



Universal Biosensors, Inc.

ARBN 121 559 993

ASX Spotlight Series

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UBI investment case

- ✓ Targeting the attractive **Point-of-Care diagnostics (POCD)** market
- ✓ With a **powerful POCD technology** platform
- ✓ Profitable business with world leader **LifeScan (J&J)** in diabetes care
- ✓ Partnered with world leader **Siemens** in POC coagulation testing
- ✓ Pipeline of high value future product opportunities
- ✓ Experienced, high-calibre management team
- ✓ **Generating revenues** from worldwide sales
- ✓ ASX-listed, SEC compliant, US Company

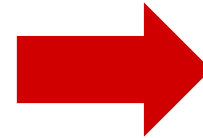


Contents

- ➔ • **UBI Overview**
 - Blood Glucose Monitoring
 - Coagulation Testing
 - Future Opportunities



The future of diagnostics is at Point-of-Care



Healthcare Challenges:

- Aging populations, living longer with chronic conditions
- Skills shortages
- Exploding healthcare costs
- Variable standards of care in
 - Remote / regional areas
 - Developing economies

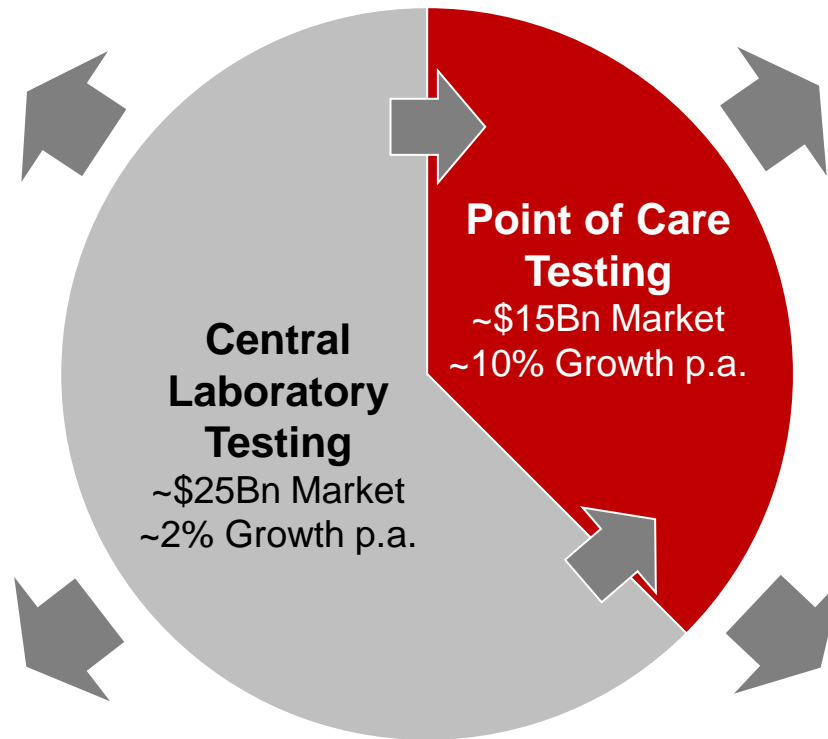
Point of Care Diagnostics (POCD) Technology:

- ✓ Supports more timely and frequent diagnosis
- ✓ Simpler to use
- ✓ Empowers the patient
- ✓ Reduces logistics challenge
- ✓ Better health economics



UBI targets the \$15Bn, growing POC market

Global In-Vitro Diagnostics Market (2012 estimate)





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**

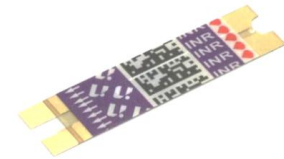
- **Annuity-based business model**

- ✓ Strips tied to readers
- ✓ Meter installed base pulls strip sales

- **Patent protected**

(44 patent families)

Disposable Test Strips



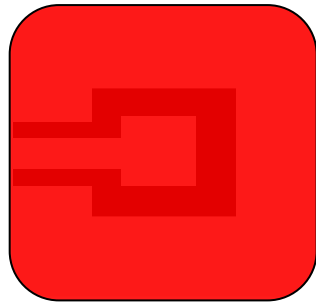
Handheld Readers



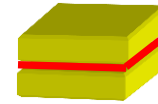


A paradigm shift in electrochemical sensors

Co-Planar Electrodes



Opposing Electrodes

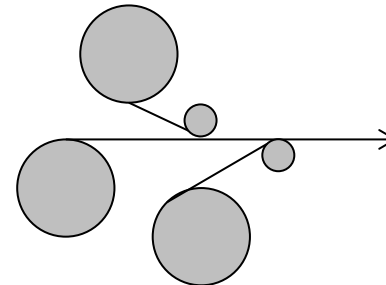
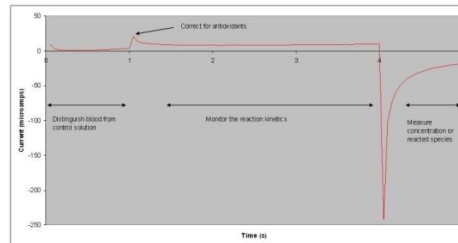


Smaller sample volume

Greater Accuracy

Simpler to manufacture

Broad IP protection





...and low cost, scale manufacturing



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

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





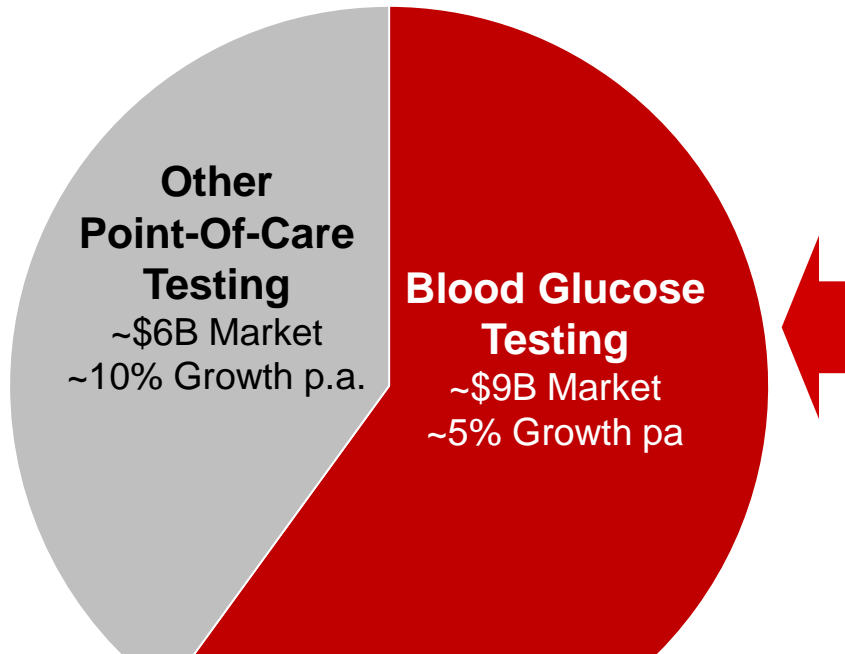
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1st target: the \$9B blood glucose segment

Global Point of Care Diagnostics Market (2013 estimate)



Blood Glucose Growth Drivers

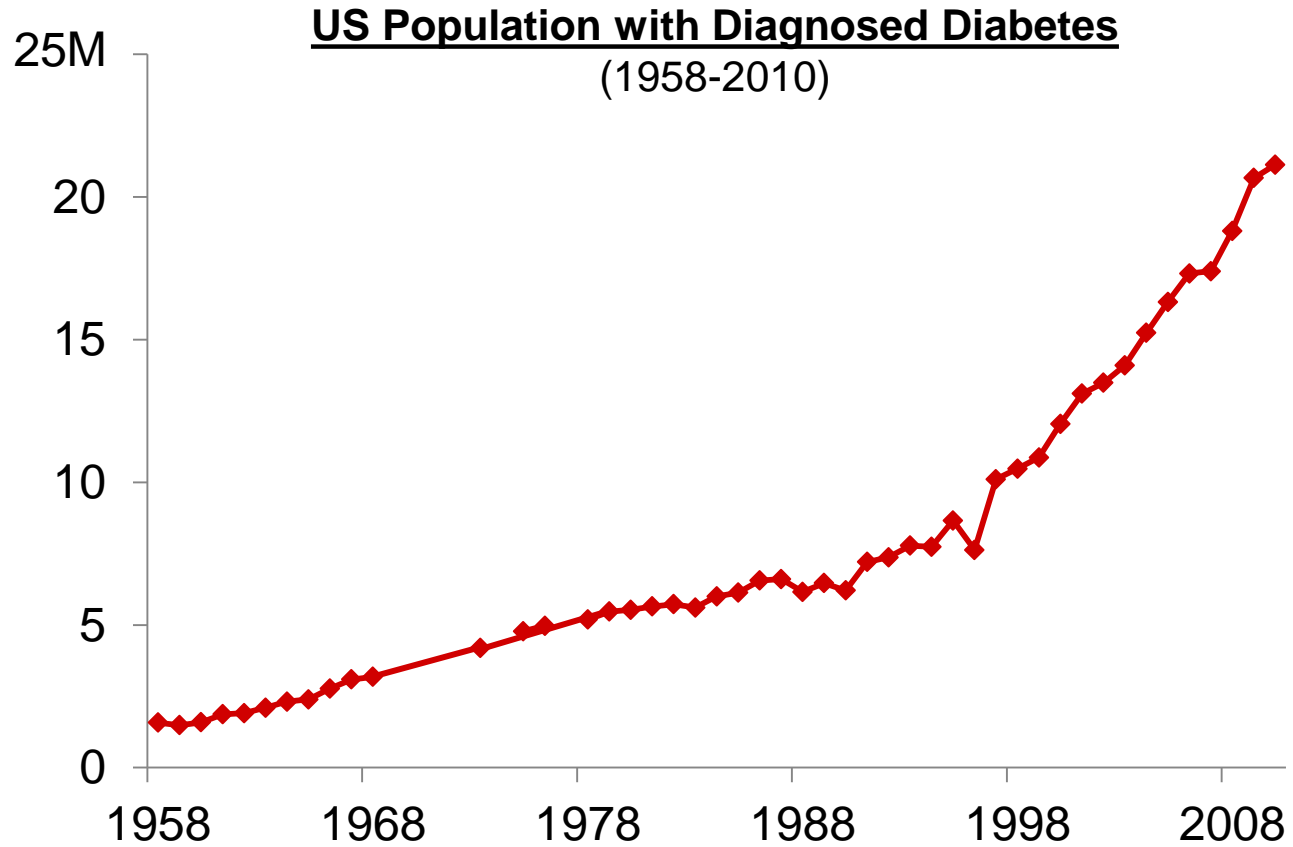
- Increased life expectancy of diabetes sufferers
- Growing incidence of diabetes in all geographies
- Technology improvements
- Increasing patient awareness

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)*



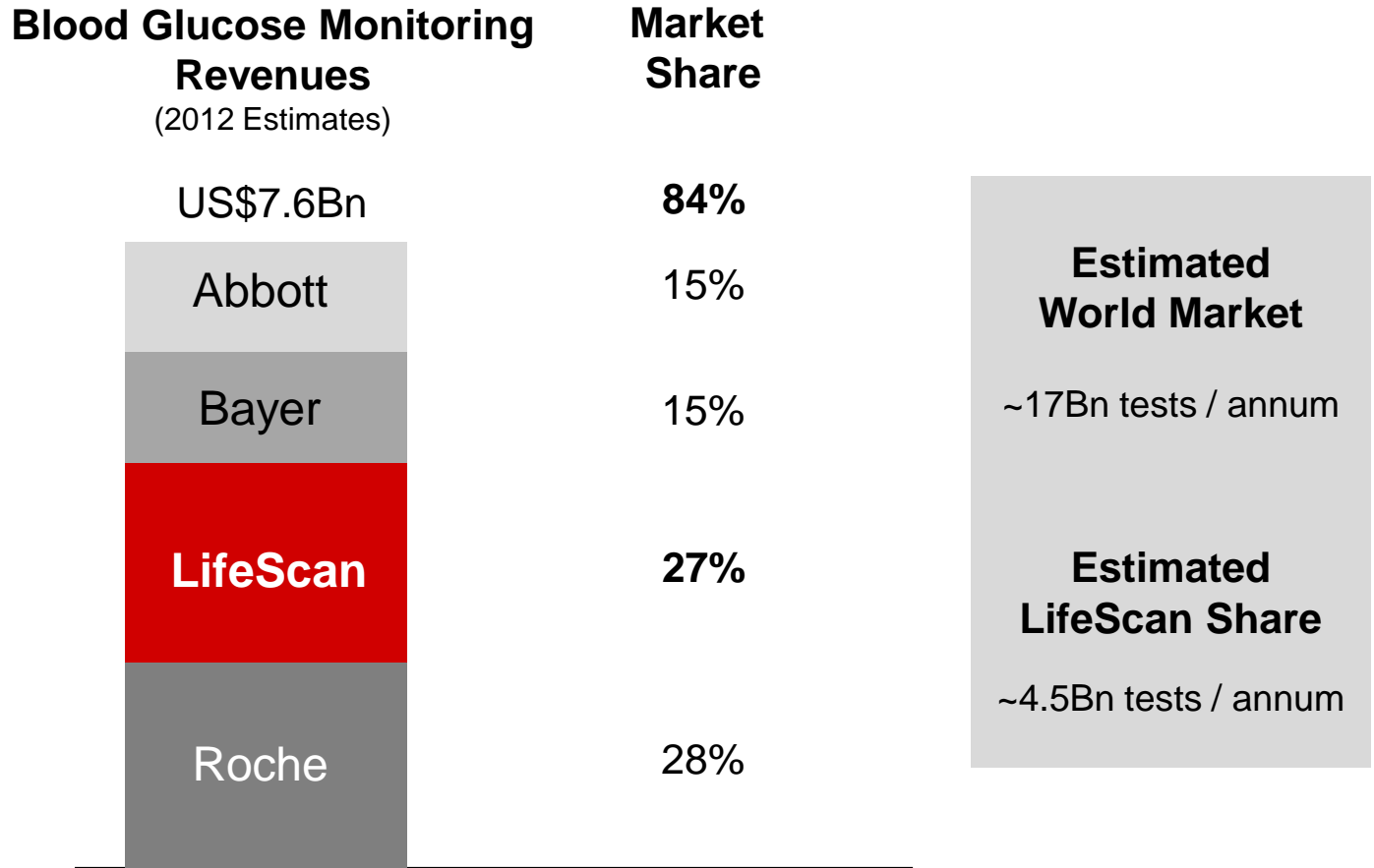
Growth in diabetes drives glucose testing



Source: Centre for Disease Control & Prevention - National Diabetes Surveillance System



The “Big 4” blood glucose players dominate



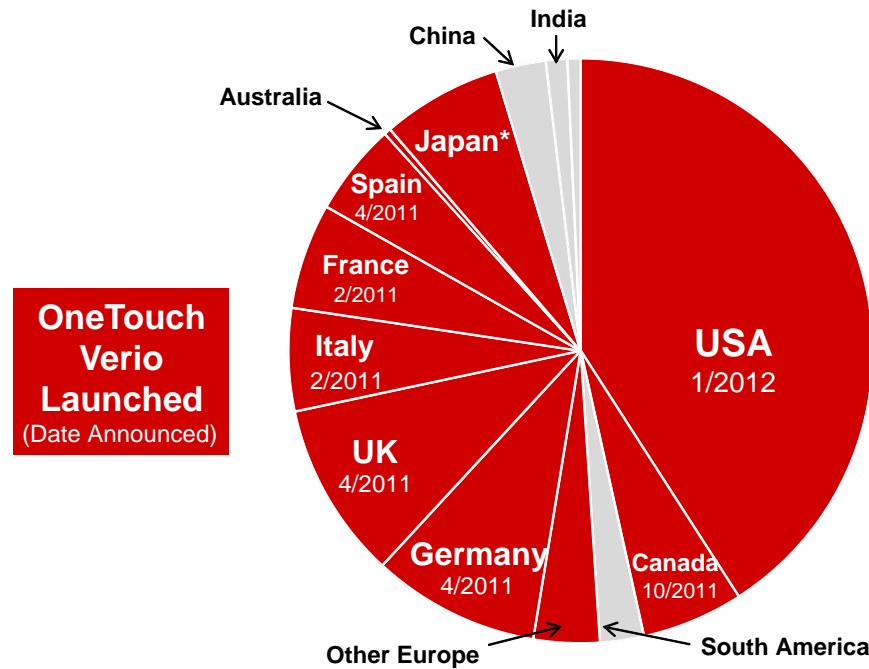
Source: Company Financial Reports, analyst estimates, management estimates



OneTouch Verio global roll-out continues...



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.

*Product launched in Japan is aimed at Healthcare Professionals, rather than Self Monitored Blood Glucose



...demonstrating substantial commitment

Expanding range of OneTouch Verio Meters



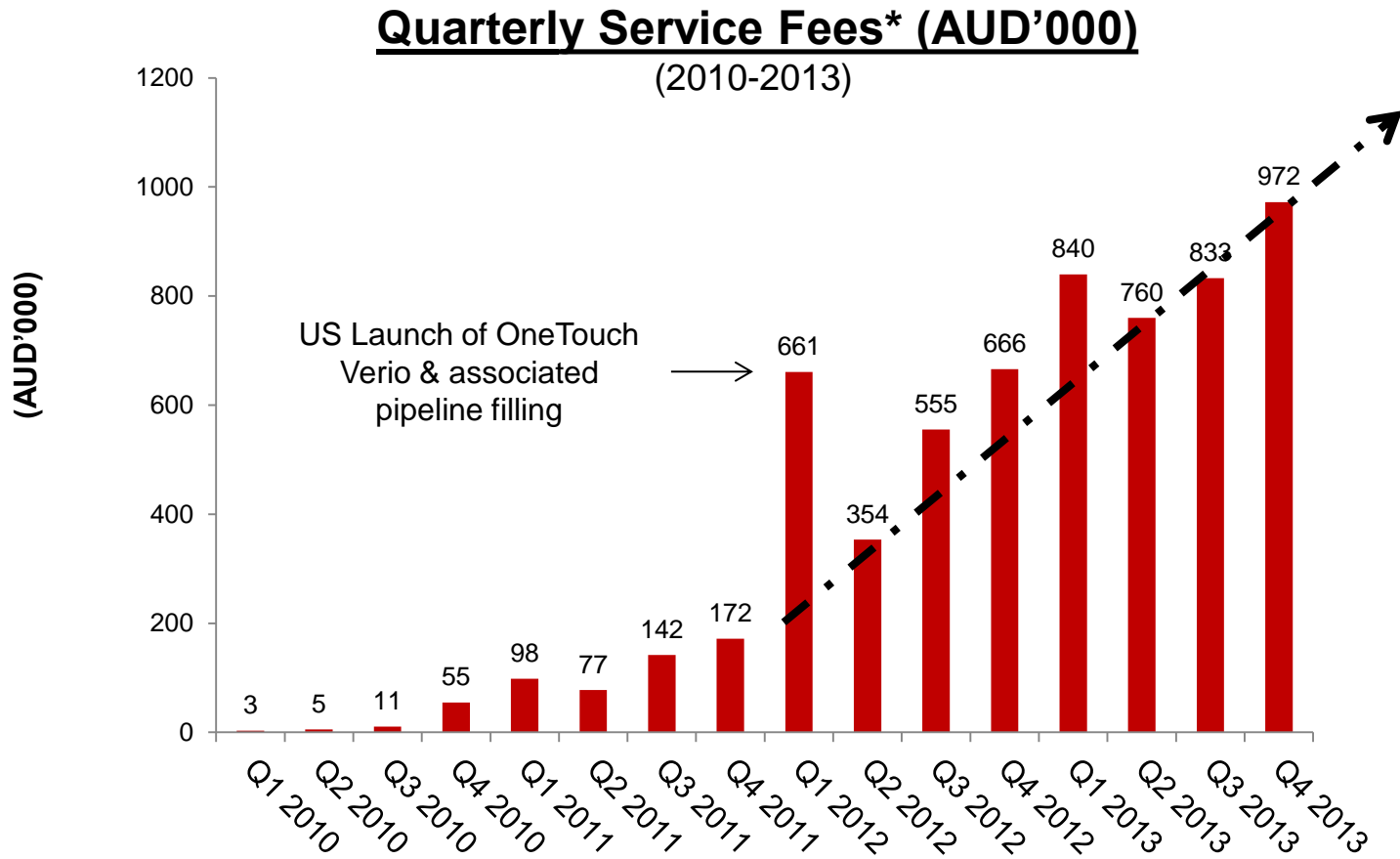
Expanding strip manufacturing capacity





Fees from strip sales have grown rapidly

UBI is paid ~US1cent for each OneTouch Verio strip sold by LifeScan. These Quarterly Service Fees (QSFs) grew by ~52% in 2013, substantially faster than the overall market.




*Quarterly Service Fees are based on the number of Verio strips sold by LifeScan

Source: UBI accounts - for important details relating to the terms of our commercial relationship with LifeScan, refer to our most recent Form 10K and agreements filed with the SEC.



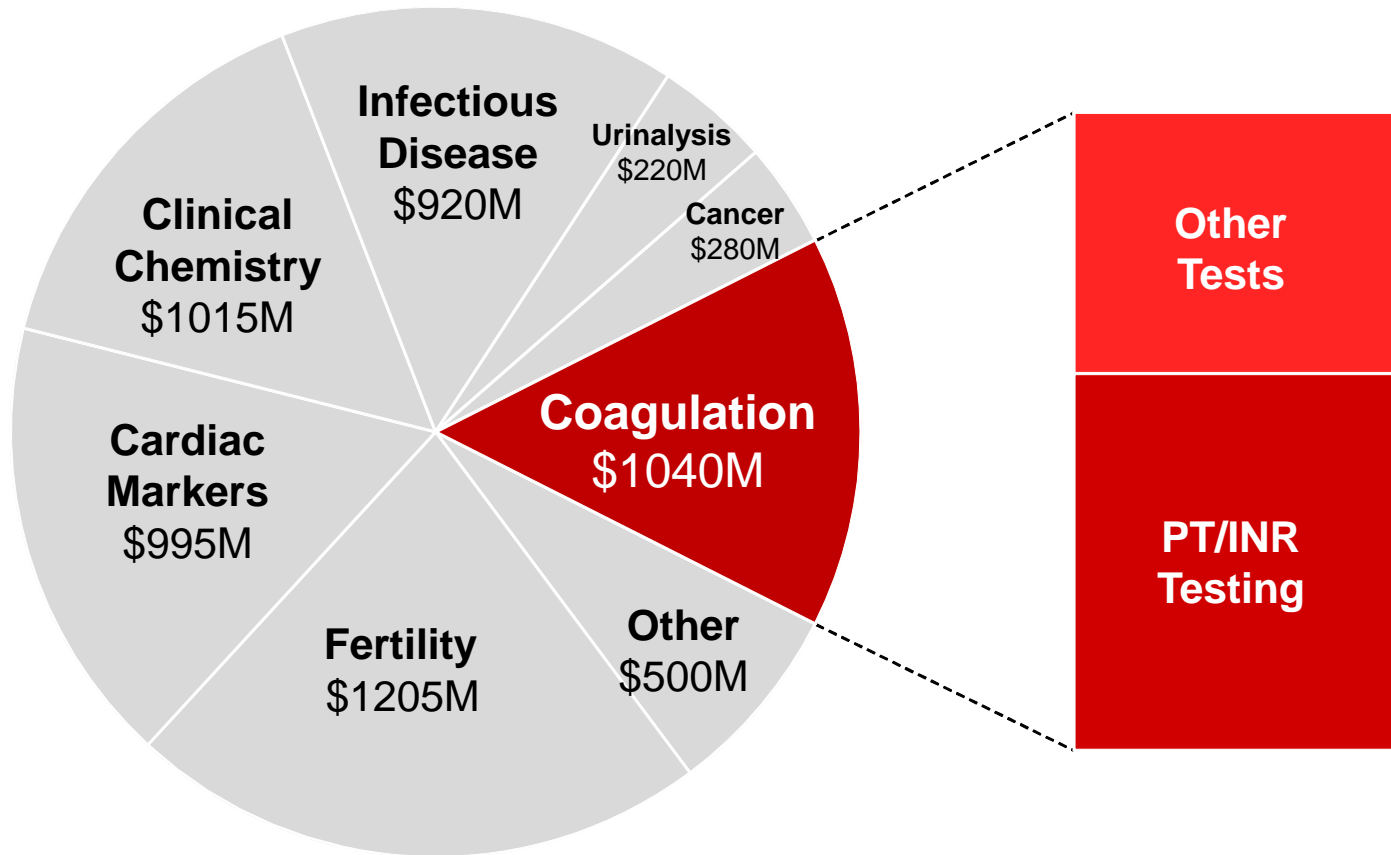
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Next opportunity: POC coagulation testing

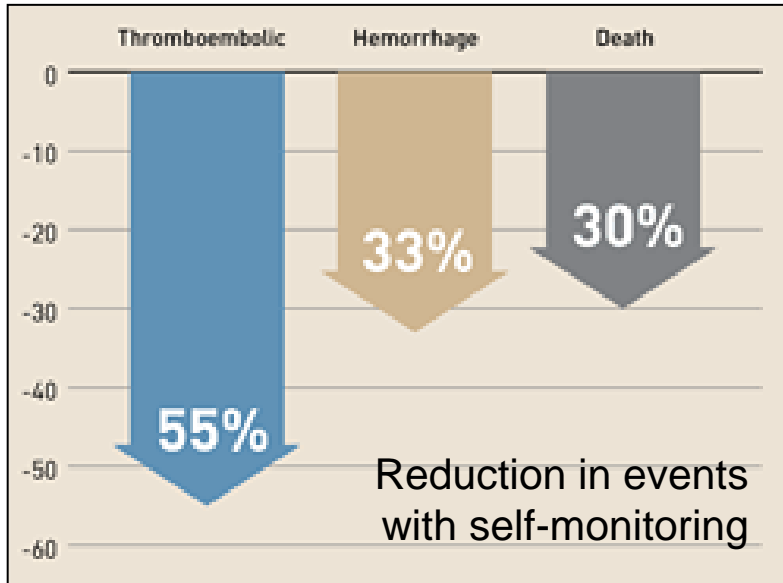
Point-Of-Care Diagnostics Market (USD)
(Excluding Glucose testing - 2012E)





What is a PT/INR test?

- Prothrombin Time (PT) measures the clotting tendency of blood and is reported as an International Normalised Ratio (INR)
- Frequent INR testing is used to ensure that Warfarin patients remain in the Target Therapeutic Range (TTR)



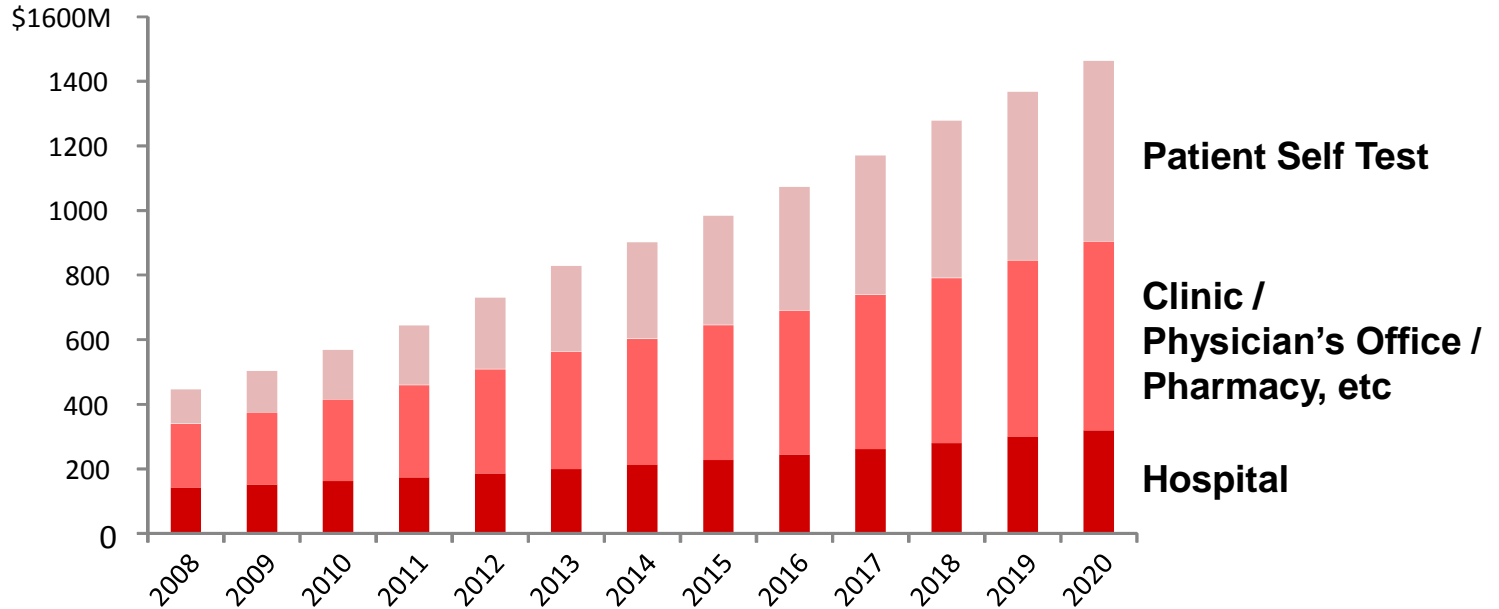
Heneghan C, Alonso-Coello P, Garcia-Alamino JM, et al. Self-monitoring of oral anticoagulation: a systematic review and meta-analysis. *Lancet*. 2006;367:404-411.

- More frequent monitoring improving patient outcomes as patients remain within TTR longer
- Point of Care (POC) testing is required for more frequent monitoring



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 ~US\$5.53 / test



Partnered with Siemens in POC coagulation



+

SIEMENS



PT-INR testing system:

- in development
- launch expected in 2014



Coagulation test #2:

- feasibility achieved June 2012
- launch expected in 2015



Coagulation test #3:

- feasibility achieved July 2012
- launch expected in 2015

- Worldwide partnership in “professional” markets for Point-of-Care Coagulation testing
- 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: ~US\$8.5M received to date, with 4 milestone payments to come
- UBI returns via margin on strip manufacturing & upside profit share



Siemens POC coagulation: PT-INR

- **Target timetable:**

- ✓ launch of Siemens POC PT-INR testing system is expected in 2014
- ✓ revised strategy targets launch before end of Q3 2014
- ✓ Siemens & UBI focused on achieving earliest possible launch

- **Siemens demonstrating high commitment to launch:**

- ✓ high involvement in an integrated project team
- ✓ driving a high quality, competitive specification



- **Jointly working to:**

- ✓ obtain sufficient high-INR clinic data to complete system performance validation
- ✓ address residual risks and improvement opportunities
- ✓ manage the logistics of launch preparations

- **After completion of clinical trials, product approvals be based on:**

- ✓ self-certification for CE Mark and European launch
- ✓ FDA 510K process prior to US market launch



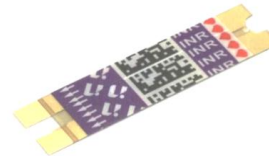
UBI-owned home PT-INR test to follow

Opportunity:

- ✓ UBI-owned PT-INR testing system for decentralised settings including patient self-testing (PST), sold through specialist distributors in key markets
- ✓ \$200-300M market opportunity today, with potential for double-digit growth
- ✓ Opportunity for higher margin business under UBI control
- ✓ Distribution network provides channel for future UBI products

Target timetable:

- ✓ Targeting launch in 2015



Project status:

- ✓ 2nd generation prototype system nearing completion
- ✓ Distributor engagement accelerating
 - Lead candidates identified in key markets
 - Detailed MOUs being finalised for initial markets
- ✓ 3rd party meter manufacturing establishment underway





PT/INR offers good economic potential

Annual revenue opportunity:


- Consider a target audience of ~7 million Warfarin patients worldwide
- Assume, conservatively, that each patient tests 30 times per annum, on average
- Assume, conservatively, that UBI's price per test strip lies between US\$0.50-1.50

Annual UBI Revenue Opportunity (USD)	Transfer Price per Strip (USD)		
	\$0.50	\$1.00	\$1.50
Market Share			
10%	\$10M	\$21M	\$32M
20%	\$21M	\$42M	\$63M
30%	\$32M	\$63M	\$95M

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.

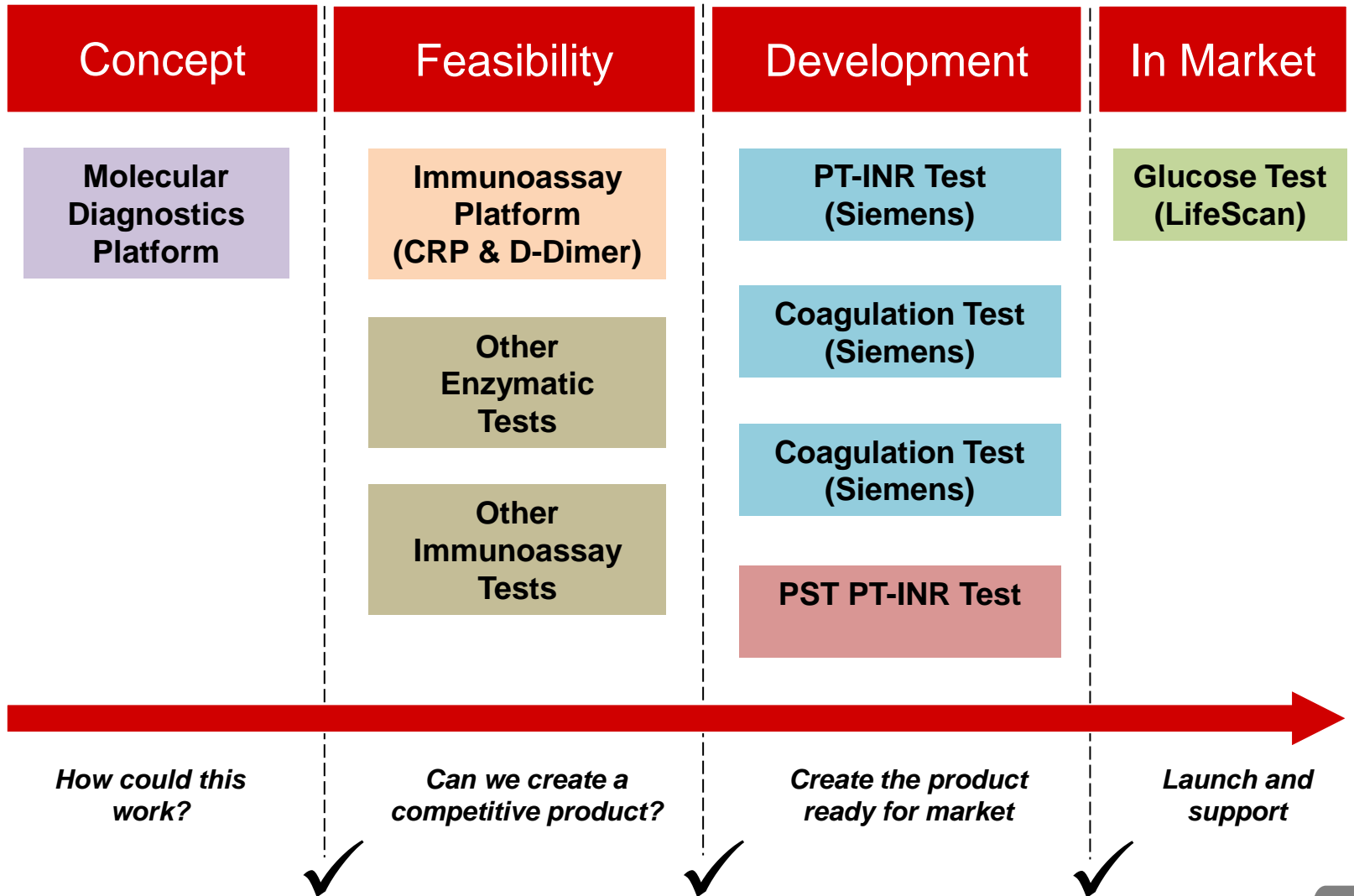


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A pipeline of future POCD products





Building a powerful diagnostics company



- ✓ Core technology platform (strip & meter)
- ✓ Low-cost, scale manufacturing
- ✓ Early cash flow
 - Contract R&D
 - Strip production
 - Quarterly Service Fees
- ✓ **Validation by a world leader**



- ✓ Demonstrated broader capability of UBI technology
- ✓ Diversification reduces business risk
- ✓ Long term strip manufacturing secured by contract
- ✓ **Second validation by a world leader**



POC Diagnostics Leadership

- Build out POC Diagnostics test menu
- Leverage core capabilities (development & manufacturing)
- Leverage & expand route-to-market partnerships
- **Extract greater returns from the value chain**



Value Drivers

- **Ongoing growth in Quarterly Service Fees (quarterly filings)**
- **Siemens POC PT-INR test**
 - ✓ Commercial production
 - ✓ Regulatory approvals
 - ✓ Launch (2014)
- **Other Siemens POC coagulation tests**
 - ✓ Commercial production
 - ✓ Regulatory approvals
 - ✓ Launch (2015)
- **UBI-owned PT-INR test for patient self-test & decentralised settings**
 - ✓ Distribution agreements
 - ✓ Commercial production
 - ✓ Regulatory approvals
 - ✓ Launch (2015)



UBI investment case

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Appendix: Financial Statements



Financial metrics (FY2013)

	12 months ended December 31 st			Comments
	2013 (A\$'M)	2012 (A\$'M)	Change	
Quarterly Service Fees	3.4	2.2	Up 52%	Ongoing market penetration
Revenue from Products	10.2	19.4	Down 47%	Transfer of glucose strip manufacturing to LifeScan's own facility in 2013
Revenue from Services*	1.5	8.0	Down 81%	No milestone payments or major contract R&D in 2013
Total Revenue	15.1	29.6	Down 49%	
Cost of Goods Sold & Services	11.6	18.7	Down 38%	
Contribution from Products & Services	3.4	11.0	Down 69%	
R&D Expense (net)	9.2	13.5	Down 32%	4 products in development stage, offset by ~\$6M in R&D Tax Rebates in 2013
G&A Expense	6.2	6.8	Down 9%	Spending restricted on non-core activities
Financing costs	0.8	0	Up \$0.8k	Related to structured financing
Net Loss after Tax	11.6	9.1	Up \$2.5M	
Net Increase in Cash	0.1	8.6	Down \$8.5M	Cash burn offset by additional funding received in Dec 2013

*Excludes Quarterly Service Fees shown separately



Financial summary: balance sheet

Balance Sheet as at 31 December 2013

	A\$
Current Assets (excluding cash)	12,047,157
Cash	23,742,422
Property, Plant & Equipment (net)	15,910,120
Other Non-Current Assets	2,920,000
Total Assets	<u>54,619,699</u>
Current Liabilities	5,422,287
Non-Current Liabilities	19,513,472
Stockholders' Equity	29,683,940
Total Liabilities & Stockholders' Equity	<u>54,619,699</u>



Financial summary: capital structure

Number of shares on issue	175,600,605
Market capitalization (at 20 th February 2013)	A\$70 million
Number of options on issue	10.6 million
Cash (at 31 st December 2013)	A\$23.7 million
Equity raised since inception	A\$83.7 million



Top 5 UBI shareholders

Shareholder	31st December 2013	
	Holding	
<i>National Nominees Ltd</i>	10.6%	
<i>Talu Ventures Pty Ltd</i>	10.1%	
<i>The Principals Cornerstone Fund Pty Ltd</i>	9.9%	
<i>Australian Executor Trustees SA Ltd</i>	8.0%	
<i>RBC Investor Services</i>	5.3%	



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