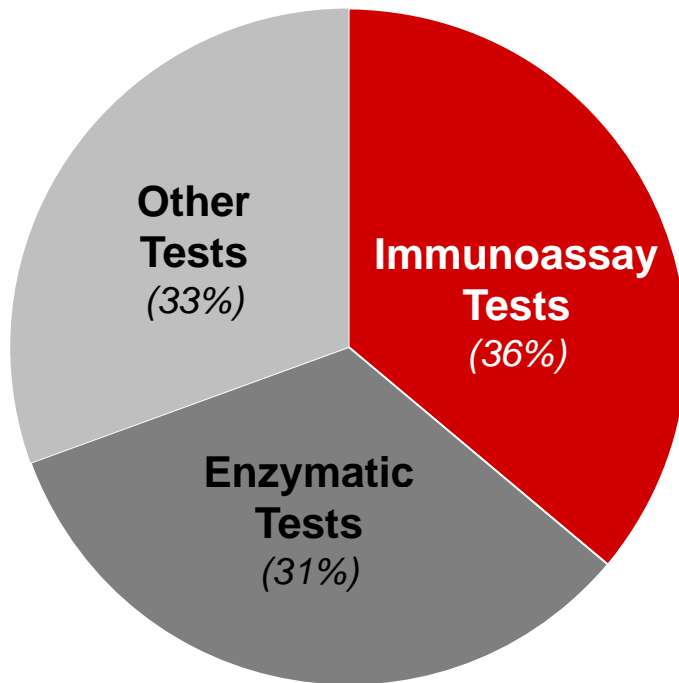
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Opportunity: POC Immunoassay

Immunoassays today make up the largest part of the POC diagnostics market and many test menus incorporate immunoassay based tests.

Global POC Diagnostics Market (Excluding Glucose Testing – 2012E)



1) Demonstrate platform using

C-Reactive Protein

- Measure of infection or inflammation
- Potential indicator of
 - ✓ cardiac risk
 - ✓ therapy effectiveness
 - ✓ bacterial vs viral infection
 - ✓ others
- >80M tests annually
- Reimbursement ~US\$8-19/test

D-Dimer

- Rule-out test for Pulmonary Embolism
- Typically used in Hospital / ER settings
- >40M tests annually
- Reimbursement ~US\$10-18/test
- Siemens have right of first offer

2) Leverage platform to develop new immunoassay tests

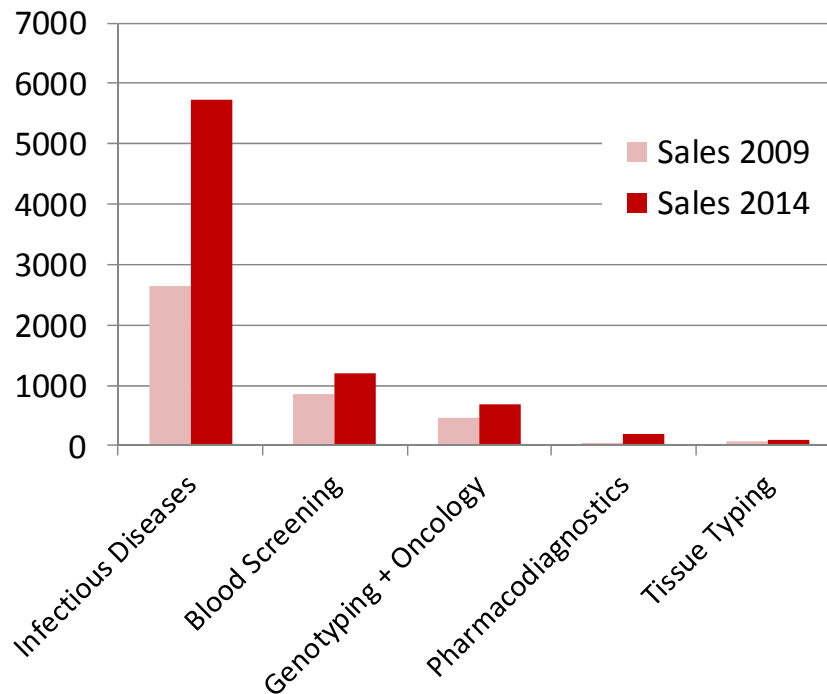
Source: Management estimates



Opportunity: POC Molecular Diagnostics

Molecular Diagnostics (MDx), a \$5Bn market growing at >15% annually, involves the analysis of DNA & RNA . Infectious diseases are the most important application, and the focus for point of care systems today

Molecular Diagnostics Market
(US\$M)



MDx is an attractive space...

- Large market (\$5Bn) with high growth (>15% annually)
- POC MDx has strong drivers vs traditional approaches (microbiology or central laboratory methods)

...of high interest and activity

- R&D investment and innovation
- Company valuations
- Corporate activity

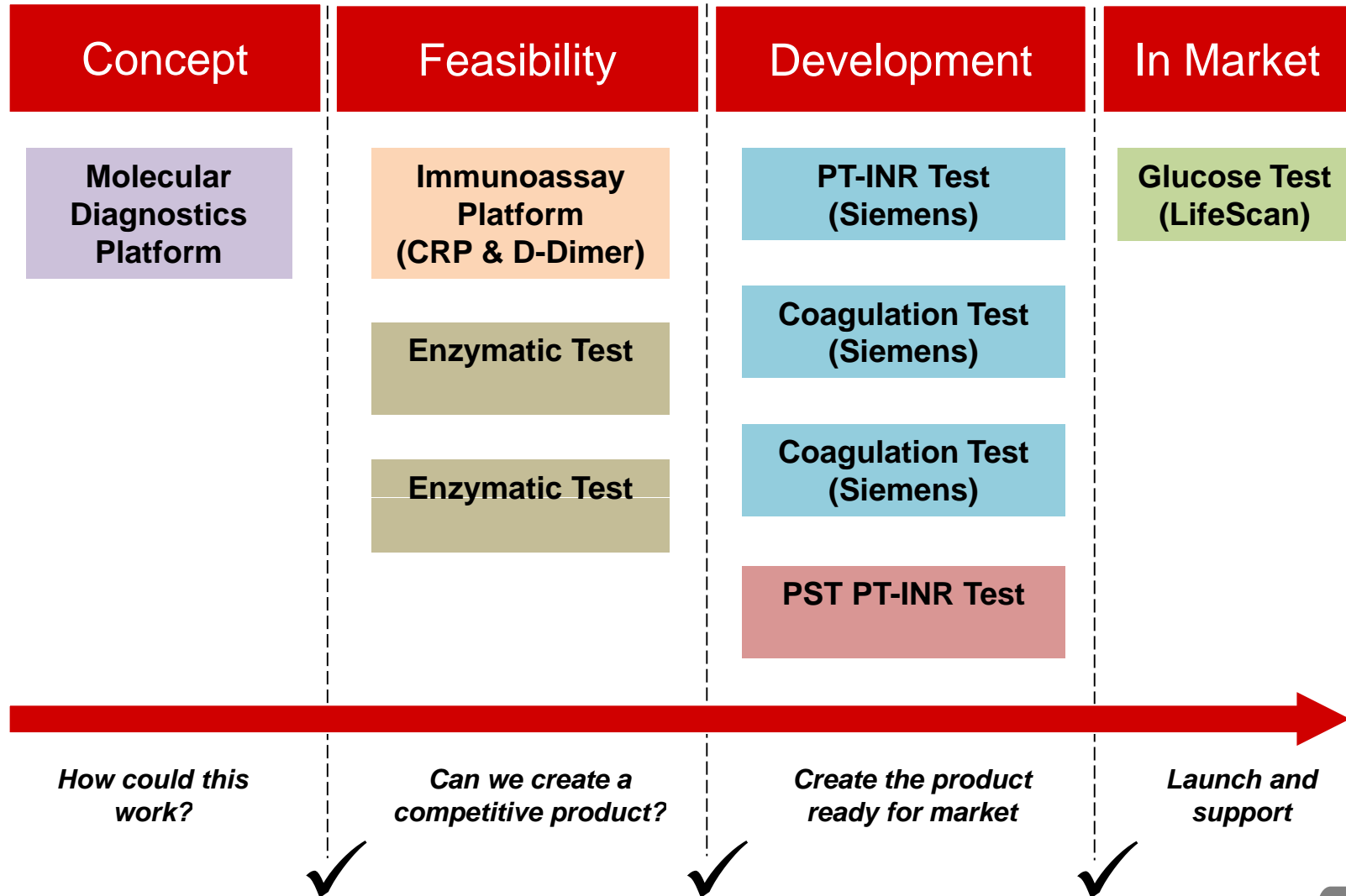
...and no clear “winners” yet

- POC MDx pioneered by small, innovative companies
- Aiming to increase speed, reduce cost and complexity

*2012 estimate
Source: Management estimates based on relevant market data



Creating a pipeline of future POCD products





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Financial metrics (Full Year 2012)

Selected line items	12 months to 31 st December		Change
	2012 A\$ Millions	2011 A\$ Millions	
Revenue from Products*	19.4	12.1	Up 61%
Quarterly Service Fees	2.2	0.5	Up 311%
Revenue from R&D Services**	8.1	2.1	Up 285%
Total Revenues	29.6	14.7	Up 102%
R&D Costs	13.5	9.8	Up 37%
General & Administrative costs	6.8	7.3	Down 7%
Loss Before Interest & Tax	9.1	14.7	Improved by 38%
Nett increase (decrease) in cash	(4.0)	(8.2)	Improved by 52%
Total cash at bank (at year end)	23.6	15.1	Up 57%

*Sales to LifeScan of OneTouchVerio strips manufactured by UBI

**Includes Siemens Milestone, R&D Services for LifeScan

Note: the financial figures above are unaudited



2013 milestones

Glucose: LifeScan (~US1c) Quarterly Service Fees increasing

Coagulation: Launch of Siemens PT-INR product

Patient Self-Test PT-INR route-to-market partner secured

New Markets: Immunoassay feasibility demonstrated (CRP / D-Dimer tests)

Rapid DNA detection using UBI technology demonstrated



UBI – ticking the boxes

- IP protected platform technology with broad application**
- Attractive target market space**
- Powerful routes-to-market**
- Commercial products selling in the world's major markets**
- Pipeline of future product opportunities**
- Experienced, high calibre management team**
- Validation by business partners that are world leaders in their field**



Attachment: Summary Financial Statements



Income Statement

	Years Ended December 31,			
	2012	2011	2010	2009
	A\$	A\$	A\$	A\$
Revenue				
Revenue from products	19,368,745	12,063,582	11,760,009	132,733
Revenue from services	10,277,698	2,632,870	6,420,027	4,187,196
Milestone payment	0	0	0	17,722,641
Total revenue	29,646,443	14,696,452	18,180,036	22,042,570
Operating costs & expenses				
Cost of goods sold and services	18,656,091	13,018,451	12,282,736	627,403
Research and development	13,482,459	9,812,396	6,482,150	14,898,072
General and administrative	6,790,524	7,271,488	7,185,550	5,635,569
Total operating costs & expenses	38,929,074	30,102,335	25,950,436	21,161,044
Profit/(loss) from operations	(9,282,631)	(15,405,883)	(7,770,400)	881,526
Other income/(expense)	151,409	713,766	1,159,875	548,937
Net profit/(loss) before tax	(9,131,222)	(14,692,117)	(6,610,525)	1,430,463
Income tax benefit/(expense)	0	0	0	0
Net profit/(loss)	(9,131,222)	(14,692,117)	(6,610,525)	1,430,463



Balance Sheet

Balance Sheet as at 31 December 2012

	A\$
Current Assets (excluding cash)	6,831,313
Cash	23,649,417
Property, plant & equipment	18,266,120
Other Non-Current Assets	320,000
Total Assets	<u>49,066,850</u>
Current Liabilities	6,312,016
Non-Current Liabilities	3,382,695
Stockholders' Equity	<u>39,372,139</u>
Total Liabilities & Stockholders' Equity	<u>49,066,850</u>



Capital structure

Number of shares on issue	173,959,863
Market capitalization (5 th February 2013)	A\$150 million
Number of options on issue	11.7 million
Cash (31 st December 2012)	A\$23.6 million
Equity raised since inception	A\$83 million



Top 5 UBI shareholders

Shareholder	31st December 2012 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>	8.5%
<i>Australian Executor Trustees SA Ltd</i>	6.9%
<i>PFM Cornerstone Ltd</i>	6.5%



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