



**Universal Biosensors**



**Investor Presentation: Q4 2014 Results Update**

# Important Disclaimer



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- 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.

- ✓ **FY 2014 Full Year Financial Results**
- ✓ **Launch of Siemens Coagulation Analyzer**
- ✓ **Acceleration in Quarterly Service Fees**
- ✓ **New products on the way**
- ✓ **Cash flow breakeven in sight**

# Financial summary



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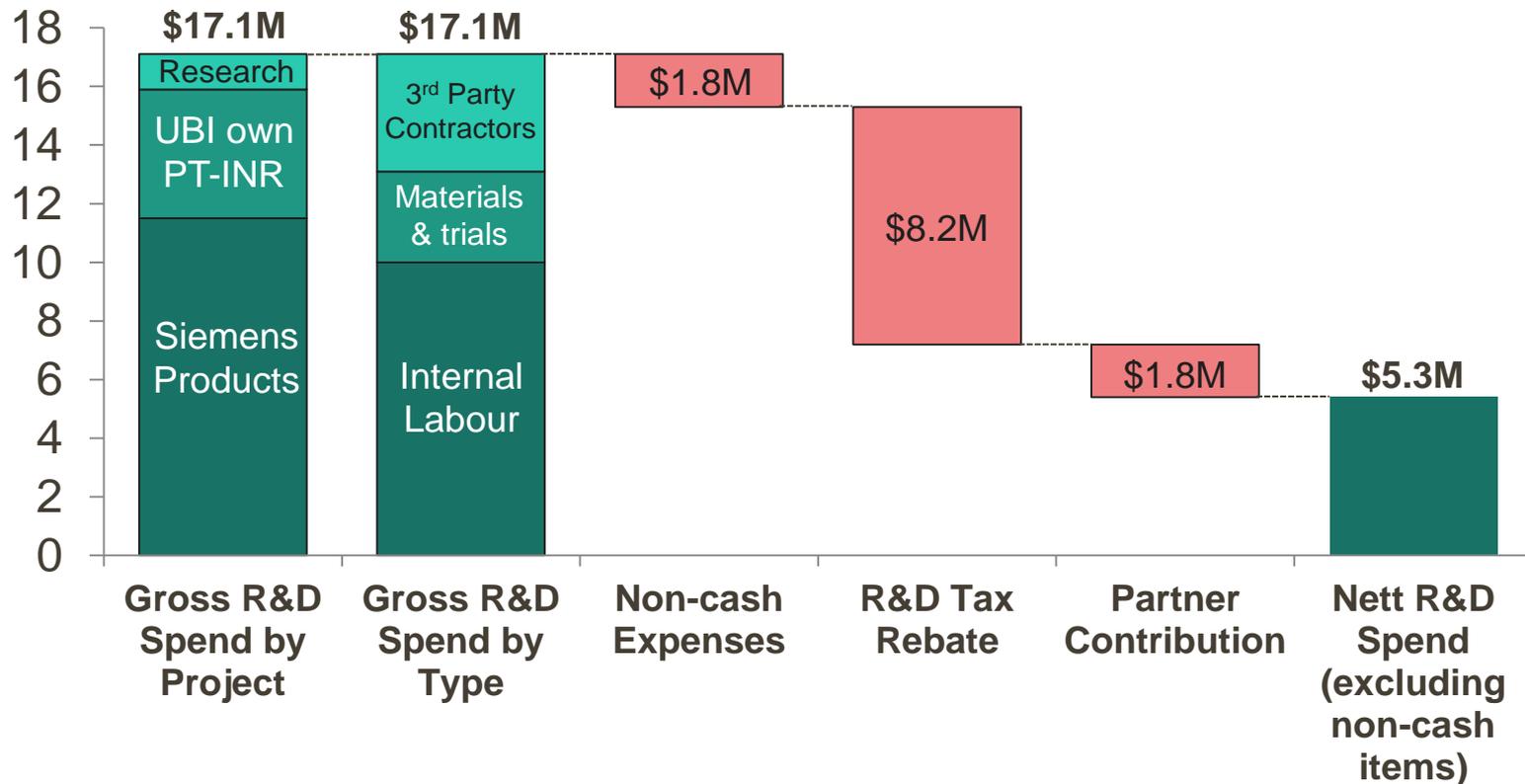
## Year Ending 31 Dec 2014

	2014 (A\$'M)	2013 (A\$'M)	Change	Comments
Quarterly Service Fees	6.4	3.4	Up 89%	Increasing Verio strip sales
<b>Total Revenue</b>	<b>9.5</b>	<b>15.1</b>	Down 37%	UBI ceased low margin glucose strip manufacturing at end of 2013
<b>Contribution from Products and Services</b>	<b>9.0</b>	<b>3.4</b>	Up 160%	Quarterly Service Fees flow through
R&D Expenses	17.1	15.5	Up 11%	Development of Xprecia Stride, now in market, and other POC Coagulation tests
G&A Expenses	5.6	6.2	Improved 9%	Ongoing restriction of non-core spending
<b>Loss from Operations</b>	<b>(13.8)</b>	<b>(18.2)</b>	Improved 24%	
Other Income/(Expense)	4.5	6.6	Down 32%	Increased benefit of R&D tax rebate offset by higher financing costs and patent fees
<b>Net Loss</b>	<b>(9.3)</b>	<b>(11.6)</b>	Improved 20%	
Operating Cash Flow	(5.4)	(16.6)	Improved 67%	Increased gross margin and R&D Tax Rebate of ~\$8M received in 2014
<b>Cash Balance</b>	<b>16.3</b>	<b>23.7</b>	Down 31%	Note: US\$15M in long term debt

# Less than one third of R&D funded by cash



## New Product Development Spend 2014 (\$A Millions)



# 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\*

### Exclusive manufacturer of strips

- 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

- Further tests being developed with Siemens

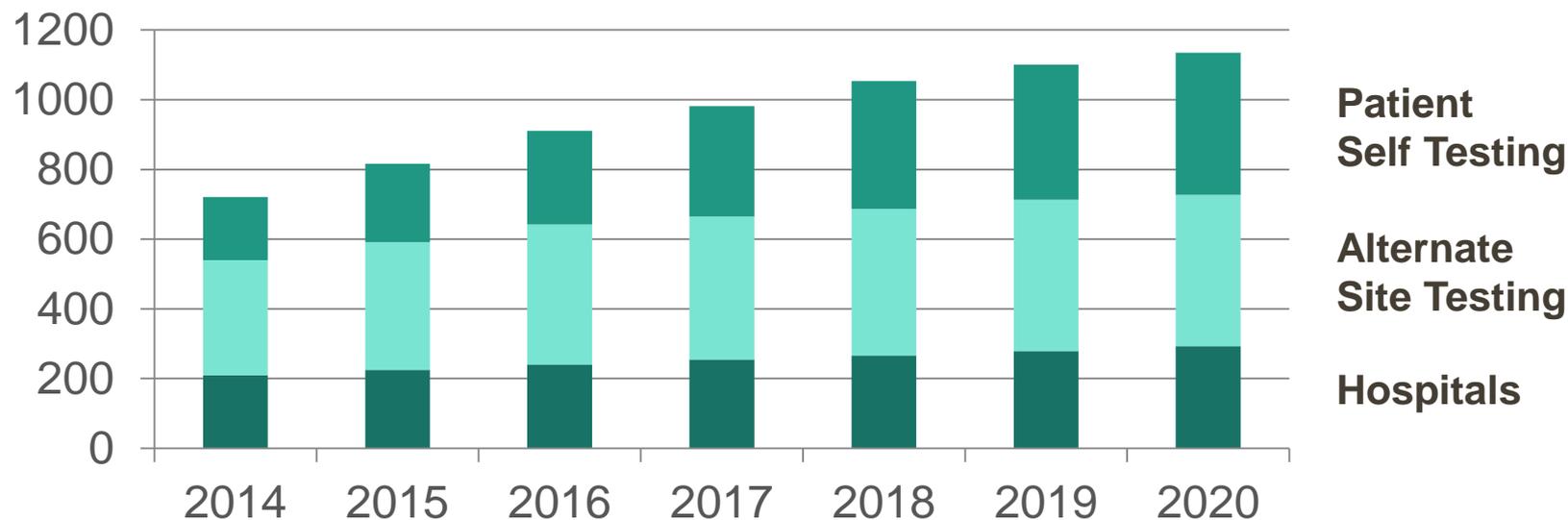
\*Note: refer to Form 10K for details of commercial agreements

# 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
- Generous reimbursement

### Market Risks

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

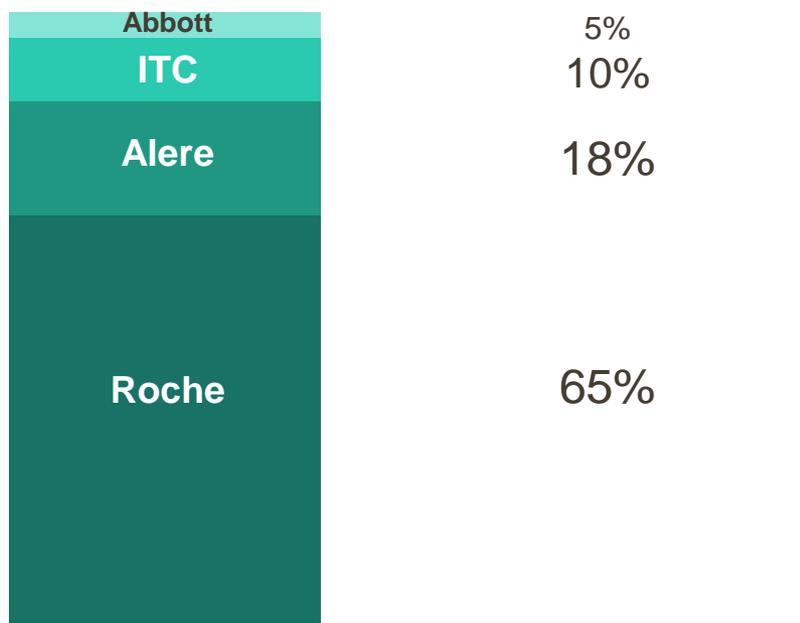
# Highly concentrated POC PT-INR market



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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

# Growing earnings from BGM business



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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)

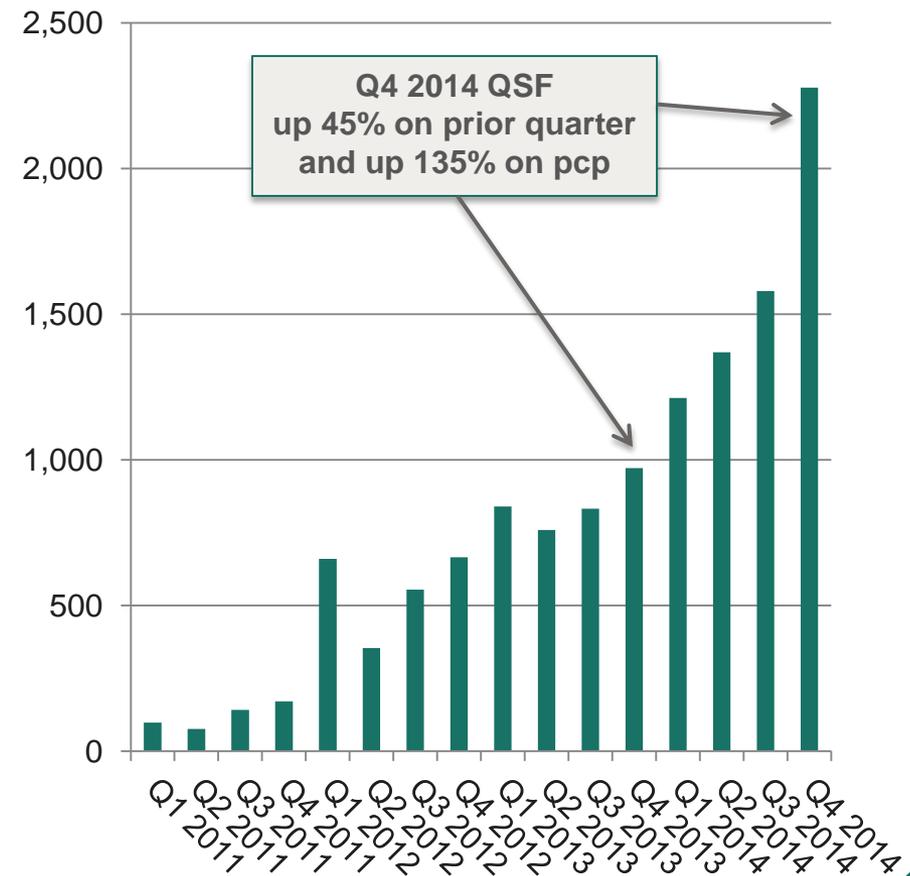
- UBI receives a service fee for each Verio strip sold by LifeScan
  - The first 0.5B strips per year: US1.25c
  - Each strip >0.5B per year: US 0.75c
  - Cumulative QSF (31 Dec 2014) of US\$11.8M

## Lump Sum Service Fee (LSSF)\*

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

## 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

- Now being marketed in Europe and North America
- At US\$19.99 Recommended Retail Price in the US market, 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

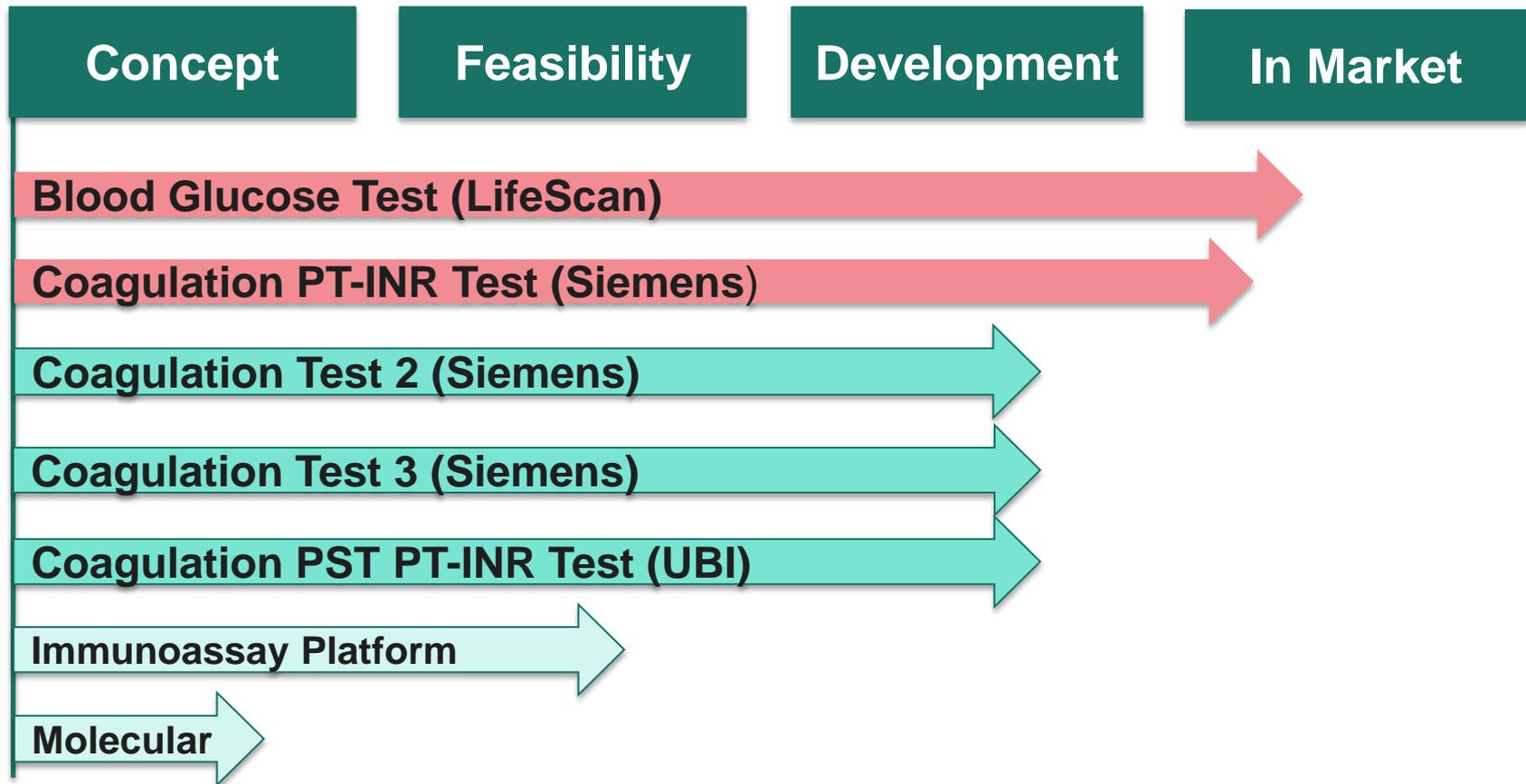
*“New OneTouch Verio® Blood Glucose Monitoring System Helps People With Diabetes Better Understand Their Blood Sugar Test Results With No Extra Work”*

**LifeScan Press release (Jan 2015)**

# A broad product pipeline



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## **Additional Siemens POC Coagulation Tests**

- Following launch of first product, development focus shifting to new tests
- Advanced prototypes in clinical & reliability testing
- Currently reviewing:
  - ❖ final product features
  - ❖ clinical and regulatory strategy
  - ❖ development timelines

## **UBI PT-INR Test for Decentralised and Home Use**

- Ongoing discussions with distributors for key markets
- Currently planning design verification and clinical trials

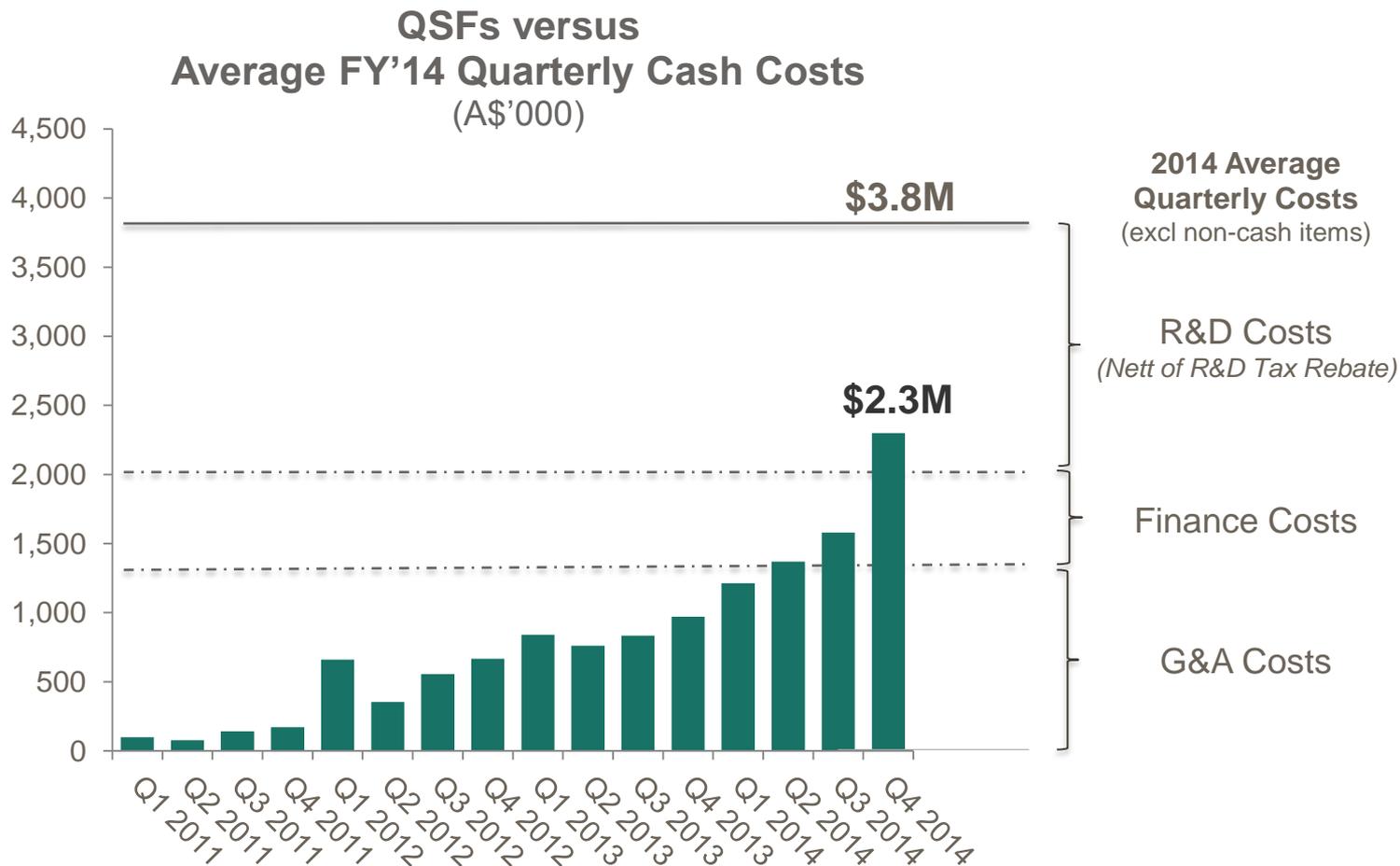
## **Immunoassay Platform Development**

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

# Cash flow breakeven in sight



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Source: UBI Financial Statements, SEC Filings.

# Anticipated news flow: 12-18 months



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