



Universal Biosensors



Investor Presentation: Q1 2015 Results Update

Important Disclaimer



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- This presentation is intended to provide a general outline only and is not intended to be a definitive statement on the subject matter. This presentation is not financial advice and has been prepared without taking into account the objectives, financial situation or needs of a particular person.
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- The Company is subject to a number of risks. For a summary of key risks, refer to the Company's most recent Form 10-K filed with the United States Securities and Exchange Commission.
- Under applicable United States securities laws all of the shares of our common stock are "restricted securities" as that term is defined in Rule 144 under the Securities Act of 1933, as amended. Restricted securities may be resold in the public market to United States persons as defined in Regulation S only if registered for resale or if they qualify for an exemption from registration under the Securities Act. We have not agreed to register any of our common stock for resale by security holders.

Q1 2015 Financial Highlights

- **Total revenue** up 130% on pcp to \$3.1m
- **Quarterly Service Fees** up 142% on pcp to \$2.9m
- **Cumulative revenues from PT-INR strip manufacturing** of \$288K
- **Net R&D costs** (after accrued R&D tax rebate) of \$2.6m
- **Net loss** of \$2.9m (down from \$3.6m on pcp)
- **Net operating cash burn** of \$0.5M (down from \$3.4m on pcp)
- **Cash balance** at 31 March 2015 of \$14.8m

Financial summary



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Quarter Ending 31 March

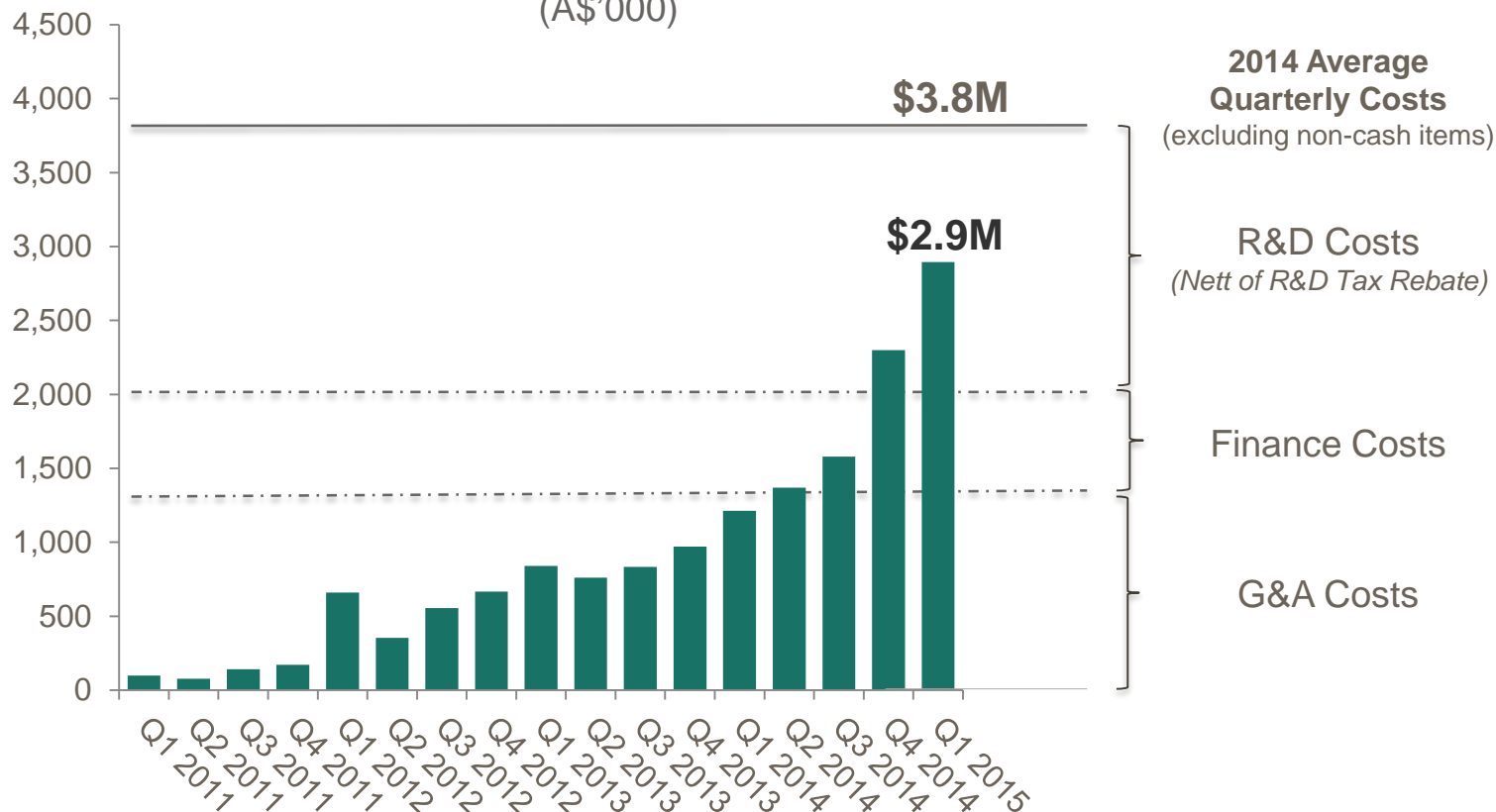
	2015 (A\$'M)	2014 (A\$'M)	Change	Comments
Quarterly Service Fees	\$2.9M	\$1.2M	Up 142%	Strong growth in Verio strip sales volume
Total Revenue	\$3.1M	\$1.4M	Up 130%	Driven primarily by QSF growth
Contribution from Products and Services	\$3.0M	\$1.3M	Up 127%	QSF's flow through to contribution
R&D Expenses	\$4.9M	\$4.9M	No change	Development of 3 new POC Coagulation tests
G&A Expenses	\$1.6M	\$1.4M	Up 17%	Ongoing focus on non-core spending
Loss from Operations	\$3.5M	\$5.0M	Down 30%	
Other Income/(Expense)	\$0.6M	\$1.4M	Down 51%	After R&D tax rebate offset by financing costs
Net Loss	\$2.9M	\$3.6M	Down 20%	
Cash used in operations	\$0.5M	\$3.4M	Down 86%	Reflects increased revenues and gross margin
Cash Balance	\$14.8M	\$19.5M	Down 24%	

Cash flow breakeven in sight



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**Quarterly Service Fees vs
Average FY'14 Quarterly Cash Costs**
(A\$'000)



Source: UBI Financial Statements, SEC Filings.

A compelling investment case

- ✓ Targeting the large and growing **Point-of-Care diagnostics (POCD)** market
- ✓ Exploiting a unique and powerful **diagnostics platform**
- ✓ Validating the technology through products developed and launched with **Siemens and J&J**
- ✓ Growing revenues based on the **manufacture and sale of disposable test strips**
- ✓ Creating significant upside through **UBI owned products** – part of a strong **pipeline of new tests** in development



A revolution underway in diagnostics

IN VITRO DIAGNOSTICS

Tests on biological samples (eg. blood, urine, saliva, tissue) extracted from the body

US\$46B Market in 2013

Central Laboratory Diagnostics

~US\$30B Market in 2013
Growth of ~2% pa

High quality results
but

Slow and inconvenient

Point-Of-Care Diagnostics

~US\$16B Market in 2013
Growth of ~9% pa

High quality results
with

Speed and convenience

Bringing the lab to the patient to improve health outcomes & economics

A unique diagnostics platform

Conventional Strip Technology Coplanar electrode system



Key features of coplanar electrode

- Complicated electrode structure
- Requires a larger blood sample
- Challenge to eliminate interferences
- Labour intensive batch manufacturing
- Limited application

UBI Strip Technology Opposing electrode system



Key features of opposing electrode

- Simple electrode structure
- Requires only a small blood sample
- Removes interferences
- Automated continuous manufacturing
- Platform technology

High Performance, Low Cost, Platform Technology

Creating real product differentiation



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UBI technology offers:

- **High Performance**
 - High accuracy
 - Fast results
- **Ease of Use**
 - User-friendly interface
 - Small blood sample
- **Low cost**
 - Simple electrode design
 - Automated strip manufacturing

Products developed for world leaders

SIEMENS

Bringing laboratory performance to near patient testing



Enabling patient self management

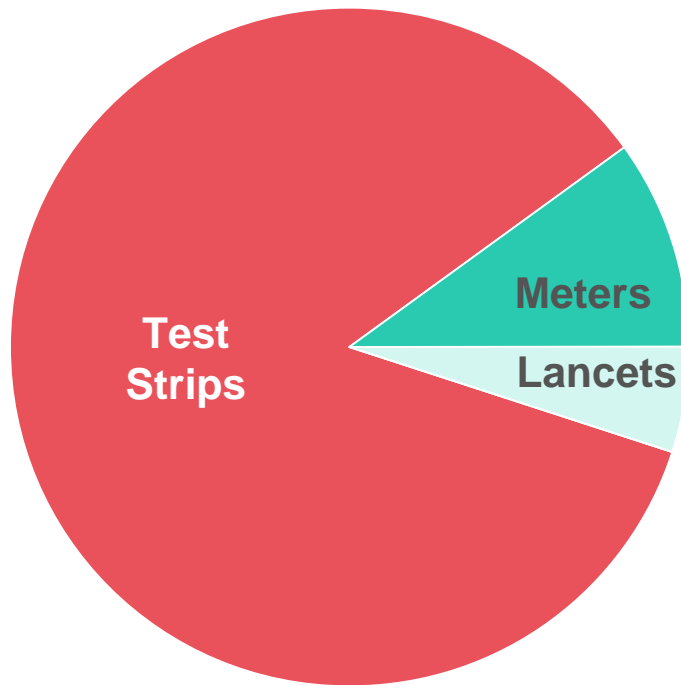


Leveraging the consumable



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Point-of-Care Diagnostics Revenue Mix (Blood Glucose & PT-INR Testing)



Source: UBI estimates; Blood Glucose and PT-INR testing account for over 60% of Point-of-Care testing market today

POCD System = Meter + Strip

- Handheld meter has 3-5 year life cycle
- Test strips are single use & disposable

Strips drive margins

Within the industry, the meter is used to access and control the high margin strip annuity revenue stream

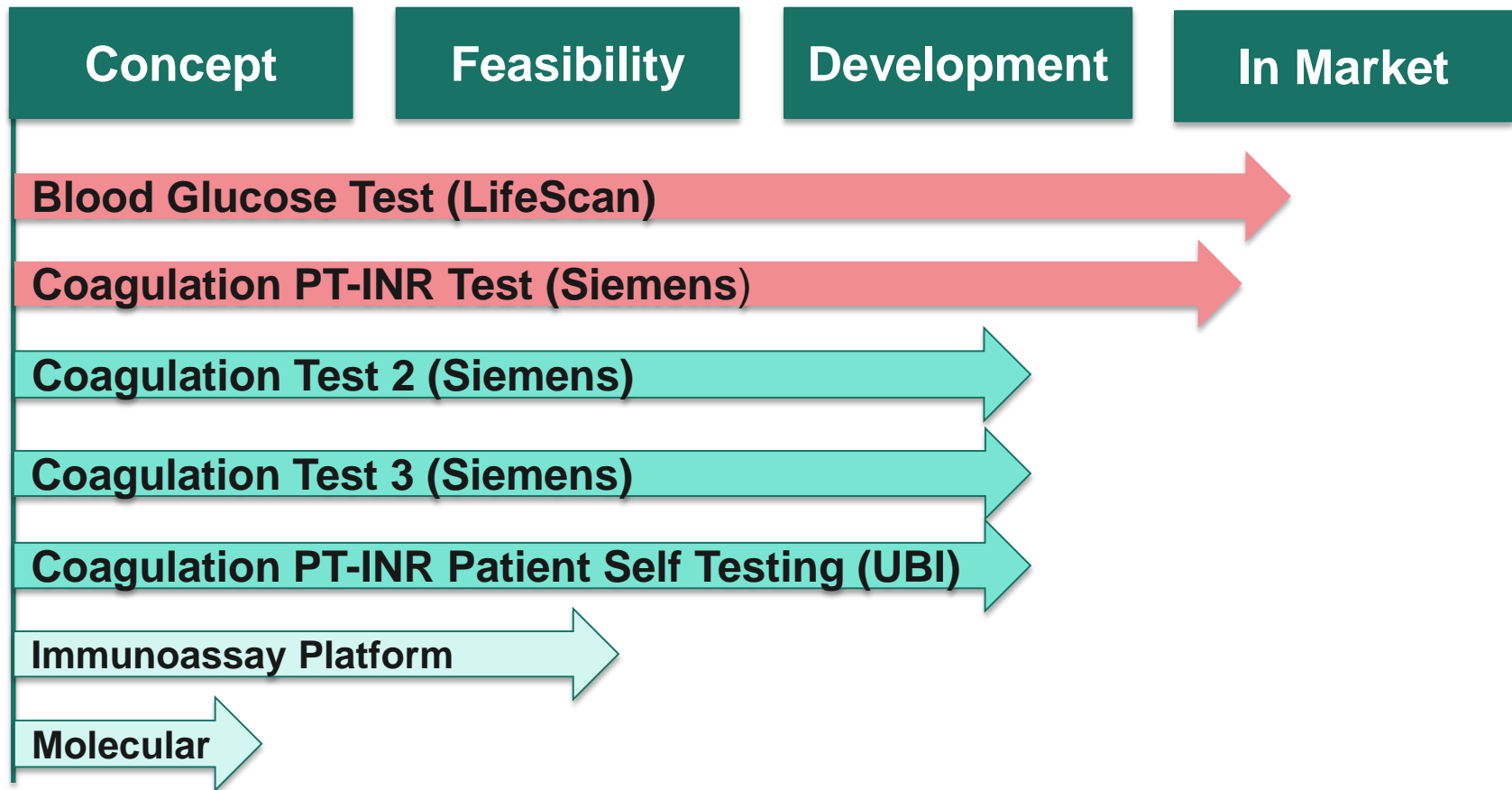
UBI focused on strips

UBI's business model is centred on the manufacture and sale of test strips for point-of-care diagnostics systems

A broad product pipeline

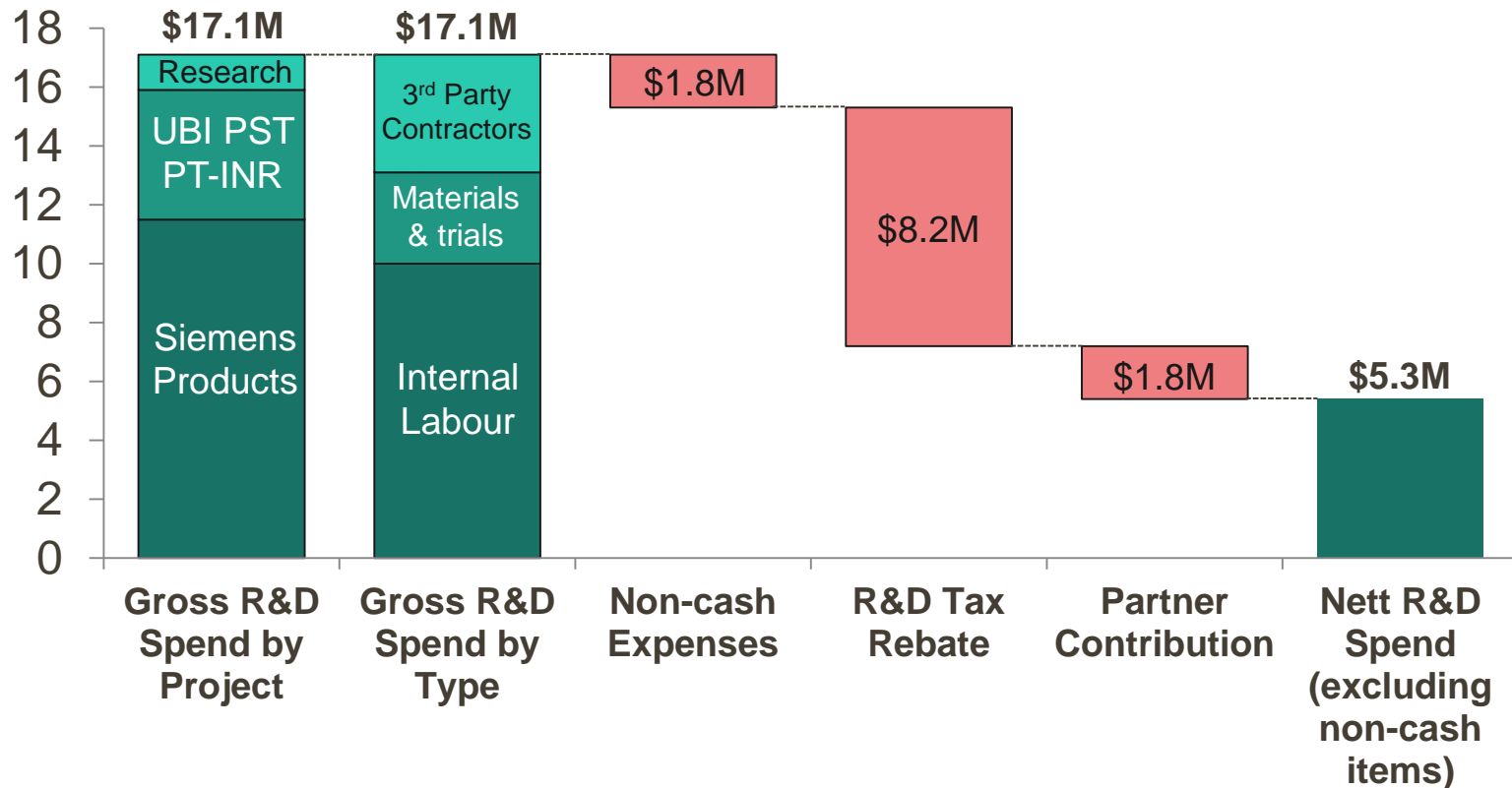


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Less than one third of R&D funded by cash

New Product Development Spend 2014 (\$A Millions)



Moving up the value chain



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UBI 1.0 Create & Validate technology

UBI 2.0 Lock in higher margin manufacturing

UBI 3.0 Capture full margin potential



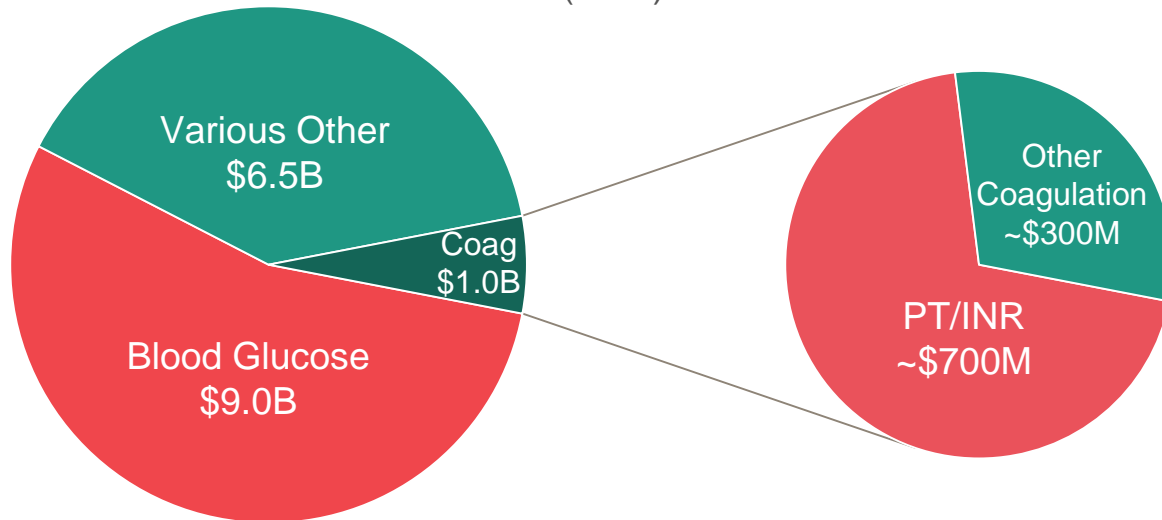
- Partner with LifeScan
- Enter diabetes care market
- Establish strip manufacturing
- Generate early revenues

- Partner with Siemens
- Enter coagulation testing market
- Secure strip manufacturing
- Generate positive cash flow

- Establish channel partnerships
- Enter attractive POCD markets
- High margin manufacturing
- Multiple, growing annuities

Participating in large & growing segments

Global Point-of-Care Diagnostics Market Size (2014) (USD)



Blood Glucose Monitoring (BGM)

- \$9.0B in 2014, vol growth of ~3% pa
- Highly competitive market
- Ongoing incremental innovation
- Increasing accuracy requirements challenging older technologies

Coagulation Testing

- \$1.0B in 2014, vol growth ~10% pa
- PT-INR is ~70% of market
- Oligopoly market structure
- Healthy reimbursement
- Historically low industry innovation

QSF more than doubled on prior year



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Intellectual Property

- LifeScan owns the original core IP
- UBI has a royalty-free global license to exploit the IP outside of diabetes care

Quarterly Service Fees (QSF)

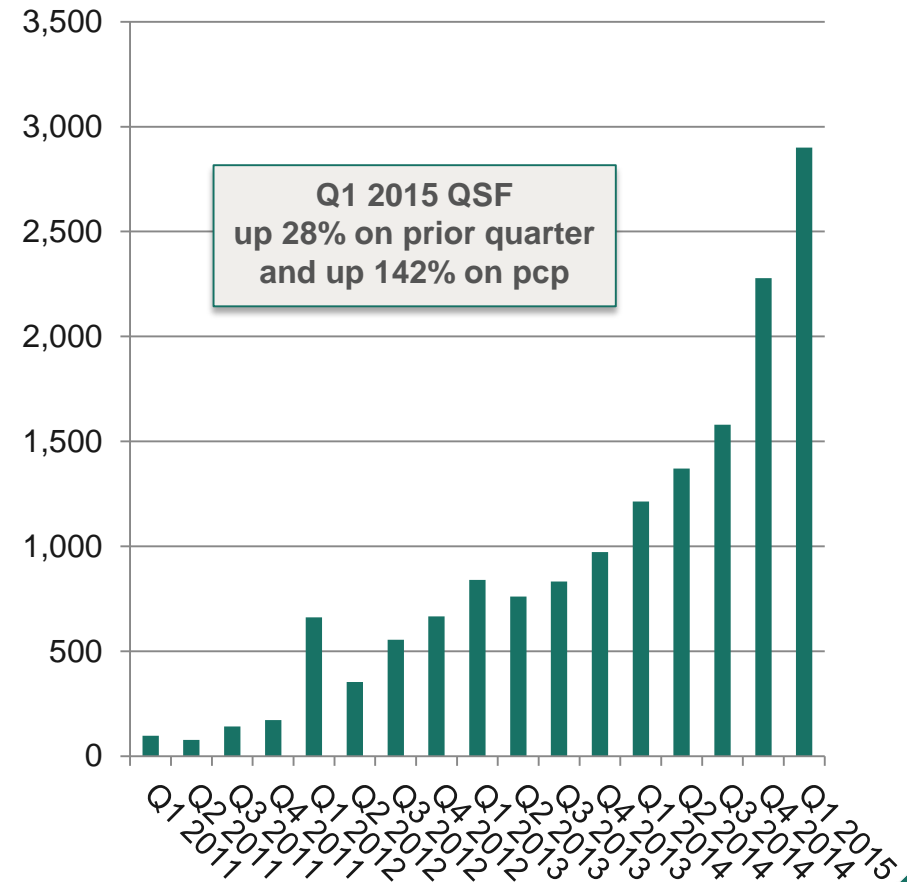
- UBI receives a service fee for each Verio strip sold by LifeScan
 - The first 0.5B strips per year: US1.25c
 - Each strip >0.5B per year: US 0.75c
 - Cumulative QSF (31 Mar 2015) of US\$14M

Lump Sum Service Fee (LSSF)*

- Cumulative QSF of US\$45M gives LifeScan the option, at the end of the year in which they give notice, to pay a lump sum fee in lieu of future QSFs, calculated as 2-3x the QSFs earned for the full year in which notice is given

Quarterly Service Fees

(A\$'000)



*Refer to Form 10K for a more detailed description
Source: UBI Financial Statements, SEC Filings.

A significant new **OneTouch Verio** meter



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Potential to drive further growth in Quarterly Service Fees

- Marketed in Europe and North America
- With US\$19.99 Retail Price at launch, appears to address wider market segment than previous models
- Part of a free upgrade program to replace OneTouch Ultra systems with OneTouch Verio in UK
- Evidence of continued investment by LifeScan in the Verio platform

“New OneTouch Verio® Blood Glucose Monitoring System Helps People With Diabetes Better Understand Their Blood Sugar Test Results With No Extra Work”

LifeScan Press release (Jan 2015)

The Xprecia Stride™ Coagulation Analyser

Siemens has initiated the European limited release of the Xprecia Stride™ Coagulation Analyzer

“The Xprecia Stride™ Coagulation Analyser is a **compact, ergonomic hand-held** analyzer that is engineered for **ease of use**. It is designed to perform prothrombin time testing (PT/INR) and to deliver **results within minutes** at the point of care. The technology we are using in the test strip and the analyzer is aimed at enhancing **testing efficiency** and the overall **user experience**.”

Michael Reitermann
Chief Executive Officer
Siemens Healthcare Diagnostics Inc.



Xprecia Stride™ commercial phase



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Anticipated Product Roll-Out

Initial release

- CE Mark obtained
- First sales in Europe

Geographic expansion

- CE Mark covers 31 countries in European Economic Area
- US market requires FDA approval

Target markets

- Hospital Point-of-Care (HPOC)
- Alternate Site Testing

Market penetration

- Specialist sales force
- Distributor network
- Tender opportunities

Value to UBI

Strips manufactured by UBI

- Gradual ramp-up anticipated
- UBI revenue per strip around US\$0.50-1.50, and volume dependent

Anticipating solid gross margins

- Typical of device manufacturers with shared R&D risk / investment
- Plus profit share on Siemens revenues above pre-agreed targets

Ongoing product development

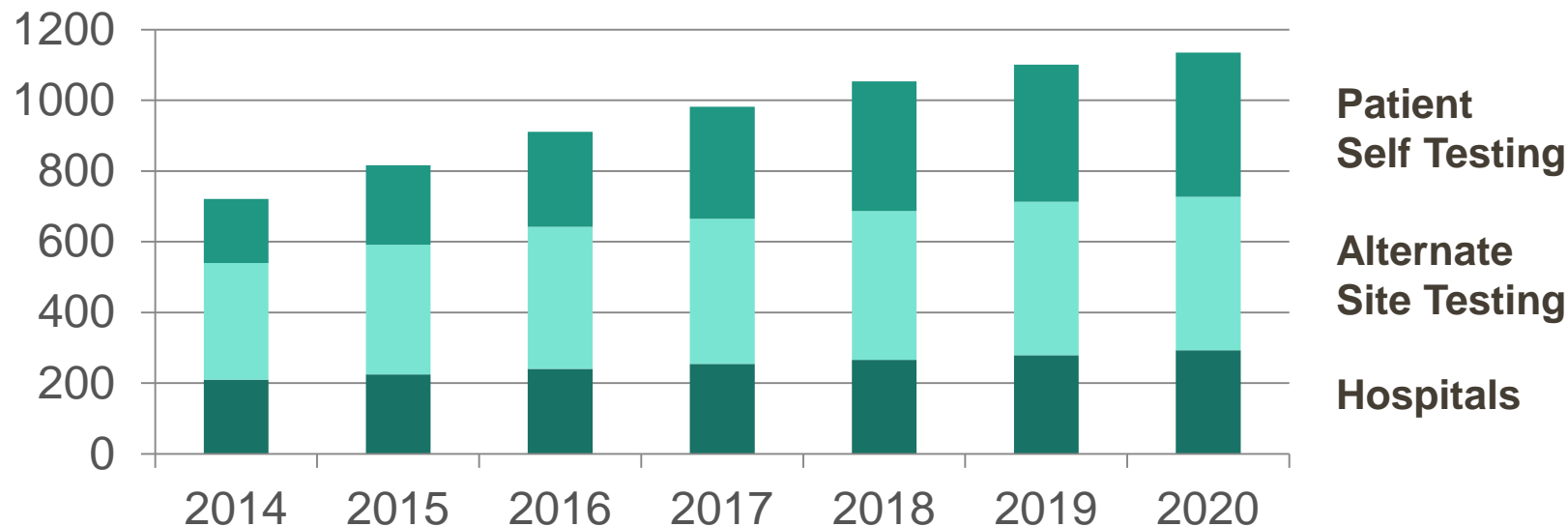
- Several further tests being developed with Siemens

Growth opportunity in POC PT-INR testing



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



Market Opportunities

- Growing patient population
- Ongoing Warfarin use
- Increased testing frequency
- Healthy reimbursement

Market Risks

- Use of alternatives to Warfarin
- Changes to reimbursement
- New competitors

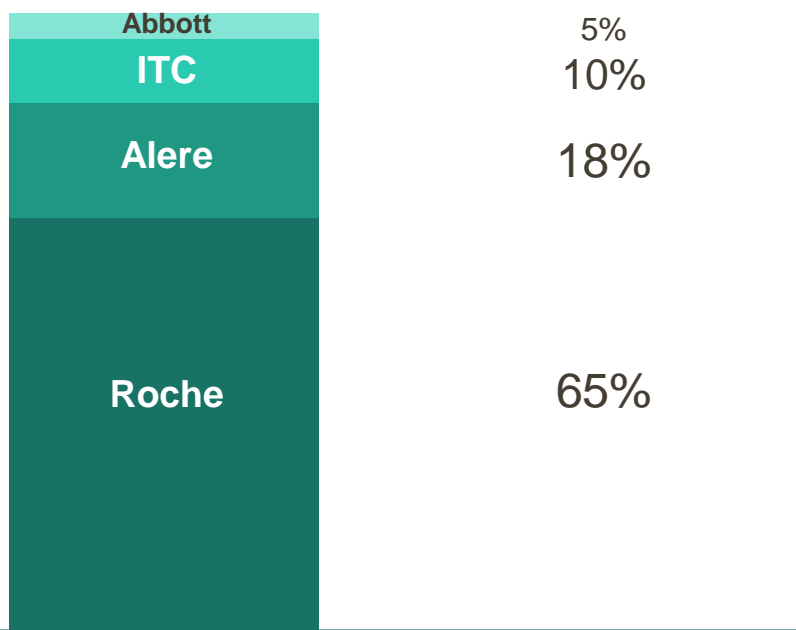
Highly concentrated POC PT-INR market



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Point-of-Care PT-INR Testing Market Shares (2014 Estimates)

Estimated Market Share



Estimated World Market

~200 million
tests per year

Additional Siemens POC Coagulation Tests

- Advanced prototypes in clinical & reliability testing
- Additional product features agreed with and funded by Siemens
- Targeting launch in H2 2016

UBI PT-INR Test for Decentralised and Home Use

- Ongoing discussions with distributors for key markets
- Fully functional prototypes now available
- Currently planning design verification and clinical trials
- Targeting launch in late 2015

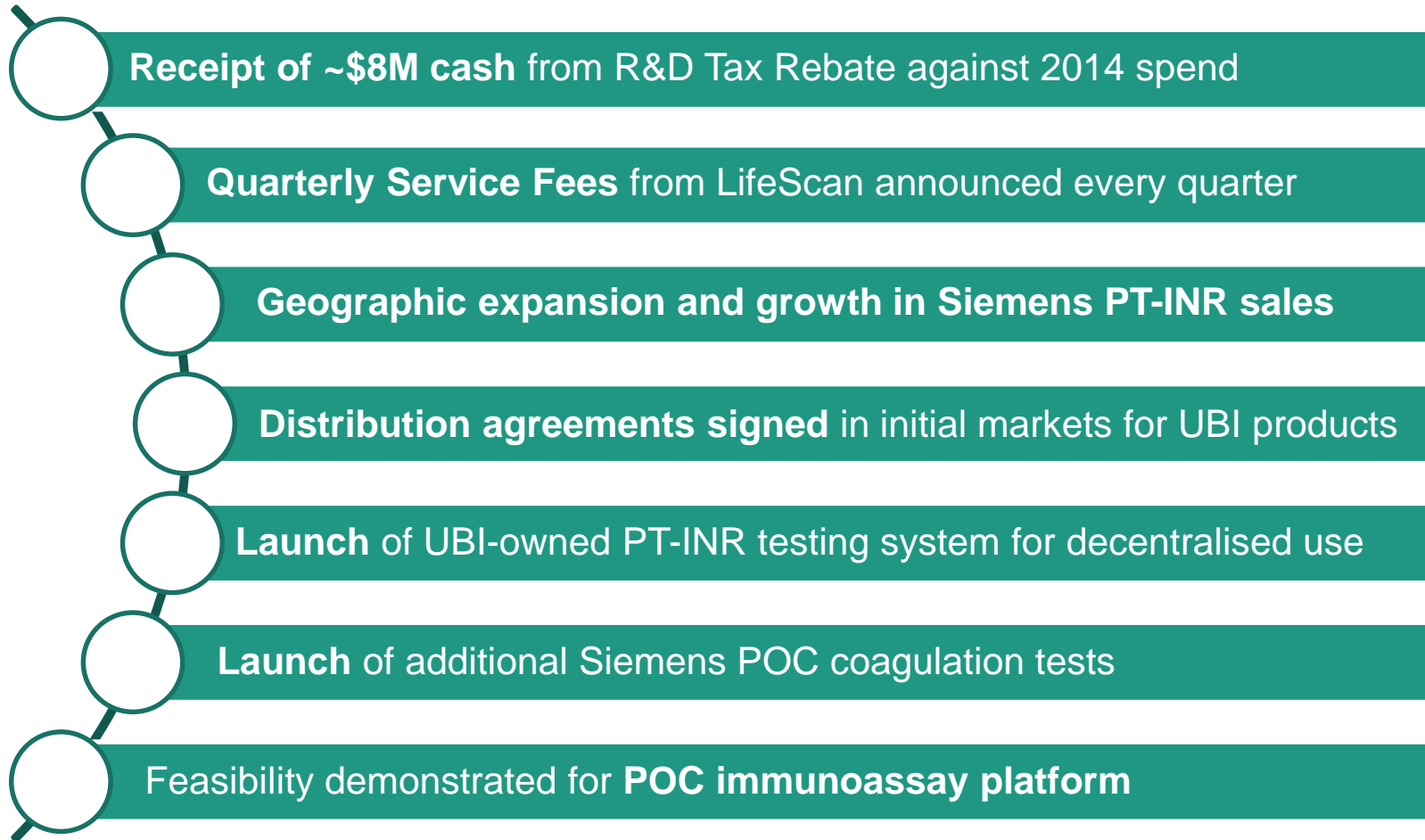
Immunoassay Platform Development

- Focused on demonstrating feasibility across range of antibody-based tests
- Troponin (cardiac) assay used to demonstrate low cost / high sensitivity system

Anticipated news flow: 2015/16



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Key Financial Metrics

Number of shares on issue	~176 million
Market capitalisation (at 1 st May 2015)	~A\$50 million
Number of options on issue	~10 million
Cash (at 31 st Mar 2015)	~\$A14.8 million
Ownership by Board and Management	~12%
Long term debt (repayable end 2018)	US\$15 million
Total Revenue FY2014	A\$9.5 million
Gross R&D FY2014	A\$17.1 million
Net R&D FY2014*	A\$8.9 million

* Expenditure net of the R&D Tax Rebate: in FY2014 the Company accrued \$8.2M in R&D Tax Rebates expected to be received in cash in FY2015.

Experienced management



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Mr Paul Wright
CEO

Paul joined UBI in March 2011 as CEO. Prior to UBI, Paul was CEO of Vision BioSystems, and Invetech - major subsidiaries of listed technology company Vision Systems Ltd. Prior to this, Paul worked internationally with TNT Logistics and strategy consultancy Bain & Co.



Dr Alastair Hodges
Chief Scientist

Alastair has been working in the field of electrochemical sensors for the last 18 years and has served as the Chief Scientist since April 2002. Alastair worked as a principle research scientist in the DSTO and the CSIRO in electrochemistry and transport processes. In 1995 he joined Memtec Ltd to work on sensor technologies.



Mr Garry Chambers
VP Technology Development

Garry is VP of Technology Development and has been with UB since April 2002. Prior to joining UBI, Garry was a senior engineer with MediSense (UK). In 1991, Garry relocated to Australia to join Memtec Ltd with Alastair.



Dr Adrian Oates
VP Quality and Regulatory

Adrian joined UBI in Sep 2007 having spent over 20 years in the device, biological and pharmaceutical health care industries. His early career was as a research scientist and head of project management at CSL Ltd. In 2004 he joined Cochlear Ltd as VP Quality & Regulatory. After this, Adrian returned to CSL Ltd as Quality Director.



Mr Salesh Balak
CFO

Salesh joined UBI as CFO in Nov 2006. Prior to UBI, he was CFO and company secretary of Pearl Healthcare Limited, an ASX listed entity engaged in the manufacturing and healthcare sector. Prior to this he spent 13 years in the Business Services, Audit and Financial Advisory Services of KPMG.