

Universal Biosensors, Inc.

Bell Potter Healthcare Conference

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

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Business focus 2023

UBI has **\$28.5m in cash reserves**.

80% of our business focus is on delivering sales growth:

- “In market” sales for Sentia are already growing,
- Our distribution network for our Xprecia products is growing strongly,
- Termination of Siemens contract expected to have positive impact on Xprecia sales during 2023,
- We will launch **five new** products in 2023 delivering first sales:
 - Xprecia Prime (including launch in USA),
 - Petrackr (blood glucose biosensor for cats & dogs),
 - Fructose (wine test on the Sentia platform and the relaunch with Glucose),
 - Titratable Acidity (wine test on the Sentia platform),
 - Acetic Acid (wine test on the Sentia platform).

UBI expect to have enough cash to fund all Development Asset investments and day-to-day operations during 2023 and beyond.

Universal Biosensors

Business focus 2023

20% of our business focus is on developing new products and technology platforms:

- Cancer,
- Fertility,
- Infectious disease,
- Environmental.

More than \$9m (**non-recurring**) will be invested during 2022 in development of:

- Sentia Fructose biosensor,
- Sentia Titratable Acidity biosensor,
- Sentia Acetic Acid biosensor,
- Xprecia Prime (our next generation coagulation testing product),
- Petrackr (our blood glucose biosensor for animals).

Universal Biosensors

Background

UBI (ASX:UBI) is a biosensor company and **world leader** in electrochemical cell technology.

Our patented technology is based on diagnosis and measurements using a portable handheld device from a “**finger prick of blood**” sample (size).

Our ambition is to build a multi product stable of biosensors in large markets which generate ongoing revenue streams and strong margins.

Our revenue model is to sell the handheld, portable analyzer into high volume repeat-use scenarios and then sell single use, disposable biosensor strips which are used for each diagnostic test.



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Strong pipeline of products

19 years 2001 – 2020

2 product launches:

1. A blood glucose monitoring product for LifeScan, Inc.
2. Xprecia Stride for Siemens Healthineers.

2 years 2021 – 2022

Product launches and development pipeline:

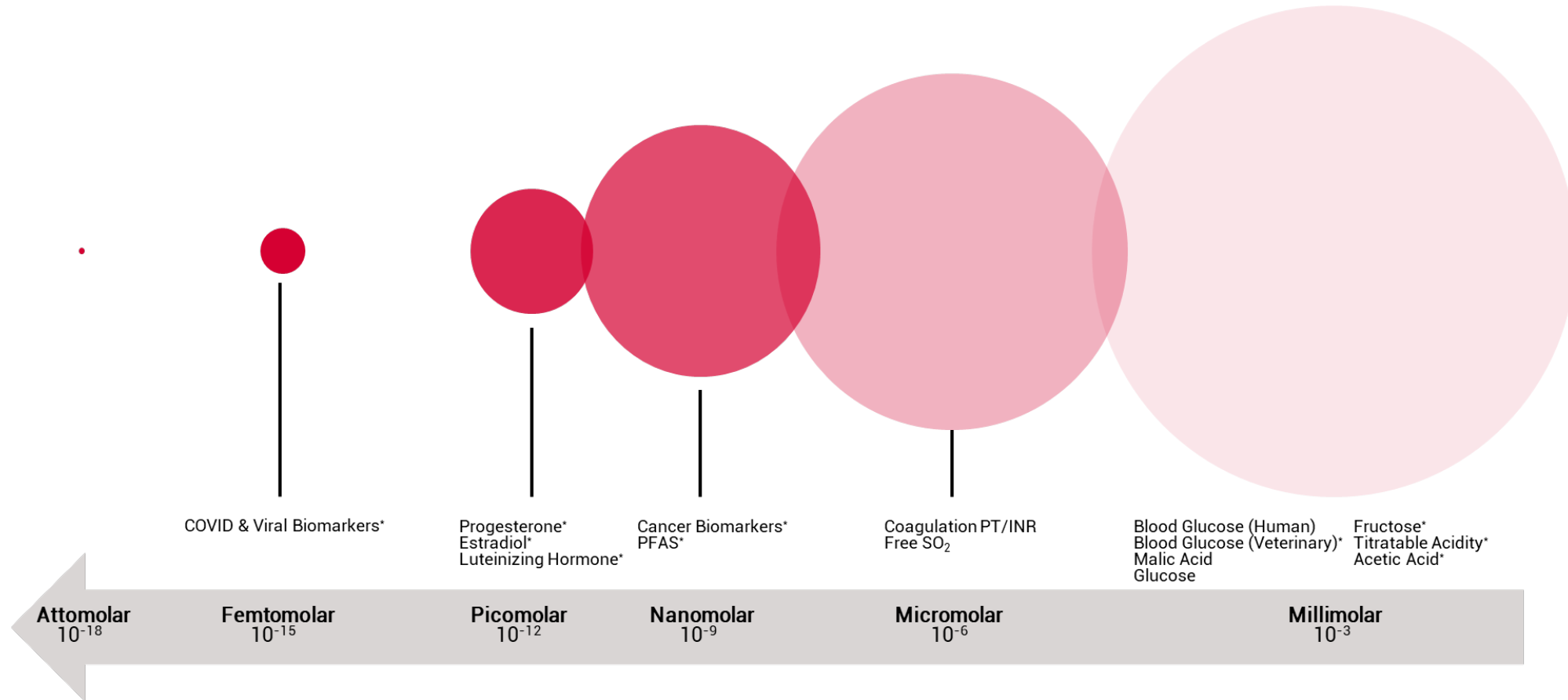
1. Sentia – wine testing biosensor Free SO₂ (launched)
2. Sentia – wine testing biosensor Malic Acid (launched)
3. Sentia – wine testing biosensor Glucose (launched)
4. Sentia – wine testing biosensor Fructose (to be launched)
5. Sentia – wine testing biosensor Titratable Acidity (to be launched)
6. Sentia – wine testing biosensor Acetic Acid (to be launched)
7. Xprecia Prime – approved for sale in Europe (to be launched)
8. Xprecia Prime – Clinical trials ongoing in USA (finalizing, to be launched)
9. Petrackr - Blood glucose biosensor for cats & dogs (to be launched)
10. Cancer Tn Antigen biosensor (development continues)
11. Aptamer based fertility biosensor (development continues)
12. Aptamer based COVID-19 biosensor (development continues)
13. Aptamer based environmental biosensor for PFAS (development continues)

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Increased limits of detection delivers new product capability

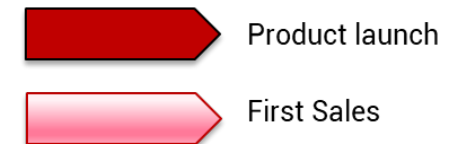
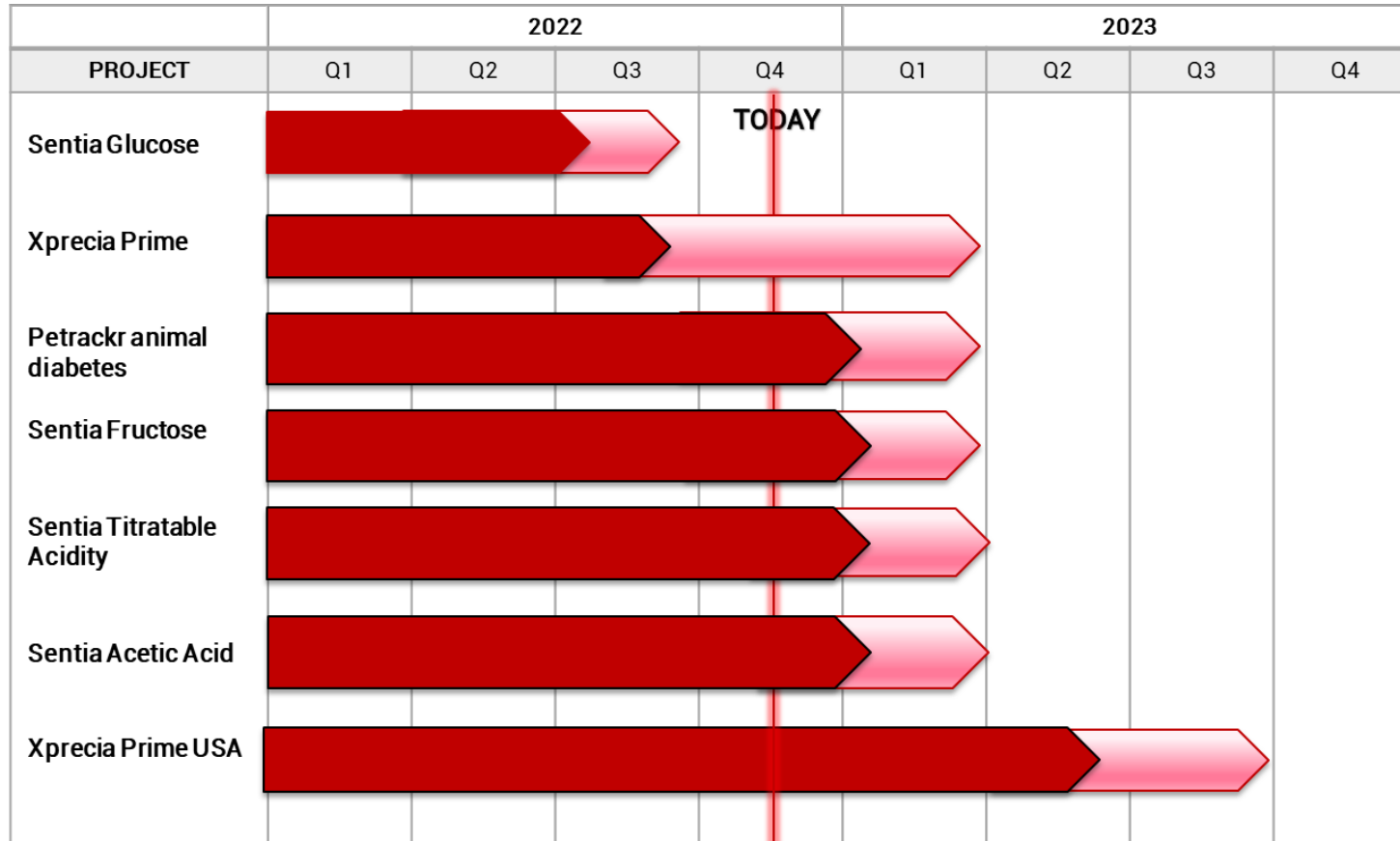


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First sales for five new products to be launched in 2023



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Sentia

Business update

Sentia wine testing products are sold to distributors who buy devices and strips in larger numbers and then on-sell to wineries over time. In the initial roll out phase, sales to distributors are often lumpy so it is hard to measure how Sentia sales are performing “In Market”.

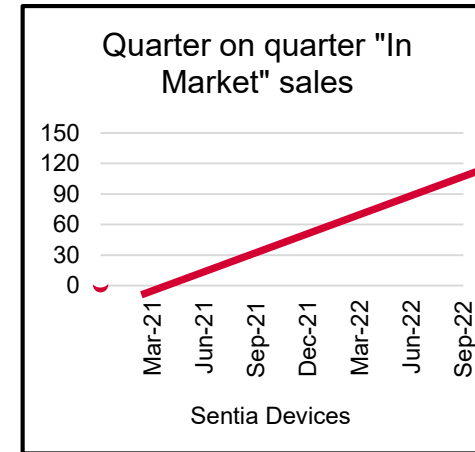
Sentia is also sold directly to wineries by UBI’s USA sales team which represent “In Market” sales.

In Market sales are measured by devices registered as being used in the field by our technology platform and is the key to long term sales growth.

For the 9 months ending 30 September 2022 (estimated);

- “In Market” Device sales grew at an average of 17% per quarter.
- “In Market” Strip sales grew at an average of 42% per quarter.
- Average Selling Price per strip has increased 82% between the nine months ended 30 September 2021 and 2022.

Estimated in market sales (average)



Sentia

Business update

Three more wine testing biosensor products are expected to be launched Q4 2022 and first sales expected during Q1 2023:

- Fructose
- Titratable Acidity
- Acetic Acid

Sentia

Business update – Fructose

Fructose and Glucose are primary sugars in wine grapes that reduce during primary fermentation and are tested concurrently.

Practical elimination of these sugars is critical for all dry wines.

Global Market Estimate

\$AUD	ANZ	USA	RoW	Total
Glucose & Fructose	7,445,536	35,471,876	125,280,000	168,197,412

The ability to detect the presence of Fructose and Glucose at low levels is critical in confirming the wine is 'dry'. Any residual amounts risk in bottle fermentation.

Fructose and Glucose are measured most frequently during the primary fermentation process of wine which lasts up to 4 weeks. A winemaker will test up to 5 times per barrel.

Current methods of detection include benchtop laboratory devices and test tablets:

- Test tablets are widely inaccurate and can not confirm the dryness of the wine.
- For benchtop devices test times are between 20-30 minutes,
- Upfront equipment costs are high,
- Trained staff are needed,
- Total test costs including labour are above \$6.

The Sentia Fructose and Glucose tests will take **less than 60 seconds and cost a few dollars each.**

*First sales forecast
Q1 2023*

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Sources: Australian and New Zealand Wine Industry Directory, New Zealand Winegrowers Annual Report, OIV Statistical Report on World Vitiviniculture, UBI Winemaker Interviews

Sentia

Business update – Titratable Acidity

Titrateable Acidity is a measure of the amount of physical acid in a wine sample. The most prevalent acids are tartaric, malic and citric acids.

High acid levels provide tart and sour taste whilst increasing stability as bacteria growth is discouraged.

Titrateable Acidity is measured throughout the whole winemaking process so that necessary acid adjustments can be made until the wine is bottled. A winemaker will test up to 5 times per batch.

Current methods include traditional lab-based titration and auto-titrators:

- Trained staff are required,
- Test time between 10-20 minutes,
- Large upfront costs for auto-titrators,
- Total test costs including labour are above \$6.

Global Market Estimate				
\$AUD	ANZ	USA	RoW	Total
Titrateable Acidity	3,988,680	13,301,952	46,980,000	64,270,632

First sales forecast
Q1 2023

The Sentia Titrateable Acidity test will take **less than 60 seconds and cost a few dollars each.**

Sentia

Business update – Acetic Acid

Acetic Acid can be used as an indicator for the Volatile Acidity and is produced during or after the fermentation period.

High levels of Acetic Acid lead to certain odours and taste of vinegar. It is considered a highly undesirable fault of wine.

Acetic Acid is measured after the fermentation period, mostly throughout the ageing process of the wine and is tested as often as FSO₂.

Acetic Acid is very important in European regions as they typically have a longer ageing period.

Current methods of detection include traditional lab-based methods and benchtop devices:

- Test times are between 20-30 minutes,
- Upfront equipment costs are high,
- Trained staff are needed,
- Total test costs including labour are above \$10.

The Sentia Acetic Acid test will take **less than 60 seconds and cost a few dollars each.**

Global Market Estimate

\$AUD	ANZ	USA	RoW	Total
Acetic Acid	10,636,480	35,471,880	125,280,000	171,388,360

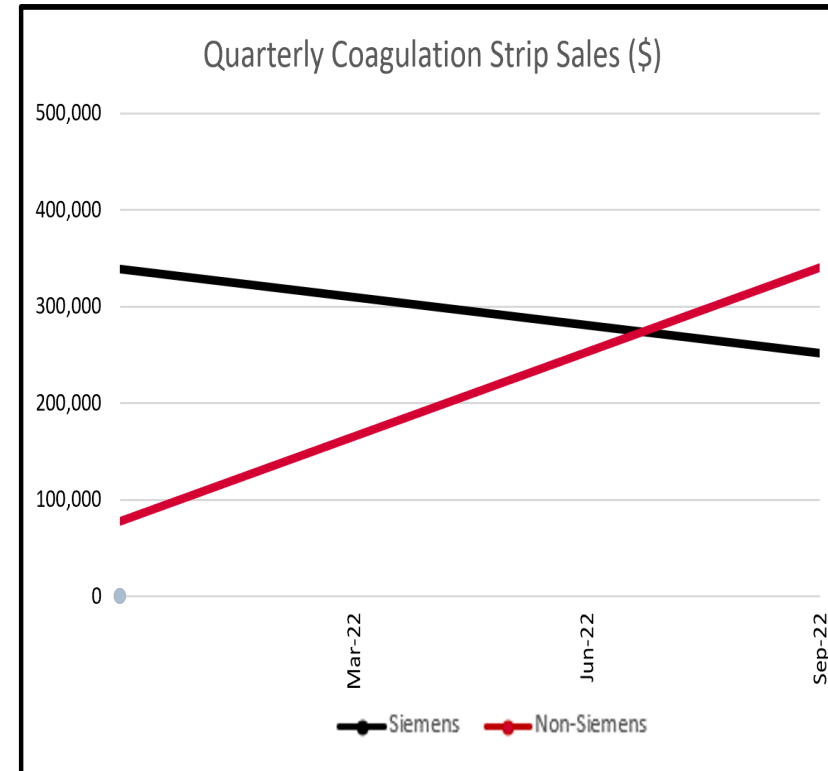
First sales forecast
Q1 2023

Xprecia

Business update

UBI:

- Recorded for the first time more sales via its own distribution network than through Siemens in Q3.
- Has successfully transitioned over 50% of the legacy Siemens distribution network which are now buying directly from UBI (another 15% are still in negotiation).
- Recorded 37% growth of sales directly to non-Siemens distributors between the nine months ended 30 September 2021 and 2022.
- Recorded a 11% increase in Average Selling Price per strip between the nine months ended 30 September 2021 and 2022.



Xprecia

Business update

Forecasting sales for Xprecia Stride for the FY22 year is difficult given our major customer, Siemens Healthineers continues to “run down” its levels of stock ahead of the March 2023 termination and hand back of Xprecia sales to UBI.

The anticipated launch of Xprecia Prime is on track:

- 350 Xprecia Prime devices will be **delivered** to UBI before the end of the year and sales are expected to commence.
- Regulatory approval obtained to sell Xprecia Prime in 32 countries in Europe during H1 2022.
- Xprecia Prime USA clinical studies progressing well with **350 patients of the FDA’s required 360 enrolled**. Enrollment is expected to completed during 2022.

UBI now have 27 distribution agreements in place **covering 19 countries**.

Sales in 2023 are expected to benefit from the finalization of the Siemens hand over and the launch of Xprecia Prime.

**FDA submission expected
Q1 2023**

Hemostasis Reference Laboratory

Business update

Sales at Hemostasis Reference Laboratory (HRL) have been negatively impacted during FY22 because of a Q1 2022 business shutdown to move premises and validate and commission a new laboratory and new equipment.

In addition, whilst the opportunities to win new work “pipeline” is strong, HRL is yet to replace its existing contract work, that has been completed, which has negatively impacted FY22 sales.

UBI spent \$0.3m on moving the laboratory to a new location and purchasing new equipment which will facilitate **the expansion our specialist services** into:

- Inflammatory disease;
- Cytokines; and
- Multiplex Immunoassay Platform.

UBI is forecasting a better sales performance for FY23.

Petrackr

Business update

60 prototype devices were delivered to UBI in October.

Contact has been made with 100+ potential distributors globally.

10 companies in advanced discussions (ie. NDA, Term Sheet) covering:

- United States (4x) including one global player,
- United Kingdom (2x),
- Europe,
- Australia,
- China,
- Finland.



First sales forecast
H1 2023

Petrackr

Business update

It's estimated 1.25m animals have diabetes globally of which:

- 552,000 animals are in the US:
 - ✓ 300,000 dogs (1 in 300 have diabetes).
 - ✓ 252,000 cats (1 in 230 have diabetes).

Estimated global market size \$239m in 2022.

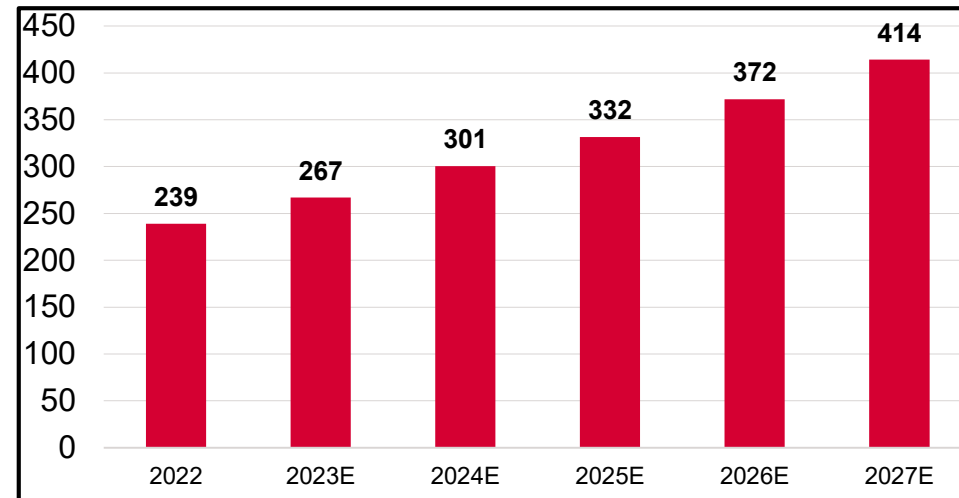
Market is growing at a CAGR of 11.35% and projected to be \$414m in 2027.

138 million test strips estimated in 2022 (62 million in the US).

Projected number of test strips per animal with diabetes is 112 p.a.

*Treatment recommendations after diagnosis include;
Glucose monitoring, Insulin therapy, Diet Change, Exercise.*

Vet Blood Glucose Monitoring (AUD Million)



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Cancer Biosensor

First global publication of Tn Biosensor results

UBI achieved a significant milestone when the work done on our cancer biomarker was accepted for publication by the American Chemical Society Journal “ACS Sensors”.

The article’s title is:

A Rapid Point of Care Electrochemical Sensor for the Detection of Cancer Tn Antigen Carbohydrate in Whole Unprocessed Blood

American Chemical Society Journal “ACS Sensors” is the world’s premier international chemical, peer-reviewed, open access journal on the science and technology of sensors. The publication follows a rigorous international scientific peer-reviewed process on the work performance.

Publication is due shortly.



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Cancer Biosensor

Update

UBI reported the results of its first development trial with The Peter MacCallum Cancer Centre during H1 2022. The results were very promising.

UBI's recent focus has been on the manufacturing process for the biosensors with the aim to create a reliable and reproducible biosensor which can be manufactured in high volumes at UBI.

We continue to develop the biosensor test strip with this in mind and our next series of development studies (including the Victoria Cancer Biobank trial) will commence once the next generation of biosensor test strips are complete.

Our Tn Biosensor project remains broadly on track and within our projected timelines and budgets.

Results from Peter Mac development trial

Colorectal Cancer

C (n=16), H (n=10)*	Sensitivity (%)	Specificity (%)
2 Electrode	100.0	60.0
3 Electrode	100.0	90.0

*C = Cancer (48 samples tested), H = Healthy (30 samples tested). Each patient sample tested in triplicate

	Sensitivity (%)	Specificity (%)
CEA	55.2	83.6

Prostate Cancer

C (n=44), H (n=10)*	Sensitivity (%)	Specificity (%)
2 Electrode	92.9	60.0
3 Electrode	72.7	90.0

*C = Cancer (132 samples tested), H = Healthy (30 samples tested). Each patient sample tested in triplicate

	Sensitivity (%)	Specificity (%)
PSA	85.4	30.3

Covid & Fertility Biosensors

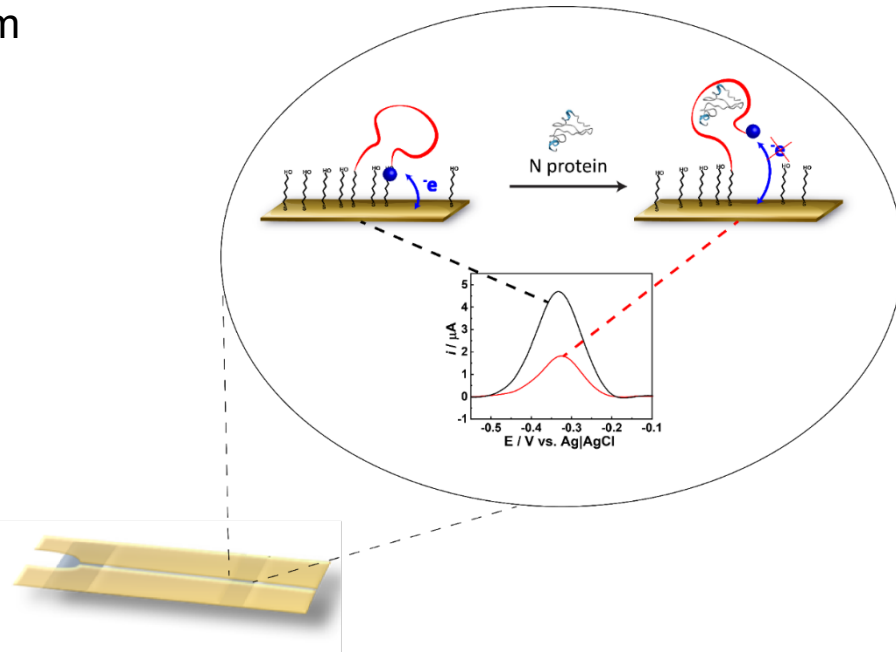
Update

Work on our aptamer based COVID-19 biosensor platform is progressing.

Our first pilot clinical study, testing live COVID-19 virus, will begin during November 2022.

The work performed on the aptamer based COVID-19 biosensor platform is all transferrable to our fertility hormone monitoring tests and will fast track this development (on the same platform).

The three aptamers for estradiol, progesterone and luteinizing hormone have been developed and are at the UBI facility. Initial testing has been performed and the results look promising. Full proof of concept work will begin in Q4 2022.



New Manufacturing Equipment

Update

Work on combining our two previously decommissioned blood glucose manufacturing lines is progressing on track and on budget.

UBI's ambition is to create manufacturing capability for our new biosensor test strip platforms used for:

- Cancer,
- Fertility,
- Infectious disease,
- Environmental.

END

Appendices

Cash Flow

Explained

The following is a summary of the investment in Development Assets. During Q3 2022 YTD, UBI invested:

\$6.5m (non-recurring) into the following intangible assets.

- \$3.7m in the veterinarian blood glucose product
- \$2.8m in clinical and development trials for our Xprecia Prime, Tn Antigen and Sentia products

Total amount to be invested during FY 2022 in “Development Assets” (non-recurring) is tabled below.

\$m	Q3 2022 YTD	Q4 2022	Total 2022
Petrackr	3.71	0.56	4.27
Xprecia Prime	1.24	0.77	2.01
Sentia	0.86	0.19	1.05
Tn Antigen Cancer Biomarker	0.71	1.03	1.74
Total	6.52	2.55	9.07

Results

Profit and Loss Summary (Q3 2022)

\$m	Q3 2022 YTD	Q3 2021 YTD
Biosensors		
Coagulation testing products	2.01	2.36
Wine testing products	0.79	0.80
Total revenue	2.80	3.16
Cost of goods sold	1.20	1.77
Biosensors gross profit (\$)	1.60	1.39
HRL		
Coagulation testing services	0.96	1.39
Total revenue	0.96	1.39
Cost of services	0.91	0.94
HRL gross profit/ (loss) (\$)	0.05	0.45
Other expenses		
Depreciation & amortization	2.02	1.63
Development expenses	6.52	3.46
Research expenses	2.46	1.84
Selling, general & administrative	7.61	4.00
Total expenses	18.61	10.93
Other income/ (expense)		
R&D tax incentive income	2.62	2.34
Other	0.13	0.67
Total other income	2.75	3.01
Net loss	(14.21)	(6.08)

Sales of Xprecia Stride were down due to the timing of Siemens orders (there were no Siemens orders placed in Q3 2022) and Siemens running existing stock levels down to zero.

Reported sales of Sentia for YTD Q3 2022 were in line with the same period in 2021. In market sales of Sentia products grew strongly.

HRL sales down because HRL had a 6-week shutdown as it moved premises and commissioned a new laboratory and new equipment. A major project which commenced in 2021 and was completed in Q2 2022 also impacted the sales reduction.

The products gross margin has increased 13.2% between periods, driven by direct Sentia and non-Siemens sales representing a higher proportion of the Group's total revenue.

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Results

Balance Sheet (Q3 2022)

\$m	30 Sept 2022	31 Dec 2021
Assets		
Cash, cash equivalents & restricted cash	28.03	17.29
Inventories	4.16	2.14
Trade receivables	0.80	0.48
Prepayments & other current assets	8.03	4.94
Total current assets	41.02	24.85
Property, plant & equipment	4.11	4.10
Intangible assets	11.43	12.65
Other non-current assets	5.15	2.90
Total non-current assets	20.69	19.65
Total assets	61.71	44.50
Liabilities		
Trade and other payables	6.80	3.91
Other liabilities	6.24	5.49
Total current liabilities	13.04	9.40
Deferred income tax liability	3.05	3.05
Other liabilities	7.20	4.44
Total non-current liabilities	10.25	7.49
Total liabilities	23.29	16.89
Net assets	38.42	27.61
Total equity	38.42	27.61

Highlights include:

- Increase in cash as a result of capital raise.
- Increase in inventories to secure Sentia and Prime meters from our overseas supplier and inventory being held at our overseas third party distribution warehouses.
- \$2.6m of the increase in other current assets is due to the R&D tax incentive receivable.
- Increase in non-current assets is driven by HRL's 10-year premises lease which commenced in Jan 2022.
- Increase in Trade and other payables and Other Liabilities primarily due to:
 - Increase in lease liability driven by HRL's new premises lease; and
 - Increase in accruals due to the un-invoiced Vet biosensor development work

Results

Cash Flow (Q3 2022)

\$m	30 Sept 2022 YTD	30 Sept 2021 YTD	Change %
Cash flows from operating activities			
Receipts from customers	3.48	2.70	29%
Payments to suppliers & employees	(17.52)	(12.61)	
Government grants & tax incentives	0.00	0.30	
Other	0.08	0.20	
Net cash - operating activities	(13.96)	(9.41)	48%
Cash flows from investing activities			
Property, plant & equipment	(1.04)	(0.48)	117%
Net cash - investing activities	(1.04)	(0.48)	117%
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	0.07	
Net proceeds/ (repayment) of borrowings	(0.01)	0.02	
Net cash - financing activities	25.01	0.09	
Cash & cash equivalents at beginning	18.10	28.06	
Net increase	10.01	(9.80)	
Effect of movement in exchange rates	0.24	0.44	
Cash & cash equivalents at end	28.35	18.70	52%

Major items contributing to higher payments to suppliers and employees include:

- Investment in Petrackr, veterinary blood glucose product;
- Investment in inventory for upcoming Xprecia Prime launch and Sentia;
- Investment in FDA clinical trials for Xprecia Prime.