



**Universal Biosensors**

22 June 2017

**Chairman's Address  
Annual General Meeting**

Good morning ladies & gentlemen and welcome to Universal Biosensor's 2017 Annual General Meeting.

Since our meeting last year, I am pleased to report that Universal Biosensors has demonstrated strong momentum and achievement of many milestones. We are now firmly established as a technology leader in the global point-of-care diagnostics sector and, importantly for our shareholders, have over the past 12 months transitioned to be a profitable company that is also generating positive cash flows.

I would like to highlight what I see as two very important value drivers for our Company.

Firstly, we have now proven our ability to execute technically. We have demonstrated that we can turn innovation, technology and ideas into products that not only work, but make an important difference to people's lives.

Secondly, we have a successful track record of collaboration with leading global healthcare companies to bring products to market. Our relationships with LifeScan (owned by Johnson & Johnson) and Siemens Healthineers, are testament to the success of our partnership commercialisation strategy.

These two drivers have been and remain fundamental for the success of our Company, and we have demonstrated our employees and management team have the capabilities to execute and deliver in these areas.

Now briefly turning to our financial performance, in February 2017 we released our full year financial results for the year ending 31 December 2016. We reported strong revenue growth and net profit and positive operating cash flow. More recently, in April we released our results for the first quarter of 2017, which showed the continuation of these trends and was again, a very strong financial result.

The performance of the One Touch Verio® strips has been key to driving our strong financial performance. Our revenue growth has been underpinned by increasing Quarterly Service Fees paid to us by LifeScan, which continue to grow as the OneTouch Verio® blood glucose meter captures market share. Importantly, we have also been successful in lowering the cost base of our business – achieving reductions in both R&D spend and general operating expenditure.

I will talk to our financial performance in more detail during my Business Update presentation shortly.

As expected, the revenue from the supply of test strips for the Siemens Xprecia Stride™ Coagulation Analyser didn't make a significant revenue contribution in 2016, but sales in 2017 have started to ramp. There have been some important developments in this area over the past year. The first was FDA approval to sell the Xprecia Stride™ Coagulation Analyser in the US which was received by our partner Siemens Healthcare in October 2016. Following receipt of this FDA approval, in May 2017 Siemens commenced sales activities in the US market. Additionally, full commercial launch has now occurred in other markets such as Europe.

The combination of these developments is beginning to translate to improving results from the supply of Xprecia Stride™ test strips for UBI. In the first quarter of 2017 our revenue was \$872,000, which was almost 5 times the total revenue we received from Xprecia Stride™ for the full 2016 financial year. We expect to see Xprecia Stride™ test strips make an increasingly important financial contribution to UBI's financial position in 2017.

Looking to the year ahead, I expect that UBI will continue the positive momentum it has demonstrated in 2016. We anticipate continued growth in sales of One Touch Verio® blood glucose test strips and Siemens Xprecia Stride™ Coagulation Analyser strips.

From a development perspective, our strong track record of innovation and partnerships in the point-of-care diagnostics space also lays the foundation for successful new products. We have clinical trials for new products scheduled to occur in 2017 and with our strong cash balance and cash inflows, we are well placed to fund attractive new opportunities as they arise.

On behalf of the Board, I would like to thank all our dedicated employees for their contribution to the success of the Company over the past year. I would also like to thank my fellow Board members for their important ongoing work and commitment to the success of the Company.

I would now like to present a Business Update which provides further detail on UBI's achievements over the past 12 months as well as potential news flow and opportunities for the coming year.

Mr Andrew Denver  
**Executive Chairman and Chief Executive Officer**