



Universal Biosensors

2019 Financial Results



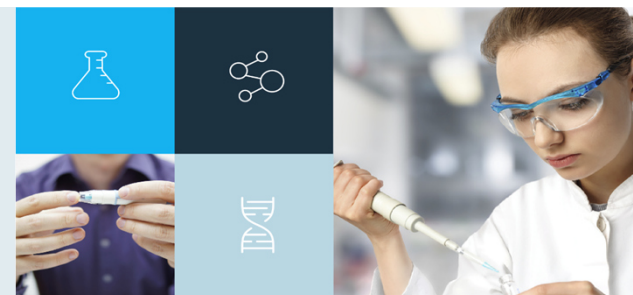
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Highlights

Balance sheet supporting investment in product development



- ✓ *Lump sum service fees of A\$44.6 million received on 18 February 2019*
- ✓ *Coagulation product negotiation with Siemens settled on 18 September 2019*
- ✓ *Siemens Xprecia Stride™ strip revenue of A\$4.9 million up from A\$1.7 million in the prior corresponding period (pcp)*
- ✓ *FY19 net cash of A\$37.2 million up from A\$12.1 million in the pcp*
- ✓ *Investing in new product development using existing technology outside of medical devices*

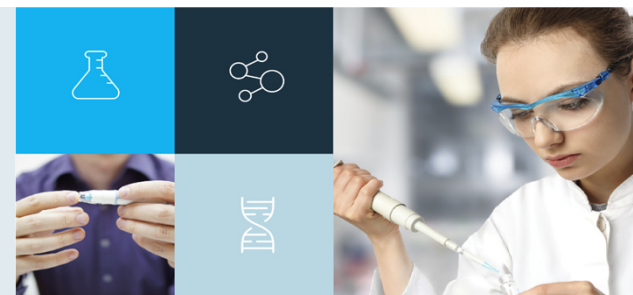
1. Corporate Overview



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Corporate Summary

Cash backed share price



| Capital Structure | | CHES Depository Interest Holder (21 February 2020) | Holding | Ownership |
|---------------------------------------|--|--|--------------------|---------------|
| Last price as at 21February 2020 | A\$0.175 | Viburnum Funds Pty Ltd | 36,636,061 | 20.6% |
| CHES Depository Interests on issue | 177.6m | CVC Ltd | 23,820,765 | 13.4% |
| Market Capitalisation | A\$31.1m | Jencay Australia Investment Fund | 20,792,320 | 11.7% |
| + Total Debt (as at 31 December 2018) | - | KFT Investments Pty Ltd | 17,975,043 | 10.1% |
| - Cash (as at 31 December 2019) | A\$37.2m | Other holders of CHES Depository Interests | 78,347,665 | 54.2% |
| Enterprise Value | (A\$6.1m) | Total CHES Depository Interests on issue | 177,571,854 | 100.0% |
| Board and Senior Management | | | | |
| Mr Craig Coleman | Non-Executive Chairman | | | |
| Mr David Hoey | Non-Executive Director | | | |
| Ms Judith Smith | Non-Executive Director | | | |
| Mr Marshall Heinberg | Non-Executive Director | | | |
| Mr Salesh Balak | Acting Chief Executive Officer/Chief Financial Officer | | | |

Siemens Definitive Agreements

Provides UBI with complete control over all development activities



- ✓ *Definitive agreements executed on 18 September 2019*
- ✓ *Commitment from Siemens to purchase a certain minimum amount of strips from UBI over the subsequent 42 months*
- ✓ *Enables UBI to pursue partnership and distribution opportunities for coagulation products outside of its arrangement with Siemens*
- ✓ *Provides UBI with increased management over the pricing of analyzers and strips*
- ✓ *Provides UBI Access to Siemens' proprietary reagent which is required to manufacture the coagulation strips*
- ✓ *Sales and marketing personnel have now been engaged to explore commercial opportunities for the Xprecia Stride™ system*

2. Products and Services



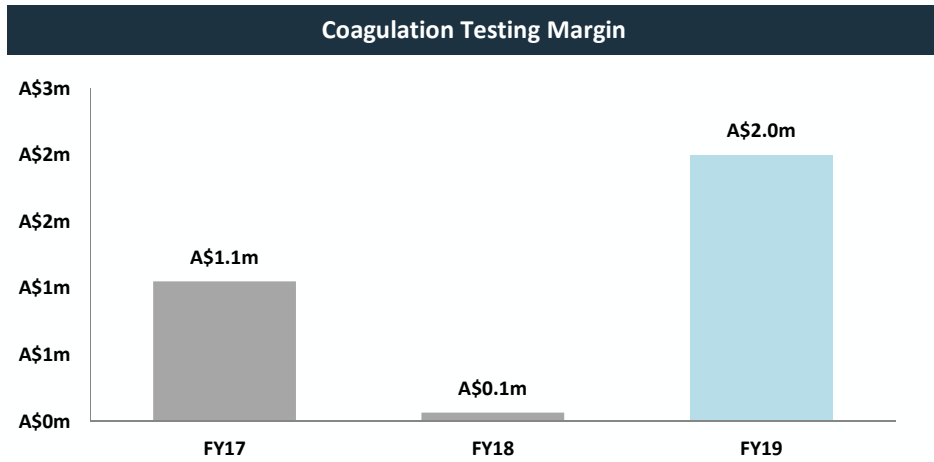
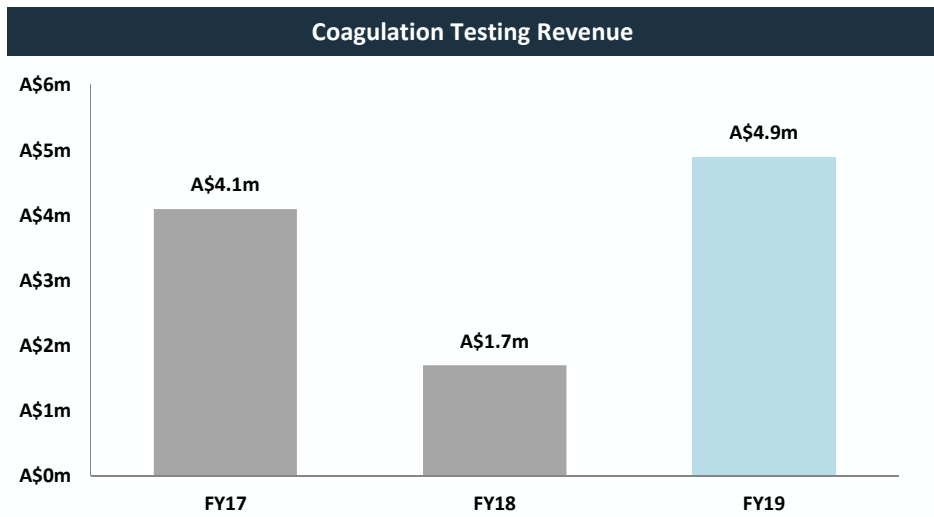
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Coagulation Testing – FY19 Summary

Revenue increase represents increase in market share

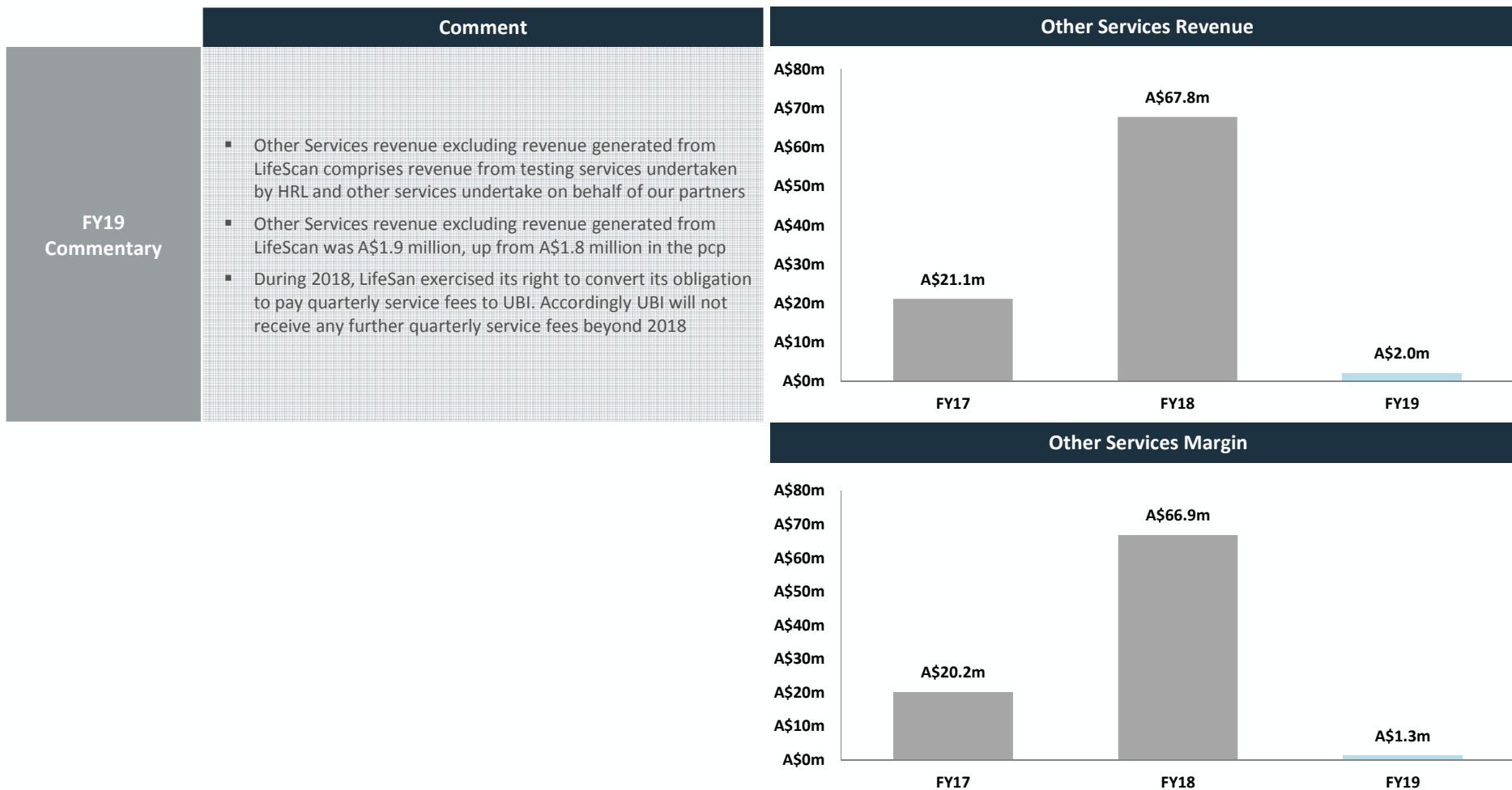


| | Comment |
|----------------------------|--|
| FY19 Commentary | <ul style="list-style-type: none"> ▪ Test strip sales of A\$4.9 million, up from A\$1.7 million in the pcp ▪ Production contribution margin of A\$2.0 million (41%), up from A\$0.1 million (4%) in the pcp ▪ Manufacturing contribution and margins have increased due to investment in scale up projects which have improved efficiency and yield |



Other Services – FY19 Summary

Lack of LifeScan quarterly service fees evident in FY19 revenue

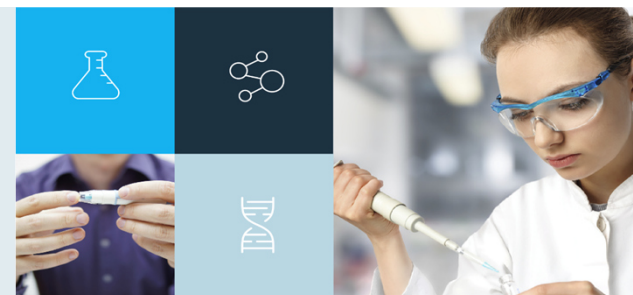


3. FY19 Results (Year ended 31 December)



Profit and Loss

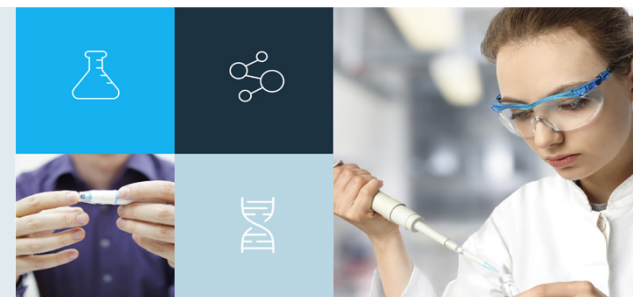
Need to replace revenues previously received from LifeScan



| A\$m, 12 months ended 31 Dec | 2019 | 2018 | Change | Commentary |
|-------------------------------------|-------------|-------------|----------------|---|
| Blood Glucose | 0.2 | 66.1 | -99.6% | <ul style="list-style-type: none"> ▪ Coagulation Testing revenue reflects increase in market share ▪ Cost of Goods Sold includes Siemens coagulation test strip manufacture ▪ Decrease in research and development primarily a result of reduced project activity during Siemens Definitive Agreement negotiation ▪ Selling, General and Administrative expenses decreased due to cost management initiatives undertaken during the year ▪ Term loan repaid in 2018 eliminated financing costs ▪ Previous period included \$2.6 million impairment of fixed assets in 'Other' expense line, which did not feature in 2019 |
| Coagulation Testing | 5.6 | 2.2 | 155.6% | |
| HRL | 1.1 | 1.2 | -8.3% | |
| Total Revenue | 6.9 | 69.5 | -90.1% | |
| Cost of Goods Sold and Services | 3.6 | 2.5 | 42.2% | |
| Research and Development | 5.5 | 11.6 | -52.2% | |
| Selling, General and Administrative | 7.0 | 7.0 | -0.2% | |
| Financing costs | 0.0 | 3.0 | -100.0% | |
| R&D cash rebate | -2.8 | 0.0 | nmf | |
| Other | -0.3 | 3.4 | -106.5% | |
| Total Expenses | 13.0 | 27.5 | -52.6% | |
| Income Tax Expense | -1.3 | 4.4 | -130.3% | |
| NPAT | -4.8 | 37.6 | -112.9% | |

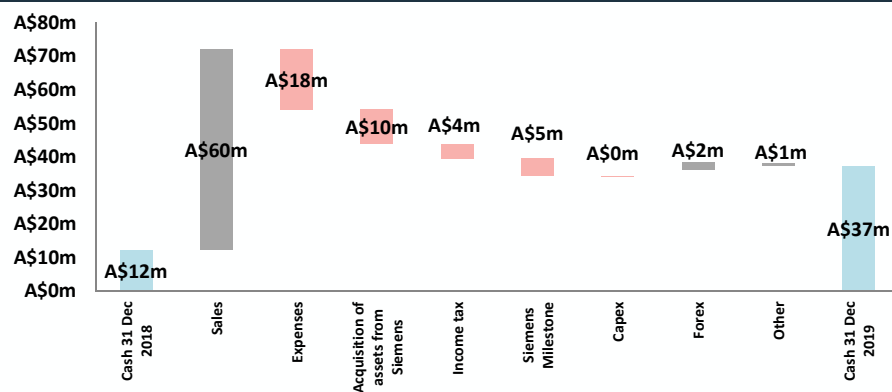
Cash Flow

Receipt of lump sum service fees in February 2019 boosts our cash position



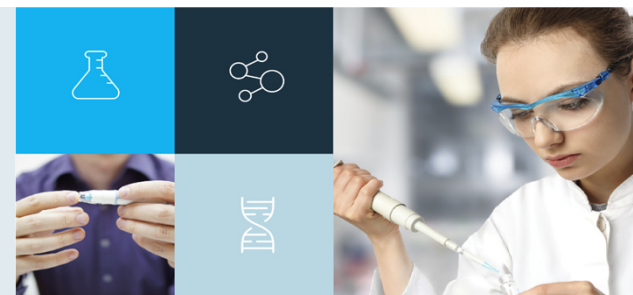
| A\$m, 12 months ended 31 Dec | 2019 | 2018 | Change | Commentary |
|---|-------|-------|----------|---|
| Net cash provided by operating activities | 33.2 | 1.8 | 1744.4% | <ul style="list-style-type: none"> 2019 operating cash flow includes receipt of US\$31.5 million LifeScan lump sum service fee The impact of Siemens Definitive Agreement included in 2019 investing cash flows |
| Net cash used in investing activities | -10.2 | -0.4 | -2450.0% | |
| Net cash used in financing activities | 0.0 | -20.9 | 100.0% | |
| Movement in exchange rates | 2.1 | 2.2 | -4.5% | |
| Net movement in cash at period end | 25.1 | -17.3 | 245.1% | |
| Cash at period end | 37.2 | 12.1 | 207.4% | |

Cash Reconciliation



Balance Sheet

Healthy cash balance to carry out strategic initiatives



| A\$m, as at 31 Dec | 2019 | 2018 | Change | Commentary |
|--------------------------------------|-------------|-------------|---------------|---|
| Cash and cash equivalents | 30.2 | 11.8 | 156.2% | <ul style="list-style-type: none"> ▪ Cash position supported by receipt of lump sum service fees in February 2019, previously reflected in other receivables in 2018 ▪ Other current assets comprise primarily of R&D cash rebate receivable , restricted cash and inventory ▪ Increase in intangibles associated with assets subject to the Siemens Definitive Agreements ▪ Other non current assets represents restricted cash ▪ Contingent consideration represents payments to Siemens in the event of achieving a pre-defined milestone ▪ Deferred income tax liability represents adjustment to the cost base of assets acquired with Siemens Definitive Agreements |
| Trade and other receivables | 0.1 | 50.2 | -99.7% | |
| Prepayments | 0.1 | 0.2 | -14.3% | |
| Other current assets | 6.6 | 1.9 | 253.3% | |
| Current Assets | 37.0 | 64.1 | -42.1% | |
| Property, plant and equipment | 4.8 | 5.6 | -15.6% | |
| Intangibles | 15.9 | 0.0 | nmf | |
| Other non current assets | 4.9 | 0.3 | 1433.7% | |
| Non Current Assets | 25.6 | 5.9 | 330.3% | |
| Total Assets | 62.6 | 70.0 | -10.5% | |
| Income taxes payable | 0.0 | 4.4 | -100.0% | |
| Trade and other payables | 1.6 | 2.4 | -31.8% | |
| Contingent consideration | 2.1 | 0.0 | nmf | |
| Deferred revenue | 2.7 | 2.3 | 13.9% | |
| Other current liabilities | 3.7 | 4.1 | -9.6% | |
| Total Current Liabilities | 10.1 | 13.2 | -23.8% | |
| Deferred revenue | 1.4 | 3.5 | -59.0% | |
| Deferred income tax liability | 3.1 | 0.0 | nmf | |
| Other non current liabilities | 2.6 | 2.6 | -0.3% | |
| Total Non Current Liabilities | 7.1 | 6.1 | 16.4% | |
| Total Liabilities | 17.2 | 19.3 | -10.6% | |
| Net Assets | 45.4 | 50.7 | -10.4% | |
| Total Equity | 45.4 | 50.7 | -10.4% | |

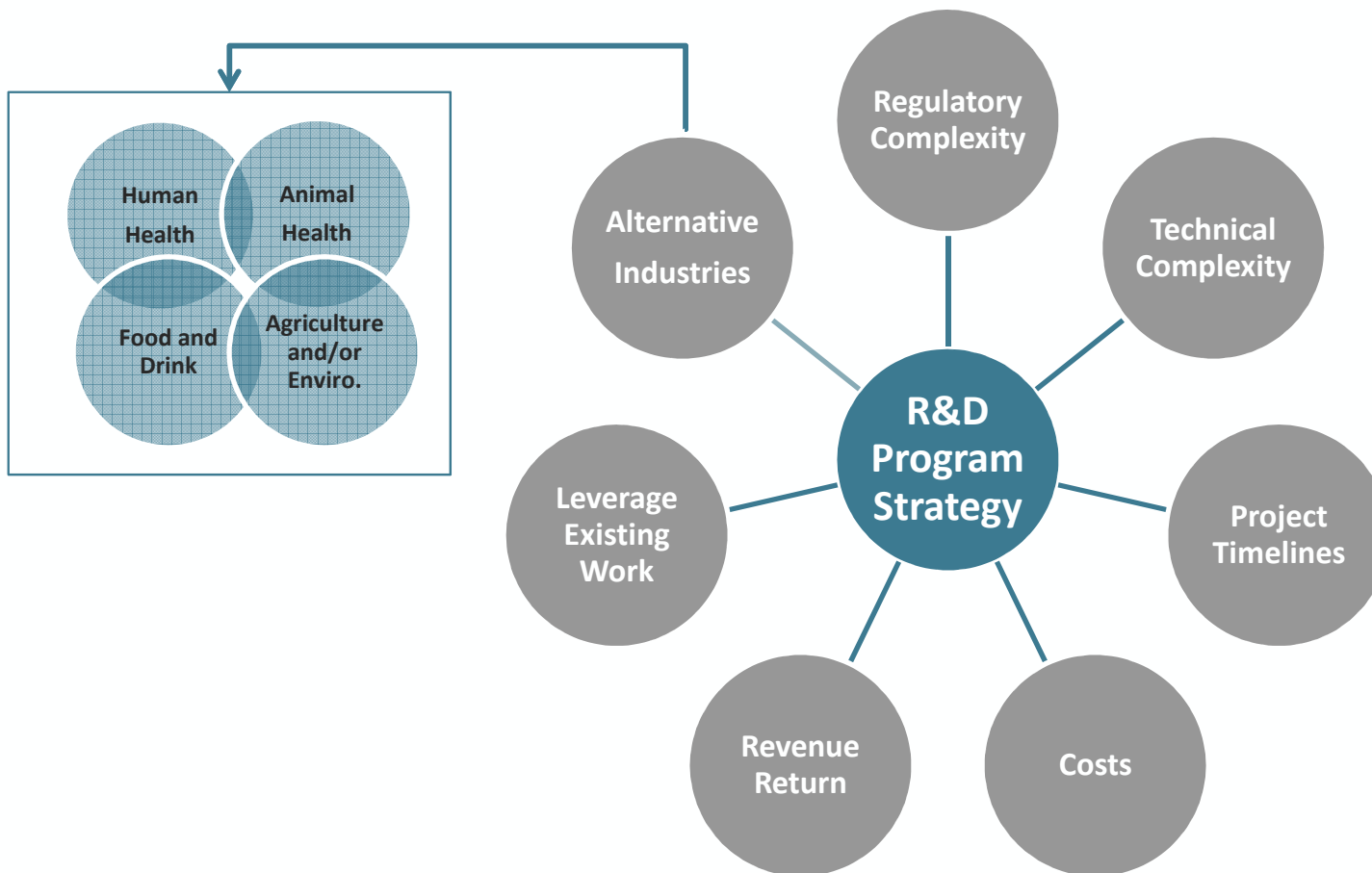
4. Research and Development - Introducing Free Sulfur Dioxide (SO₂) Test



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R&D Strategy: Overview of Considerations

A range of variables/parameters were considered when reviewing the R&D strategy



R&D Strategy: Why a non-medical device platform?

Overall assessment concludes faster & cheaper development cycle compared to medical devices



- ✓ ***Alternative Industries: Food & Drink industry, no true point of use device commercially available***
- ✓ ***Leverage Existing Work: Ability to use previously developed meter design, existing electrochemical cell technology, and existing manufacturing process***
- ✓ ***Regulatory Complexity: Focus on in-process testing (lower regulatory complexity) and no regulatory authority review required prior to launch***
- ✓ ***Project Timelines: Lower regulatory complexity has reduced development timelines, no complicated clinical trials required***
- ✓ ***Project Costs: No large investment required (given no clinical trials), current infrastructure is suitable***

R&D Strategy: Introducing Free Sulfur Dioxide (SO₂) Test

UBI is developing an in-process test to monitor the concentration of free SO₂ during wine production



- ✓ *Sulfur dioxide (SO₂) is widely used in wine production as a preservative to protect wine from negative effects of oxygen exposure and microbial contamination during ageing/storage*
- ✓ *SO₂ allows wine to continue developing safely throughout its entire lifetime*
- ✓ *SO₂ occurs naturally as a result of the fermentation process, but requires a supplement to fully protect the wine*
- ✓ *SO₂ levels in wine is regulated, with the wine manufacturer requiring a final SO₂ concentration value from an accredited laboratory to export*
- ✓ *UBI is developing an in-process test to monitor the concentration of free SO₂ during wine production*

R&D Strategy: Wine Industry Overview

The wine manufacturing market is stable and well established, with similar core processes and in-process testing performed worldwide.

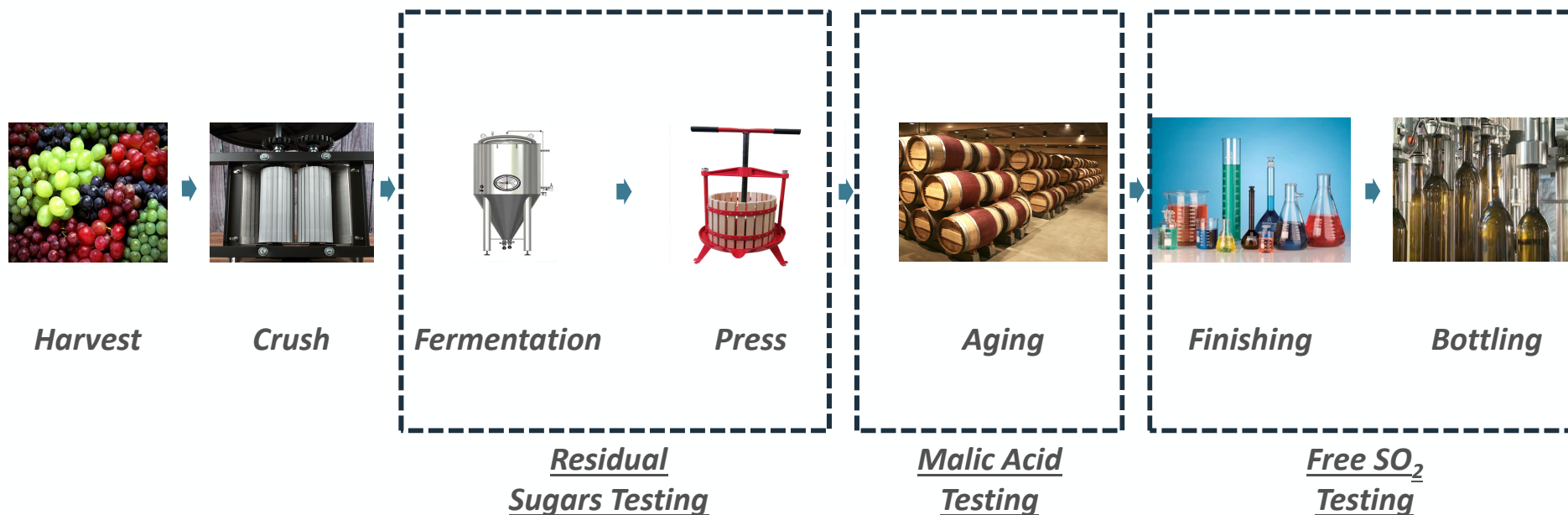


- ✓ **Large Winery Footprint, comprising >100,000 wineries EU/RoW, 10,043 wineries in United States and 2,954 wineries in Australia and New Zealand¹**
- ✓ **Three main in-process tests conducted during wine production: 1) Free Sulfur Dioxide to confirm sulphite present to preserve wine, 2) Malic Acid to confirm wine does not have flat or sour taste, and 3) Residual Sugars to confirm dry wine is not sweet**
- ✓ **Global market for the three main in-process tests (above) is estimated at 70 million tests annually²**

1. 2019 Statistical Report on World Viticulture, Int'l Org of Vine and Wine, Wines and Vines Annual Survey 2018/19, Australia New Zealand Wine Index Directory, NZ Winegrowers Annual Report 2019
2. Free Sulfur Dioxide ~20 million tests annually, Malic Acid ~10 million tests annually and Residual Sugars ~40 million tests annually - UBI estimate

R&D Strategy: SO₂ Testing During Wine Production

Three main in-process tests conducted during wine production



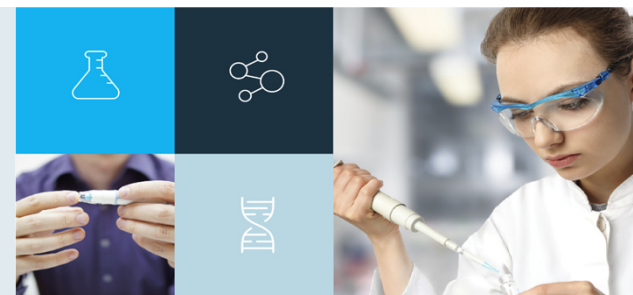
Market Opportunity: Point of Use Testing

Wine testing cannot replace the skills of the wine-maker, but providing real-time data can allow the wine-maker to optimize production and produce wines of a consistently high quality



Market Opportunity: Market Differentiator

UBI's product meets all parameters¹



- ✓ ***Cost Efficiency:*** Current test cost ~A\$15/sample at winery or lab (with overnight shipping costs). UBI strip cost is substantially lower than this
- ✓ ***Time Efficiency:*** Current lab test time 24hrs+ (including shipping) and winery test time of ~20 minutes, compared to UBI test time ~1 minute
- ✓ ***Usability:*** Simple to use with no special skills required, no sample preparation and no dangerous chemicals – likely to lead to increased number of tests
- ✓ ***Quality:*** Early data indicates suitable performance for a non-lab test, simple test allows better monitoring and quality of wine and low regulatory barriers
- ✓ ***Lab Test:*** Point of use test accessible to all wineries

1. Subject to the successful completion of R&D

5. Strategic Considerations



FY20 Priorities

Comfortable cash position sufficient to drive strategic initiatives



- 1** *Increase Xprecia Stride™ revenue by channelling new customers and distributors*
- 2** *Increase HRL revenues through sales and marketing initiatives*
- 3** *Undertake research and development work for the wine testing platform*
- 4** *Cost savings initiatives*
- 5** *Identify, investigate and evaluate inorganic growth options*