

**Universal Biosensors, Inc.****Commentary on Q2 2019 Appendix 4C Cash Flow Summary**

Universal Biosensors, Inc. (ASX: UBI) has today released its cash flow report (ASX Appendix 4C) for the quarter ending 30 June 2019 (Q1 2019). Unless otherwise noted, all references to “\$” are references to Australian dollars.

Highlights

- Cash on hand including restricted cash was \$50.9m
- Positive operating cash flows of \$37.9m as a result of one-off payment of lump sum service fees of \$44.1m
- Xprecia Stride™ strip revenue up 154% to \$2.3m

Cash Flow Reconciliation

A reconciliation of UBI’s cash flows is as follows:

	Q1 2019 \$'000	Q2 2019 \$'000	YTD \$'000
Opening cash balance	12,133	52,235	12,133
<u>Operating Activities</u>			
<u>Inflows</u>			
Lump sum service fees	44,061	-	44,061
Quarterly service fees	4,869	-	4,869
Xprecia Stride™ PT-INR test strips	466	1,276	1,742
Other revenue	495	972	1,467
	49,891	2,248	52,139
<u>Outflows</u>			
Payments in the ordinary course of business	4,963	3,205	8,168
Income tax - US	4,353	-	4,353
One - off payments (redundancy payments and legal fees)	830	903	1,733
	10,146	4,108	14,254
Operating activities	39,745	(1,860)	37,885
Capital expenditure + financing activities	(63)	(2)	(65)
Exchange rate fluctuations	420	517	937
Closing cash balance	52,235	50,890	50,890

Revenues from the sale of Xprecia Stride™ strips increased by 154% to \$2.3m for the first half of the year compared to prior comparable period.

Excluding one-off payments, our net operating cash outflows during Q2 averaged \$319k per month.

UBI’s Net Cash position (cash on hand less short and long term debt) as at 30 June 2019 is \$50.9m, an improvement of \$38.8m from 31 December 2018.

For further information, please contact:

Salesh Balak

Chief Financial Officer

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

UNIVERSAL BIOSENSORS, INC.

ABN

67 950 836 446

Quarter ended ("current quarter")

30 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,854	51,667
1.2 Payments for		
(a) research and development	(356)	(675)
(b) product manufacturing and operating costs	(473)	(778)
(c) advertising and marketing	(9)	(10)
(d) leased assets	(263)	(552)
(e) staff costs	(1,942)	(5,299)
(f) administration and corporate costs	(1,065)	(2,586)
1.3 Dividends received (see note 3)		
1.4 Interest received	388	465
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid	0	(4,353)
1.7 Government grants and tax incentives	6	6
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(1,860)	37,885

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(19)	(82)
(b) businesses (see item 10)		
(c) investments		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(d) intellectual property		
(e) other non-current assets		
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	13	13
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	(6)	(69)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options	4	4
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	4	4

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	52,235	12,133
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,860)	37,885
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(6)	(69)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	4	4

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	517	937
4.6	Cash and cash equivalents at end of quarter	50,890	50,890

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	50,554	51,900
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details) – The Company maintains restricted cash which includes tenant security deposits, credit card security deposits and cash collateral for its borrowings	336	335
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	50,890	52,235

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
83

6.1

Non-executive directors' fees and salaries, allowances, superannuation and expense reimbursement.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000

8. Financing facilities available

Add notes as necessary for an understanding of the position

Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

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9. Estimated cash outflows for next quarter

\$A'000

9.1	Research and development	100
9.2	Product manufacturing and operating costs	500
9.3	Advertising and marketing	-
9.4	Leased assets	275
9.5	Staff costs	1,500
9.6	Administration and corporate costs	843
9.7	Other (provide details if material: capital expenditure \$5k)	5
9.8	Total estimated cash outflows	3,223

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)

Acquisitions

Disposals

10.1	Name of entity		
10.2	Place of incorporation or registration		
10.3	Consideration for acquisition or disposal		
10.4	Total net assets		
10.5	Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



16 July 2019

Sign here:
(Chief Financial Officer)

Date:

Print name:Saresh Balak.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.