



## Universal Biosensors, Inc.

### Commentary on Q4 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 31 December 2019 (Q4 2019). Unless otherwise noted, all references to “\$” are references to Australian dollars.

#### Highlights

- Cash on hand including restricted cash was \$37.2 million
- US\$4 million received by UBI in November 2019 from Siemens as prepayment towards strip sales
- Positive operating cash flows of \$3.1 million and \$33.2 million for Q4 2019 and FY 2019, respectively
- Xprecia Stride™ strip revenue of \$1.3 million and \$4.9 million for Q4 2019 and FY 2019, respectively

#### Cash Flow Reconciliation

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

	Q1 2019 \$'000	Q2 2019 \$'000	Q3 2019 \$'000	Q4 2019 \$'000	YTD \$'000
<b>Opening cash balance</b>	<b>12,133</b>	<b>52,235</b>	<b>50,890</b>	<b>34,823</b>	<b>12,133</b>
<b>Operating Activities</b>					
<b>Inflows</b>					
Lump sum service fees	44,061	-	-	-	44,061
Quarterly service fees	4,869	-	-	-	4,869
Xprecia Stride™ PT-INR test strips	466	1,276	1,415	6,253	9,410
Other revenue	495	972	715	209	2,391
	<b>49,891</b>	<b>2,248</b>	<b>2,130</b>	<b>6,462</b>	<b>60,731</b>
<b>Outflows</b>					
Payments in the ordinary course of business	4,963	3,205	3,289	2,997	14,454
Income tax - US	4,353	-	-	(10)	4,343
One - off payments (redundancy payments and legal fees)	830	903	546	355	2,634
One - off payments (Siemens settlement)	-	-	6,060	-	6,060
	<b>10,146</b>	<b>4,108</b>	<b>9,895</b>	<b>3,342</b>	<b>27,491</b>
<b>Operating activities</b>	<b>39,745</b>	<b>(1,860)</b>	<b>(7,765)</b>	<b>3,120</b>	<b>33,240</b>
<b>Capital expenditure and financing activities</b>	<b>(63)</b>	<b>(2)</b>	<b>(10)</b>	<b>(33)</b>	<b>(108)</b>
Acquisition of assets	-	-	(10,169)	-	(10,169)
<b>Exchange rate fluctuations</b>	<b>420</b>	<b>517</b>	<b>1,877</b>	<b>(717)</b>	<b>2,097</b>
<b>Closing cash balance</b>	<b>52,235</b>	<b>50,890</b>	<b>34,823</b>	<b>37,193</b>	<b>37,193</b>

UBI and Siemens entered into definitive agreements on 18 September 2019 to settle the coagulation product negotiations, the details of which were announced to the market on 9 September 2019. A further consideration of US\$2 million is payable to Siemens at UBI’s discretion.

Revenues from the sale of Xprecia Stride™ strips were \$1.3 million in Q4 2019 bringing the total strip revenue for FY 2019 to \$4.9 million, an increase of 191% compared to the prior comparable period.

Operating cash flows for Q4 2019 were \$3.1 million which was supported by the receipt of US\$4 million from Siemens during the quarter as prepayment towards future strip sales. The balance of the Siemens prepayment account is US\$2.8 million, reducing by US\$1.2 million during Q4 2019 as UBI supplied strips to Siemens.



**Universal Biosensors**

UBI's net cash position (cash on hand less short and long term debt) as at 31 December 2019 was \$37.2 million, an improvement of \$2.4 million from the previous quarter.

For further information, please contact:

**Salesh Balak**

Chief Financial Officer

(03) 9213 9000

## 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")**

31 December 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	6,397	59,943
1.2 Payments for		
(a) research and development	(780)	(3,236)
(b) product manufacturing and operating costs	(308)	(1,420)
(c) advertising and marketing	0	(14)
(d) leased assets	(255)	(1,071)
(e) staff costs	(1,455)	(8,323)
(f) administration and corporate costs	(554)	(3,922)
1.3 Dividends received (see note 3)		
1.4 Interest received	65	782
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid	10	(4,343)
1.7 Government grants and tax incentives	0	6
1.8 Other (provide details if material) – one-off Milestone payments to Siemens	0	(5,162)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>3,120</b>	<b>33,240</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(39)	(134)
(b) businesses (see item 10)		
(c) investments		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(d) intellectual property		
(e) other non-current assets		
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	6	22
(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) – Acquisition of assets from Siemens	0	(10,169)
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(33)</b>	<b>(10,281)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options	0	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)		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>0</b>	<b>4</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	34,823	12,133
4.2 Net cash from / (used in) operating activities (item 1.9 above)	3,120	33,240
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(33)	(10,281)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	0	4

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(717)	2,097
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>37,193</b>	<b>37,193</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	30,230	34,486
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 letter of credit issued in favour of Siemens	6,963	337
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>37,193</b>	<b>34,823</b>

**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

<b>Current quarter \$A'000</b>
83

6.1

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

**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

<b>Current quarter \$A'000</b>

**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.

--

**9. Estimated cash outflows for next quarter**

**\$A'000**

9.1	Research and development	429
9.2	Product manufacturing and operating costs	139
9.3	Advertising and marketing	79
9.4	Leased assets	192
9.5	Staff costs	1,420
9.6	Administration and corporate costs	1,205
9.7	Other (provide details if material: capital expenditure)	90
<b>9.8</b>	<b>Total estimated cash outflows</b>	<b>3,554</b>

**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.



24 January 2020

Sign here: \_\_\_\_\_  
(Chief Financial Officer)

Date: \_\_\_\_\_

Print name: Salesh 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.