



**Universal Biosensors**



**Investor Presentation: FY2015 Financial Results**

# 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 statements contained in this presentation that are not purely historical are forward-looking statements within the meaning of the United States Exchange Act. Forward-looking statements in this presentation include statements regarding our expectations, beliefs, hopes, intentions or strategies regarding the proposed offering. All forward-looking statements included in this presentation are based upon information available to us as of the date hereof, and we assume no obligation to update any such forward-looking statement as a result of new information, future events or otherwise. Our actual results could differ materially from our current expectations.
- 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.

# Agenda



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**FY15 Results Update**

**Company Overview**

# FY2015 Financial Results: Highlights

- **Diversified revenue mix:** Two commercial products on market
- **Strong momentum in revenue growth:**
  - ✓ Total revenue growth up 76% on pcp to \$16.8M
  - ✓ Quarterly Service Fees up 99% on pcp to \$12.8M
  - ✓ Coagulation strip sales to Siemens up over 500% on pcp to \$1.3M
- **Improved financial metrics:**
  - ✓ Net loss reduced to \$6.6M (down from \$9.3M on pcp)
  - ✓ Operating cash flow positive of \$1.8M (vs negative \$5.4M in pcp)
- **Efficient R&D investment:**
  - ✓ Total development expense of \$19.8M (up 15% on pcp)
  - ✓ Net development expense of \$10.5M (up 46% on pcp)
  - ✓ Partner contributions (incl. milestones) of \$2.0M (up 12% on pcp)

# Revenue growth drives improved cash flow



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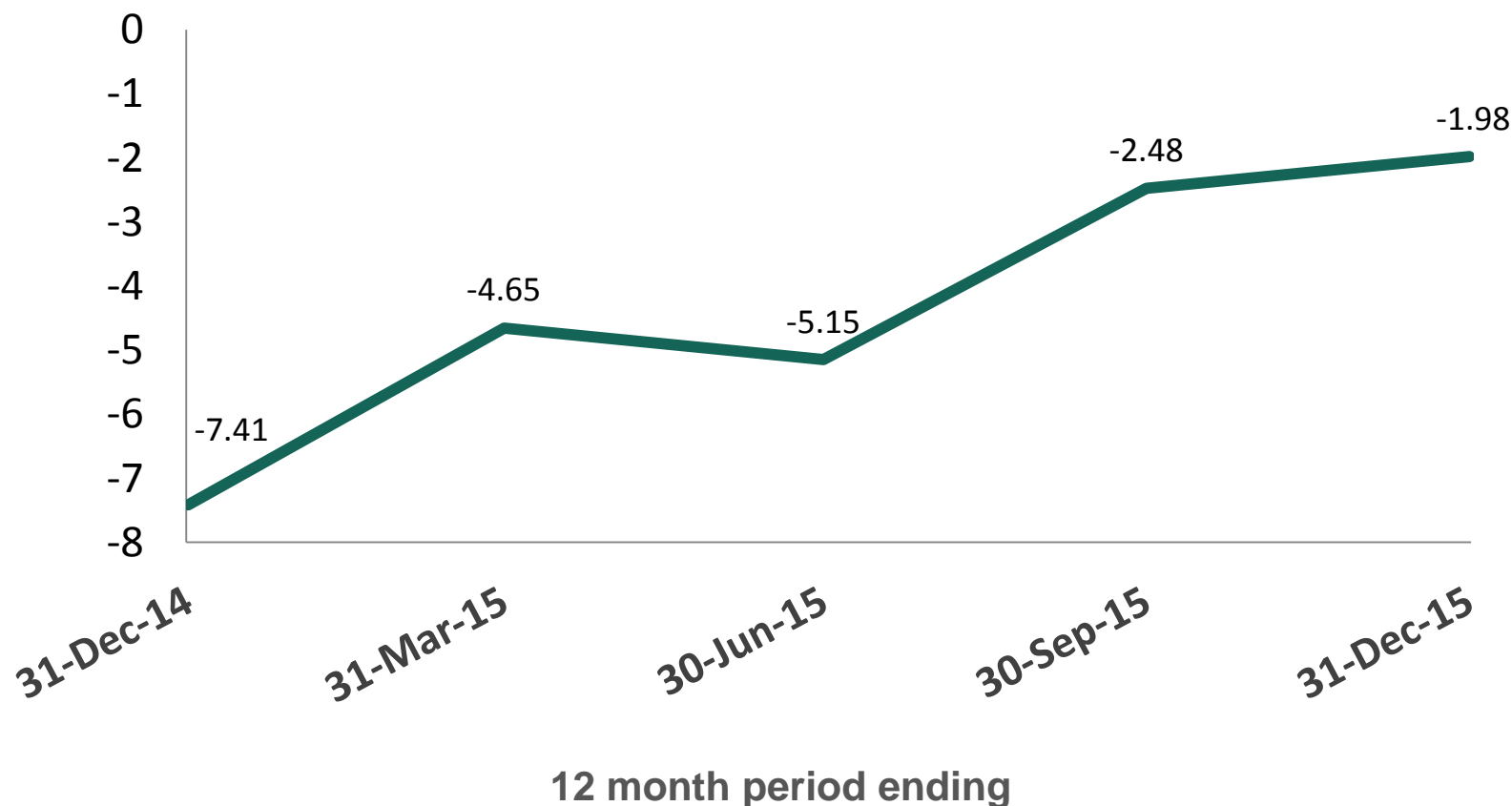
	12 Months Ended 31 Dec			Comments
	2015 (A\$'M)	2014 (A\$'M)	Change	
Quarterly Service Fees	12.8	6.4	Up 99%	OneTouch Verio sales doubled
<b>Total Revenue</b>	<b>16.8</b>	<b>9.5</b>	<b>Up 76%</b>	Includes QSF, strip sales to Siemens, milestone payment and favourable FX
<b>Contribution from Products and Services</b>	<b>15.4</b>	<b>9.0</b>	<b>Up 72%</b>	QSF and milestones drop through to bottom line plus profitable strip manufacturing
Development Expenses	19.8	17.1	Up 15%	Development of further coagulation products & immunoassay platform
G&A Expenses	6.0	5.6	Up 7%	Stabilisation of operating costs
<b>Loss from Operations</b>	<b>(10.4)</b>	<b>(13.8)</b>	<b>Improved \$3.4M</b>	Revenue growth driving improved result
Other Income/(Expense)	3.8	4.5	Down \$0.7M	R&D tax rebate offset by financing costs
<b>Net Loss</b>	<b>(6.6)</b>	<b>(9.3)</b>	<b>Improved \$2.7M</b>	Trending towards breakeven
Operating Cash Flow	1.8	(5.4)	<b>Improved \$7.2M</b>	Revenue growth driving improved cash
<b>Period End Cash Balance</b>	<b>14.3</b>	<b>16.3</b>	Down \$2.0M	Note: US\$15M in long term debt

# 12 month rolling cash consumption reducing



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## Net Cash Flow over previous 12 months (A\$ Millions)

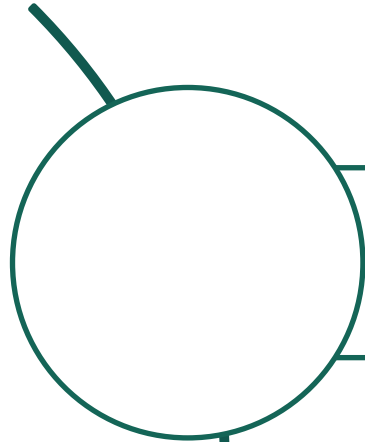


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**FY15 Results Update**



**Company Overview**

# Blood Glucose: QSF doubled in FY15

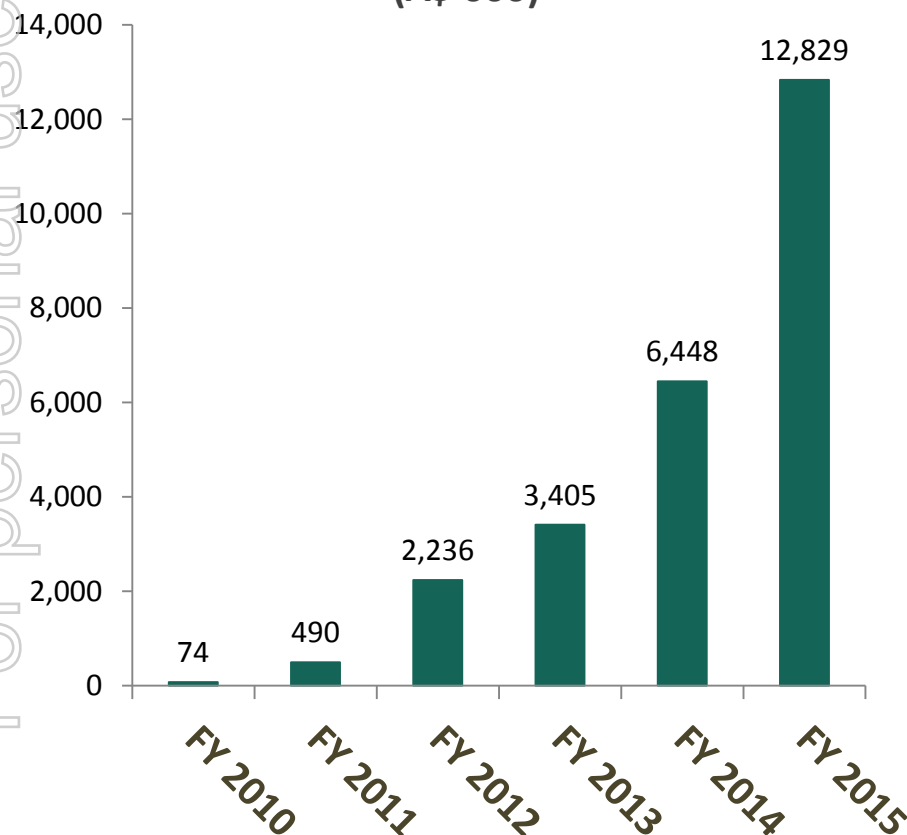


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## Quarterly Service Fees

FY 2010 - FY 2015

(A\$'000)



### Quarterly Service Fees (QSF)

- UBI receives a service fee for each OneTouch Verio strip sold by LifeScan
  - The first 0.5B strips per year: US\$1.25c
  - Each strip >0.5B per year: US \$ 0.75c
  - Cumulative QSF (31 Dec 2015) of US\$21.3M

### 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 2.0-2.2x the QSFs earned for the full year in which notice is given

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



# Positive drivers for Quarterly Service Fees



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International  
Organization for  
Standardization

## Regulators driving new accuracy standards

- ISO15197:2013 mandated in EU countries, effective mid 2016 (ie non-compliant products need to be phased out in these jurisdictions)
- OneTouch Verio meets these new ISO standards
- New US standards yet to be determined by FDA



## OneTouch Verio Flex

- New meter that uses OneTouch Verio test strips
- Now being marketed in Europe and Canada
- Incorporates wireless integration to mobile phone
- Works with OneTouch Reveal mobile app

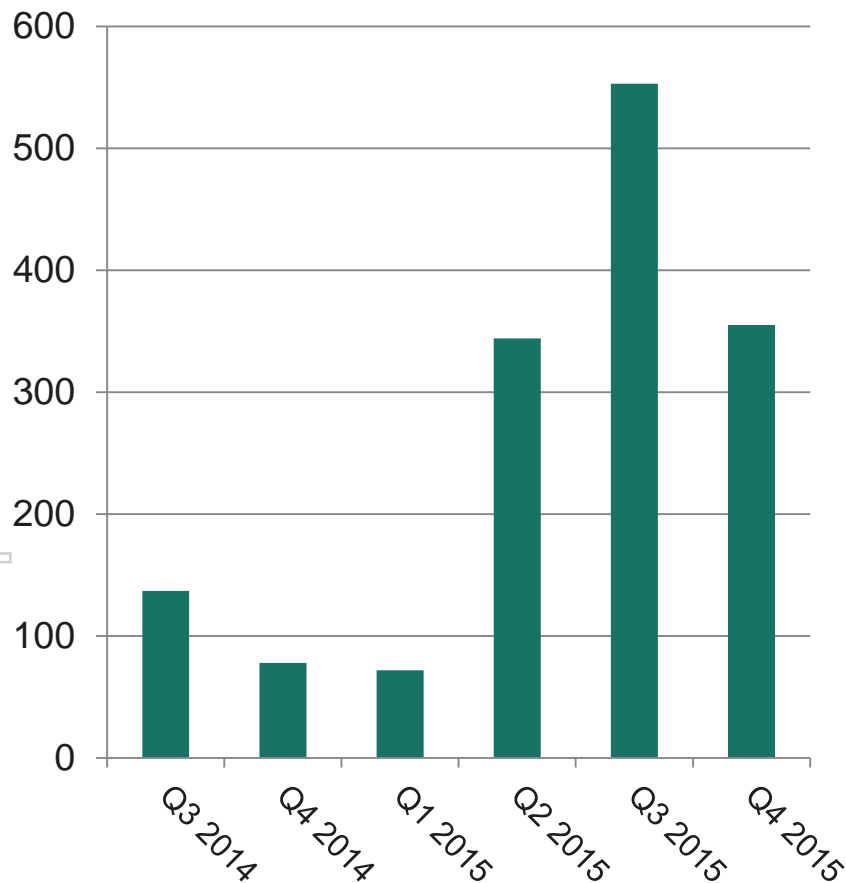


## Large, growing market

- Increasing diabetes prevalence worldwide
- Estimated >20 billion blood glucose tests annually
- LifeScan a world leader in the industry

# Coagulation testing: early strip sales

**PT-INR Strip Sales**  
(A\$ Thousands)



**SIEMENS**

## Target markets

- Point-of-care PT-INR testing
- For management of anti-coagulant therapy Warfarin
- Worldwide market >200 million tests
- Focus on professional use segment

## UBI manufactures the test strips

## Anticipating solid gross margins

- Targeting >40% recognising R&D risk / investment shared with Siemens
- Plus profit share on Siemens revenues above pre-agreed targets

# Early progress for Xprecia Stride



## Prestigious International Design Awards

- 2015 Winner: RED DOT design award
- 2016 Winner: iF DESIGN AWARD in Medicine & Healthcare category



## Early customer wins

- Customers previously using competitor system
- Customers converting from centralised lab testing
- Customers requiring POC PT-INR as part of a wider bundle of services / products
- General Physicians, Hospitals and Pharmacy



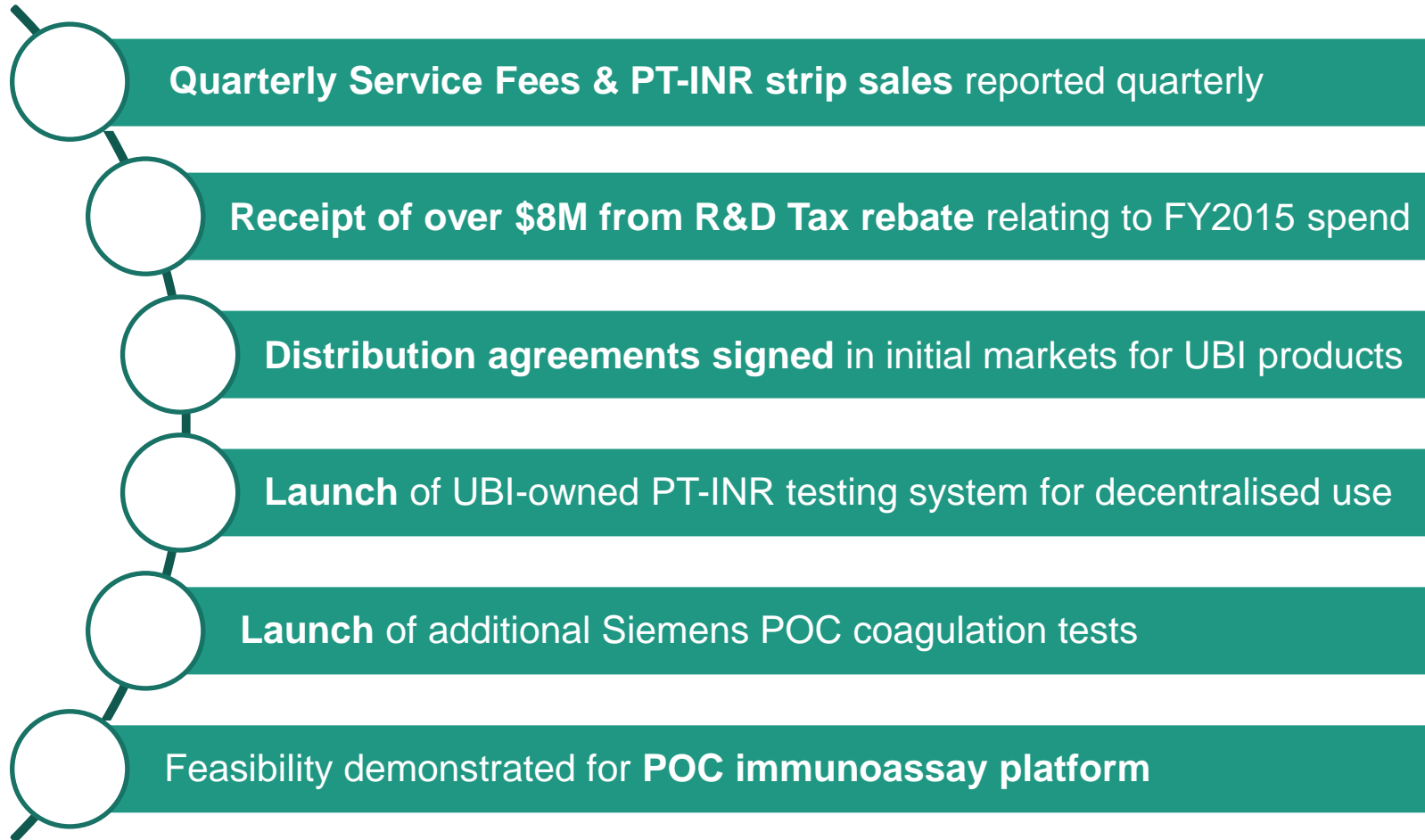
## Geographic expansion

- Selling in Europe, Middle East, Africa, Asia Pacific and Latin America
- 510k submission to FDA for regulatory clearance to US market in progress

- **UBI's own PT-INR testing system for decentralised and home use**
  - Reliability and performance testing almost complete
  - Program review in progress prior to final regulatory trials at 3 US sites (Q2)
- **Siemens future POC Coagulation tests**
  - Development works ongoing
  - Focus on readiness for regulatory clinical trials (H2)
  - New development opportunity under discussion with Siemens
- **POC Immunoassay testing platform**
  - Continuing to progress towards demonstration prototype
  - R&D focused on Troponin assay to demonstrate capability
    - ❖ Rapid (<5 mins)
    - ❖ High sensitivity (1-10 pM)
    - ❖ Quantitative
    - ❖ Low cost per test

# Anticipated news flow: next 12 months

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# A compelling investment case

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- ✓ Targeting the large and growing **Point-of-Care diagnostics (POCD)** market
- ✓ Exploiting a unique and powerful **diagnostics platform**
- ✓ Validating the technology through partnering deals 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 few facts...



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## Universal Biosensors (UBI:ASX)

Operations at Rowville, Victoria, Australia

Delaware Incorporated 2001, ASX Listed 2006

Market capitalisation (11 <sup>th</sup> Feb 2016)	~A\$70 million
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Shares on issue	~176 million
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Long term debt	US\$15 million
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Ownership by Board & Management	~13%
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Total revenue FY15	A\$16.8 million
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Revenue growth FY15 on pcg	76% increase
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Operating cashflow FY15	+\$1.8 million
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Cash at bank (31 Dec 2015)	\$14.3 million
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\* Financial year ending 31 December