

Universal Biosensors, Inc.

Results – Financial Year Ended 31 December 2022

 Placing the universal power of biosensors into the hands of those who need it

©Copyright Universal Biosensors 2022. Private and confidential.



Important Disclaimer

Presentation and Company

You must read the following notices (Disclaimer) before reading or making any use of this presentation or any information contained in it (collectively, the Presentation). The Presentation is private and confidential and has been prepared solely for informational purposes by Universal Biosensors, Inc. (Company). By receiving the Presentation, you acknowledge that you have read, understood, accepted and satisfied the terms and conditions of this Disclaimer and agree to be bound by the terms and conditions of the Disclaimer, including any modifications to them. No part of this Presentation may be reproduced, distributed or transmitted in any form or by any means without the prior written permission of the Company. 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. Neither the Company, nor its officers or advisors or any other person warrants the accuracy of the analysis herein or guarantees the investment performance of the Company. Investors must make their own independent assessment of the Company and undertake such additional enquiries as they deem necessary or appropriate for their own investment purposes.

Forward Looking Statements and Risks

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. You can identify these forward-looking statements by the fact that they use words such as “anticipate”, “estimate”, “expect”, “project”, “should”, “can”, “could”, “propose”, “potential”, “outlook”, “future”, “illustration”, “predict”, “will”, “would”, “intend”, “plan”, “believe”, “target”, “may”, “assume” and other words and terms of similar meaning in connection with any discussion of future operating or financial performance. 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. Factors that could cause actual results to differ materially from our current expectations include but are not limited to: the success of research and development activities, decisions by regulatory authorities regarding approval of our products, UBI’s ability to protect its patents and other intellectual property, difficulties or delays in manufacturing, the ability to successfully market new and existing products, competitive developments affecting our products, fluctuations in interest and currency exchange rates, distribution, pricing, reimbursement, acquisitions or divestitures, litigation or government investigations and legislation or regulations that affect product production. The Company is subject to a number of risks which may result in our actual results differing materially from our current expectations. These risks may be out of the control of, and unknown to, UBI and its officers, employees, advisors or agents. 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 and the Australian Securities Exchange.

Past Performance and Financial Information

Past performance information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance. Actual results could differ materially from those referred to in this Presentation. All dollar values are in Australian dollars (AUD\$) unless otherwise stated. This Presentation contains pro forma and forecast financial information. The pro forma and forecast financial information provided in the Presentation is for information purposes only and is not represented as an indication of the Company’s actual or future financial position. In addition, certain figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Therefore, the actual calculation of these figures may differ from the figures set out in the Presentation.

Photographs, Diagrams and Industry Data

Photographs in this Presentation which do not have descriptions are used for illustration only and should not be interpreted to mean that any person shown endorses this Presentation or its contents or that the assets shown are owned by the Company. Diagrams in this Presentation have been prepared by the Company, are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in tables, charts and graphs is based on information available at the date of this Presentation. This Presentation contains industry and market data and statistics, third party estimates and other information (including industry forecasts and projections). The Company has not independently verified the industry data included in this Presentation.

Securities and Distribution Limited

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. Distribution or release of this Presentation outside Australia may be restricted by law and such restrictions should be observed. Persons who come into possession of this Presentation who are not in Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Placing the universal power of biosensors into the hands of those who need it

UBI

Outlook

In 2020 UBI had one product making sales to one customer in one industry. In 2023 UBI's platform technology will generate revenue across a diverse range of 9 products in multiple regions to hundreds of customers. Specifically, UBI will have:

- A portfolio of 6 products on its Sentia wine testing platform
- Its next generation Xprecia Prime coagulation product selling around the world (X-USA)
- Its legacy Xprecia Stride coagulation product (strips) selling around the world
- Its veterinary diabetes product Petrackr, is on track to be launched in Q1 and sales expected during April
- Its HRL laboratory services business making sales.

UBI raised \$26m in cash during 2022 and we are confident that there is sufficient cash to complete all the development activities and fund the operations of the business, including delivering material sales growth during 2023 and beyond. UBI is forecasting to have cash reserves of more than \$13m at the end of 2023.

UBI now has an outstanding technology platform in place with the associated product development activities already expensed through the P&L. UBI does not carry forward any value for its "end to end" platform technology or branded portfolio of products on the balance sheet.

More than \$8m of cash invested in this platform and on new products in 2022 will not recur as those products are now launched in markets around the world. UBI expect that its investment in development and other assets to reduce by \$4m+ in 2023.

UBI believes that it has significant operating leverage given its high gross margin products and platform technology to deliver sales growth during 2023 sufficient to achieve cash break even on a monthly basis towards the end of calendar 2023 and then ongoing throughout 2024.

Placing the universal power of biosensors into the hands of those who need it

©Copyright Universal Biosensors 2022. Private and confidential.

UBI

Commentary on FY22

Raised A\$20 million pursuant to a fully underwritten Entitlement Offer at A\$0.77;

Raised A\$6 million via a placement at A\$0.77;

Total business Gross Margin increased by 11%;

Total revenue decreased by 22%;

Total Gross Profit increased by 2%;

Gross Profit from the sale of Xprecia and Sentia products increased by 38%;

Sales of products (Xprecia and Sentia) decreased by 11%;

UBI wrote-off \$11.01m relating to legacy Siemens intangible asset (non-cash).

UBI

Commentary on FY22

Launched Malic Acid test on the Sentia Platform ;

Completed Fructose test (launched February 2023) on the Sentia platform ;

Completed Glucose test (relaunch February 2023 – combined Total Sugar test with Fructose);

Regulatory approval to sell Xprecia Prime in 32 countries in Europe;

Completed Xprecia Prime clinical trial in the USA(January 2023);

Finalizing launch of Petrackr blood glucose monitoring product for dogs and cats with diabetes;

Ongoing development and use of aptamer sensing technology on our hand-held platform device;

Ongoing development of our Tn Antigen biosensor used for the detection, staging and monitoring of cancer.

UBI

Commentary on FY22

UBI invested A\$12.29 million in the development of new products. \$8.21 million, relates to the following non-recurring investment:

A\$4.10 million was invested into the development of the Petrackr blood glucose product;

A\$2.10 million was invested into the development of Xprecia Prime including clinical trial costs;

A\$1.39 million was invested in the development of Sentia malic acid, glucose, fructose, titratable acidity and acetic acid test strips; and

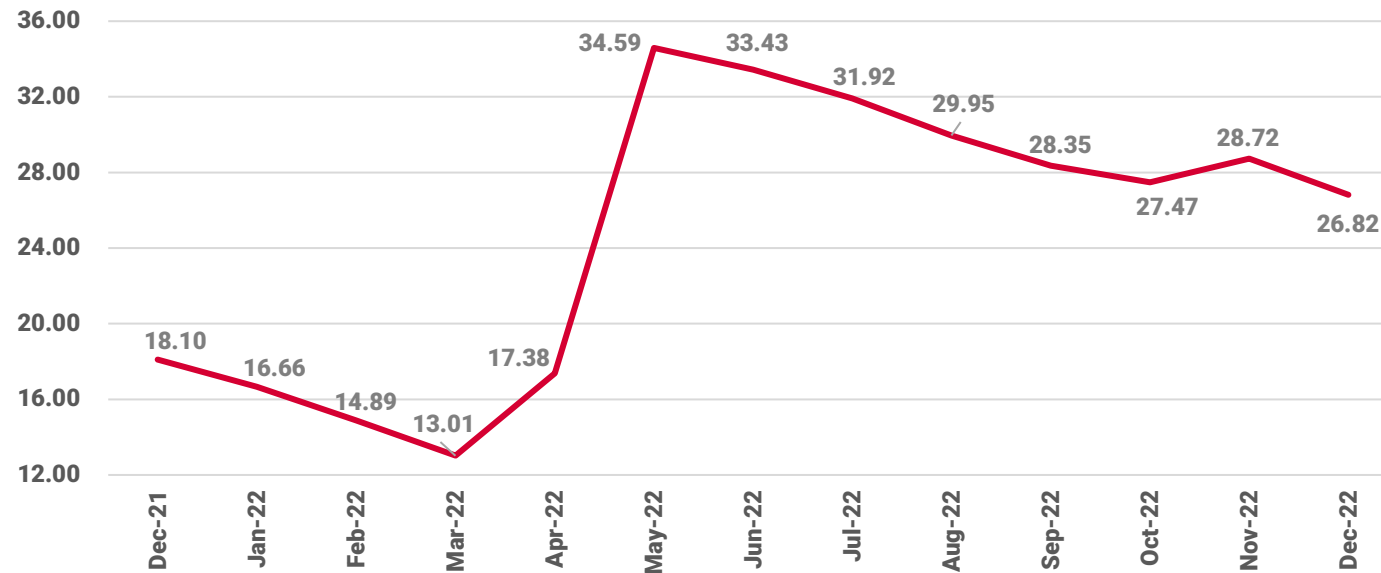
\$0.62 million was invested in the manufacturing scale-up project which will add approximately 35 million strips annually.

\$m	31 Dec 2022	31 Dec 2021
Petrackr	4.10	2.15
Xprecia Prime	2.10	1.57
Sentia	1.39	2.16
Manufacturing scale-up	0.62	-
TOTAL	8.21	5.88

Results

Cash Flow Summary FY 2022

Actual Cash Balance (\$'M)



31 Dec 22	AUD \$m
Cash used in operations	5.8
Cash invested in new products	8.2
Other	0.7
	<hr/>
	14.7

Placing the universal power of biosensors into the hands of those who need it

©Copyright Universal Biosensors 2022. Private and confidential.

Results

Cash Flow Summary FY 2022

\$m	31 Dec 2022	31 Dec 2021	Change %
Cash flows from operating activities			
Receipts from customers	4.02	3.97	1%
Government grants and tax incentives	3.94	3.13	26%
Payments to suppliers and employees	(22.66)	(17.00)	33%
Net cash used in operating activities	(14.70)	(9.90)	49%
Cash flows from investing activities			
Property, plant and equipment	(1.57)	(0.66)	137%
Other	0.00	0.00	
Net cash used in investing activities	(1.57)	(0.66)	137%
Cash flows from financing activities			
Proceeds from share issue	26.01	0.00	
Transaction costs on share issue	(1.03)	0.00	
Proceeds from exercise of options	0.04	0.08	
Net proceeds / (repayment) of borrowings	(0.01)	0.02	
Net cash provided by financing activities	25.01	0.10	
Cash and cash equivalents at beginning of period	18.10	28.06	
Net decrease in cash, cash equivalents and restricted cash	8.74	(10.46)	
Effect of movement in exchange rates on cash held	(0.02)	0.50	
Cash and cash equivalents at end of period	26.82	18.10	48%

Highlights:

Payments include

A\$4.10 million into the development of the Petrackr blood glucose product;

A\$2.10 million into the development of Xprecia Prime including clinical trial costs;

A\$1.39 million was invested in the development of Sentia malic acid, glucose, fructose, titratable acidity and acetic acid test strips; and

\$0.62 million was invested in the manufacturing scale-up project which will add an approximate annual 35 million strip.

Results

Profit and Loss Summary FY 2022

\$m	2022	2021
Coagulation testing products	2.37	2.67
Wine testing products	1.01	1.15
Total revenue	3.38	3.82
Cost of goods sold & services	1.39	2.37
Gross profit (\$)	1.99	1.45
HRL		
Coagulation testing services	1.15	1.96
Total revenue	1.15	1.96
Cost of services	1.00	1.30
HRL Gross profit (\$)	0.15	0.66
Other expenses		
Depreciation & amortization	2.65	2.18
Impairment of intangible assets	11.01	-
R&D expenses	12.29	9.28
Selling, general & administrative	11.08	5.69
Total expenses	37.03	17.14
Other income		
R&D tax incentive income	4.76	3.90
Other	0.23	0.63
Total other income	4.99	4.53
Net loss before Income Tax	(29.90)	(10.51)
Income Tax benefit / (expense)	3.05	-
Net loss after Income Tax	(26.85)	(10.51)

Highlights include

- There were no sales to Siemens H222.
- Sales to Siemen FY21 was \$1.75m; Sales to Siemens FY22 was \$1.18m.
- UBI expect to transition up to 1m strips from existing Siemens customers in FY23.
- Gross Profit from the sale of Xprecia and Sentia products increased by 38%.
- UBI wrote-off \$11.01m relating to legacy Siemens intangible asset (non-cash).

Placing the universal power of biosensors into the hands of those who need it

Results

Balance Sheet FY 2022

\$m	31 Dec 2022	31 Dec 2021
Assets		
Cash, cash equivalents and restricted cash	26.82	18.10
Inventories	3.14	2.14
Trade receivables	0.97	0.48
Prepayments and other current assets	6.06	4.94
Total current assets	36.99	25.66
Property, plant and equipment	4.58	4.10
Intangible assets	-	12.65
Other non-current assets	4.57	2.09
Total non-current assets	9.15	18.84
Total assets	46.14	44.50
Liabilities		
Trade and other payables	6.99	3.91
Other liabilities	6.09	5.49
Total current liabilities	13.08	9.40
Employee entitlements liabilities	0.05	0.03
Deferred income tax liability	-	3.05
Other liabilities	6.92	4.41
Total non-current liabilities	6.97	7.49
Total liabilities	20.05	16.89
Net assets	26.09	27.61

Highlights include:

- \$26m capital raise.
- There is no carrying value for the end to end platform technology or branded portfolio of products on the balance sheet.
- Increase in inventory needed to secure Sentia and Prime meters from our overseas supplier.
- Increase in R&D tax receivable.
- Increase in non-current assets due to HRL's 10-year premises lease.
- Increase in Trade and other payables due to
 - HRL 10 year lease and
 - Accrued USA clinical trial and development work