



Annual General Meeting 22 June 2017

Universal Biosensors

Business Update



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UBI: Investment Highlights



- ✓ Targeting the large and growing **Point-of-Care Diagnostics** market
- ✓ **Fast growth in revenues** based on the manufacture and sale of disposable test strips
- ✓ Validating the technology through partnering deals with **LifeScan (Johnson & Johnson) and Siemens**
- ✓ Unique **patent-protected** technology with low cost manufacturing
- ✓ **Driving growth** beyond the existing product platform via new product development



Highlights : last 12 months



Transition to profitability and cash flow generation

Disciplined R&D spend and operating cost reduction

Strong revenue growth underpinned by Quarterly Service Fee's as OneTouch® Verio continued to achieve market share gains

Xprecia Stride™ US sales activities commenced by Siemens

Strong growth momentum continues supported by focused development pipeline

Q1 2017 & FY2016 : strong performance & profitable



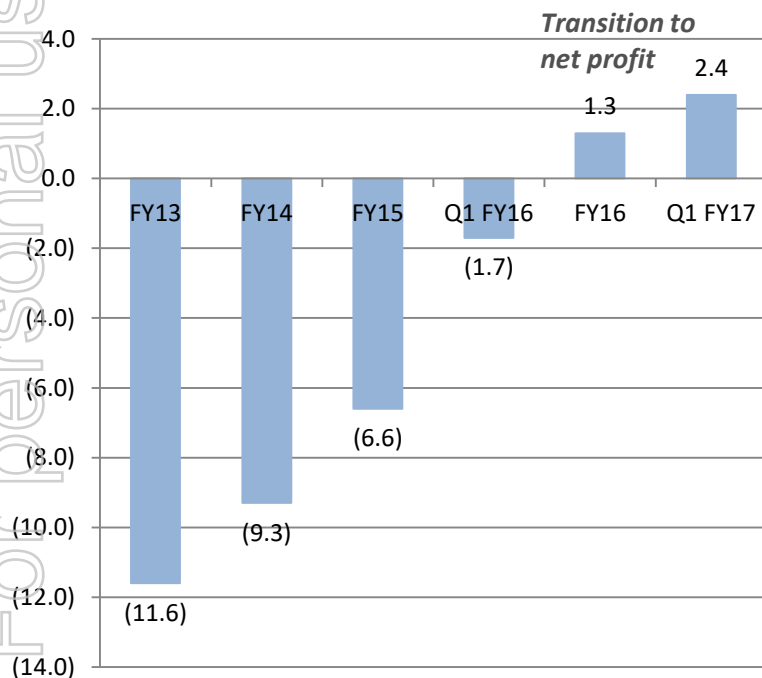
	3 Months Ended 31 Mar			12 Months Ended 31 Dec			
	2017 (A\$'M)	2016 (A\$'M)	Chg	2016 (A\$'M)	2015 (A\$'M)	Chg	Comments
Quarterly Service Fees	6.8	4.9	+ 38%	17.9	12.8	+ 39%	Strong OneTouch® Verio performance
Total Revenue	7.9	5.1	+ 56%	18.8	16.8	+ 12%	Includes strip sales to Siemens
Contribution from Products and Services	6.8	4.9	+ 38%	17.7	15.4	+ 15%	QSF gross margins of ~ 100% & growing Xprecia sales in Q1 2017
R&D Expenses	2.1	4.0	- 49%	15.0	19.1	- 22%	Efficient R&D spend
G&A Expenses	1.7	1.8	- 6%	6.4	6.7	- 4%	Operating cost focus
Profit/(Loss) from Operations	2.5	(1.6)	+ \$4.1m	(3.7)	(10.4)	+ \$6.7m	Revenue growth + cost containment
Other Income/(Expense)	(0.2)	(0.1)	-\$ 0.1m	5.0	3.8	+ 30%	R&D tax rebate less interest costs
Net Profit/(Loss)	2.4	(1.6)	+ \$4.0m	1.3	(6.6)	+ \$7.9m	
Operating Cash Flow	(1.1)	(2.3)	+ \$1.2m	7.0	(0.5)	+ \$7.5m	Operating leverage driving strong cash inflows. Q1 2017 reflects timing lag in QSF's being received (and at lower per strip rate)
Period End Cash	17.8	11.3	+ 57%	20.4	14.4	+ 42%	Well placed to fund opportunities

Q1 2017 : continued operating leverage & profit

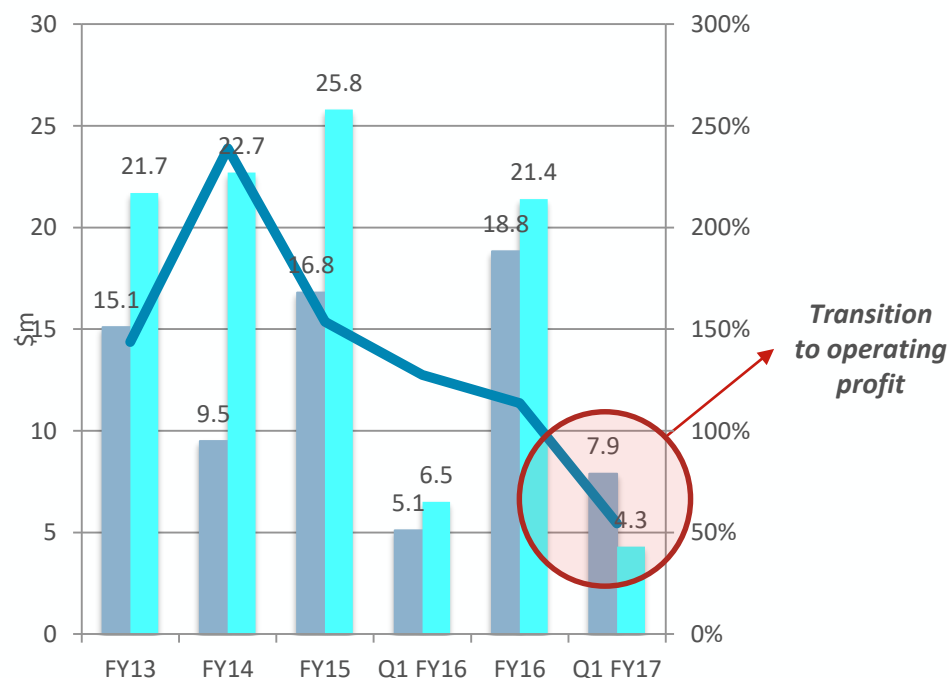


Revenue growth in combination with a disciplined cost focus delivering profit

Net profit (A\$m)



Revenue vs total expenses (A\$m)



Revenue Total Expenses Total expenses % rev (rhs)

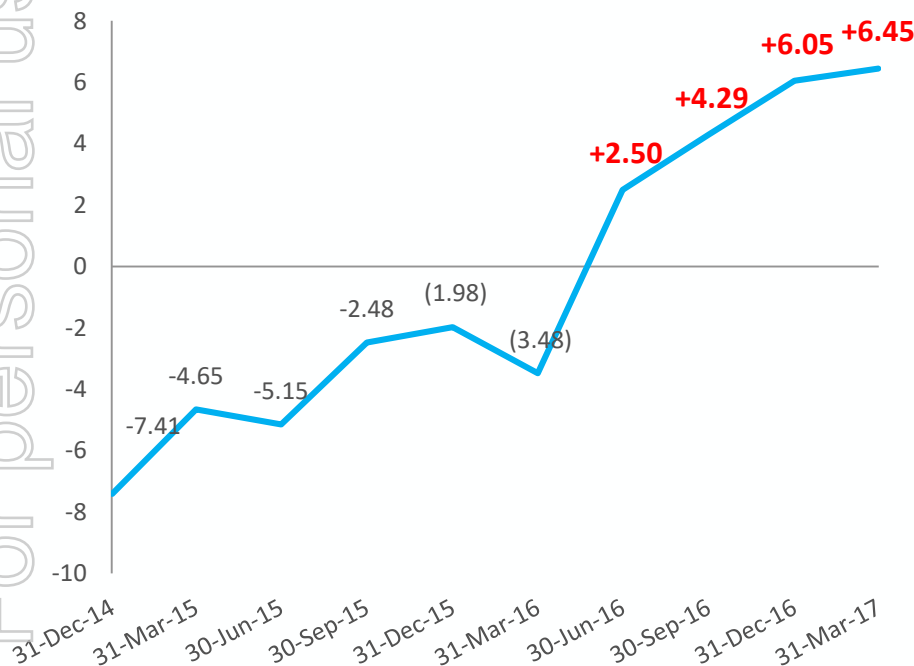
Note: Total expenses = R&D expense + G&A expenses

Strong cash flow generation and cash on hand to fund opportunities



Operating and net cash flow positive in FY2016

Rolling Net Cash Flow (annual average)
(A\$ Millions)



- Strong FY2016 cash flow given:
 - Revenue growth + reduction in expenses
 - R&D tax incentive of \$9.3m received in Sep 2016
 - Siemens milestone prepayments of US\$3.75 received
- Q1 2017 cash flows strong although timing issue associated with Q1 as it reflects reduced Q4 per strip pricing
- UBI eligible for the R&D Tax Incentive in FY2016 (cash inflow of \$7.5m expected in Q3 2017)

Period end cash	A\$m
Q1 2017	17.8
FY 2016	20.4
HY 2016	13.2
FY2015	14.4
HY 2015	10.7

Market opportunity & strong value proposition



The diagnostics market has been changing with point-of-care testing experiencing rapid growth in recent years

Central Laboratory Diagnostics

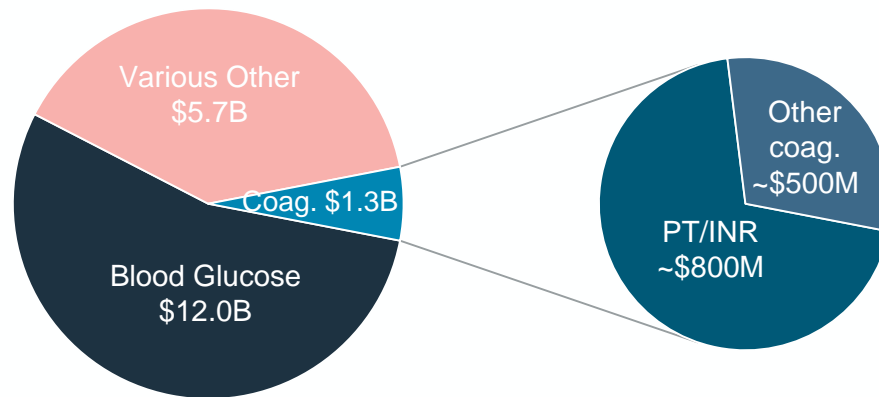
- US \$45B Market (2016 estimate)
- Growth : 4% p.a
- High quality results BUT **slow and inconvenient**



Point-of-Care Diagnostics

- US \$19B Market (2016 estimate)
- Growth : 9% p.a
- High quality results WITH **speed & convenience**

Global Point-of-Care Diagnostics Market Size 2016 (US\$)



Blood Glucose Monitoring (BGM)

- US \$12B market, vol growth ~3% p.a
- Highly competitive market
- Ongoing incremental innovation
- Increasing accuracy requirements challenging older technologies
- J&J recently rationalised strip platforms
- OneTouch® Verio fastest growing BGM product in 2015

Coagulation (PT-INR) Testing

- US \$1.3B market, vol growth ~10% p.a
- PT-INR is 60% of the market
- DOAC's gaining share - but at a slow rate
- Quasi monopoly market structure – dominated by Roche



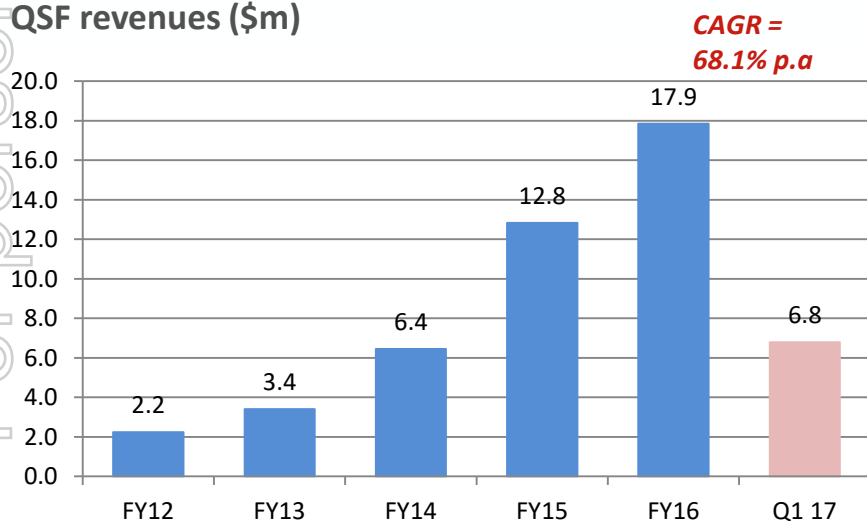
OneTouch® Verio QSF revenues increased 39% in FY2016



Market share gains continue to drive strong sales growth in the blood glucose market

	QSF revenues (A\$m)		% change
Q1 17 vs Q1 16	6.8	4.9	+ 38%
Q1 17 vs Q4 16	6.8	4.2	+ 60%
FY2016 vs FY2015	17.9	12.8	+ 39%

QSF revenues (\$m)



Quarterly Service Fees*

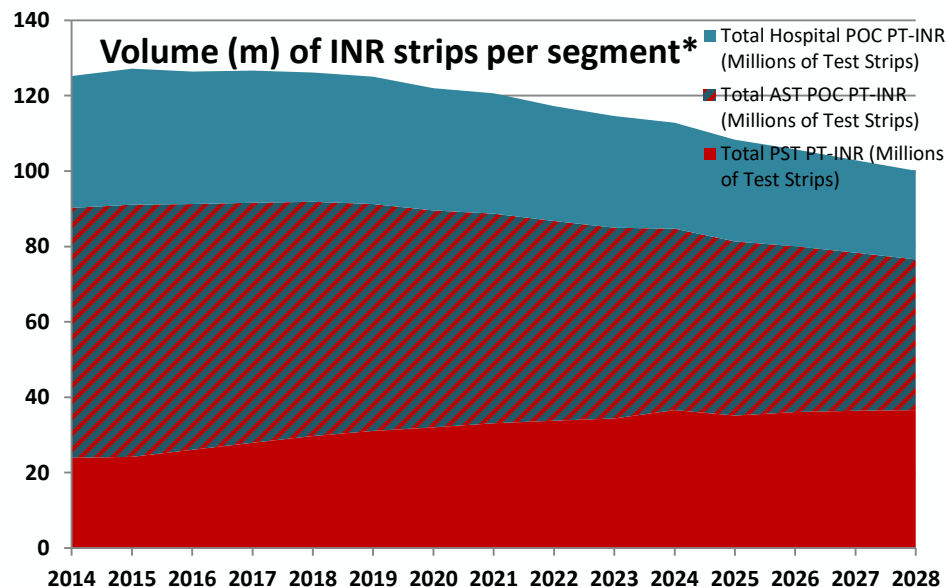
- UBI receives a service fee for each OneTouch Verio® strip sold by LifeScan
 - The first 0.5B strips per year: US1.25c per strip
 - Each strip >0.5B per year: US 0.75c per strip
- After the end of the quarter following receipt by UBI of cumulative QSF of US\$45M, LifeScan has the option to give notice of conversion of the QSF. If notice is given, LifeScan is only required to pay the QSF for the remainder of LifeScan's financial year in which the notice was given and after that financial year must pay a lump sum fee, calculated as 2-2.2x the QSF earned for the full year in which notice is given
- Strip sales >0.5B in Q2 2016 VS Q3 in FY2015
- Cumulative QSF received as of 22 June 2017 by UBI - US\$39.9m

Exciting outlook for Xprecia Stride™

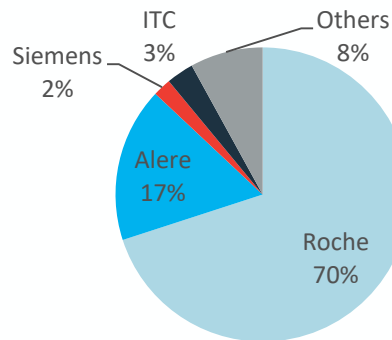
- US sales activities commenced



- Significant growth in Q1 2017 revenues (Q1 2017 \$872k vs Q1 2016 \$183k)
- UBI expects this growth trend to continue
 - FDA approval (510k clearance) to sell the Xprecia Stride Analyser in the US received in October 2016
 - Siemens Healthineers commenced sales activities in the US market in May 2017
 - Full commercial launch has now occurred in other markets such as Europe
- FY2016 revenues affected by:
 - Siemens pipeline build in FY2015
 - Limited market release
- Production margin expected to improve as volumes continue to increase over 2017
- Acquisition of HRL, a specialized coagulation testing and calibration service provider, occurred in December 2016 to support expected volume growth



POC PT-INR Testing Market Share Estimates (2016)



Recent market development:
Alere initiated a recall of its PT-INR device in the US market over the second half of 2016

Source: UBI Estimates; Industry Experts; Various Industry Reports; and Primary Research



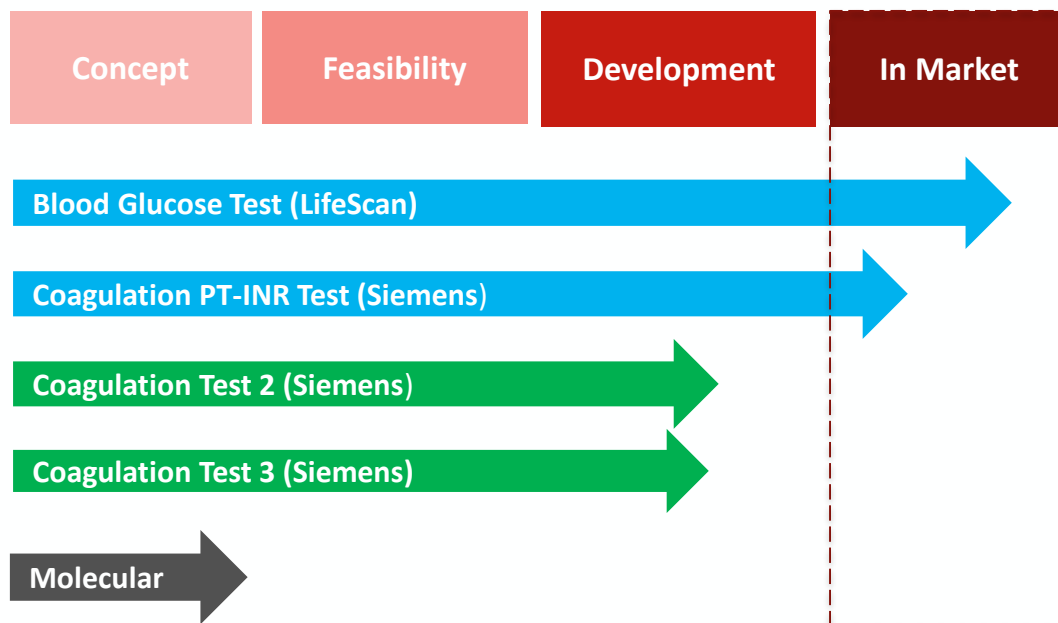
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Focussed development pipeline to drive growth



Strong track record of innovation & partnerships in the Point-of-Care diagnostics space

- Rigorous product development criteria:
 - Deliver ROI for shareholders
 - Ability to sustain positive cash flow
- Exciting new products are in the development pipeline with Siemens
- Clinical trials targeted to commence in 2017. Regulatory approval will be sought after completion of these trials
- ***Proven track record of collaboration with two of the world's leading healthcare companies to bring products to market***



Anticipated news flow: next 12 months



- Quarterly Service Fees from OneTouch® Verio announced every quarter
- Growth in Xprecia Stride strip sales
- Announcement of commencement of clinical trials in potential new product areas
- Feasibility completed for internal Molecular platform

Upcoming market communications:

- H1 2017 results : July 2017
- Appendix 4C Q2 2017 : July 2017

