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20 December 2013

Universal Biosensors secures up to US\$25 million loan facility

Universal Biosensors, Inc. (ASX: UBI), a pioneer in medical diagnostics at the point-of-care (“POC”), announced today that its wholly owned subsidiary Universal Biosensors Pty Ltd (“UBS”) has secured a five year term loan facility of up to US\$25 million with funds managed by Athyrium Capital Management, LLC (“Athyrium”), a US-based investment adviser. This facility leverages the strength of UBI’s future Quarterly Service Fees and is anticipated to fund Universal Biosensors through to positive cash generation and profitability.

The funds will provide Universal Biosensors with the financial strength and flexibility to pursue its expansion into the POC coagulation testing market. With three POC coagulation testing products in development with Siemens, and Universal Biosensors’ own PT-INR test targeted at the patient self-test market, Universal Biosensors is looking to take advantage of its success in blood glucose testing to diversify its business into other POC tests and pursue opportunities where it can take increasing control over its own products, revenues and margins.

Under the arrangement, Universal Biosensors will draw down US\$15 million upfront, with a further two tranches each of US\$5 million available to be drawn at Universal Biosensors’ option if certain commercial conditions are achieved prior to 30 January 2015. The loan bears interest at 10.5% per annum and requires the payment of a number of non-refundable fees. The loan is secured by substantially all of the assets of the Group. In connection with the loan, UBI has granted to Athyrium a warrant entitling the holder on exercise to be issued 4.5 million shares of common stock in UBI, at an exercise price of A\$1.00 per share. The warrants are exercisable at any time and expire seven years from the closing date.

Paul Wright, CEO of UBI, said *“This is a transformational event for the Company that has been made possible by the anticipated growth in UBI’s Quarterly Service Fees. We will use this loan capital combined with our existing shareholder funds, to commercialise the POC tests and drive Universal Biosensors towards profitability and positive cash generation. We are encouraged that a specialist US healthcare fund of Athyrium’s calibre has validated our own confidence in the future potential of the business in providing this financing option. We look forward to working closely with the team from Athyrium to accelerate shareholder value.”*

Richard Pines, a Partner at Athyrium, said *“The UBI management team’s track record of creating commercial stage POC products with global partners such as LifeScan and Siemens is impressive. We are excited to invest in the Company’s powerful technology platform and*

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 (Securities Act). 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.

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pipeline of high value future product opportunities, as we believe it will lead to significant innovation in both professional and consumer POC testing.”

A copy of the Form 8-K to be filed with the US Securities and Exchange Commission describing the Credit Agreement, is attached.

About Athyrium

The finance provider, Athyrium, is a US-based investment adviser in the healthcare and life sciences industry, specializing in providing growth capital to emerging businesses in the global healthcare sector. The Athyrium investment team has substantial healthcare investment experience across a wide range of asset classes, including public equity, private equity, fixed income, royalties, and other structured securities. Athyrium invests across healthcare verticals, including biopharma, medical devices and products, and healthcare services, partnering with management teams to implement financing solutions and provide capital needs. For more information, please visit www.athyrium.com.

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About Universal Biosensors

For additional information in relation to Universal Biosensors, refer to <http://www.universalbiosensors.com/announcements.html>.

Universal Biosensors is a specialist medical diagnostics company, founded in 2001, that is focused on the development, manufacture and commercialisation of a range of in vitro diagnostic tests for point-of-care use. These tests capitalise on a technology platform which uses a novel electrochemical cell that can be adapted for multiple analytes and provide for enhanced measurements in whole blood.

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