

UBI flourishes in diagnostics by collaboration

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Universal Biosensors (UBI) is a medical diagnostics company focused on the R&D and manufacture of diagnostic test systems for point-of-care (POC) professionals and for home use. UBI's core technology is a disposable, multi-layer test strip, which uses its proprietary electrochemical sensor in order to rapidly and accurately measure biomarkers in the blood.

Mr Paul Wright, CEO, Universal Biosensors, speaks to BioSpectrum about their innovative technology and about how they plan to exploit the lucrative diagnostic markets.

Please tell us about the UBI's technology?

We produce, design and manufacture point-of-care devices (POCD). What we have is the capability and intellectual property (IP) portfolio to design disposable strips by electrochemical biosensors, which are read by hand-held portable readers. The strip technology that we have is low cost that we use once for diagnosis and then throw away. Traditionally, sensors of this type have used a particular style of technology with electrodes on the surface. We have done a simple change and we have our electrodes sitting opposite each other. This simple change has proven to be beneficial.

Our strips, as a result of this use small amounts of blood. Our strips are more accurate than traditional ones because they are able to get more information out of the blood sample and they are robust and low cost to manufacture. We have a simplified manufacturing system as a result of this design. So essentially we have essentially an accurate chip and small sample value system which is very important for POCD.

Our first product is used to test blood glucose to test for diabetes. Our product is essentially sold and marketed by LifeScan, a

J&J company that specializes in diabetes care. They are selling the product OneTouch Verio in over 85 percent of the world blood glucose testing markets. It is still very early days and it is hard to say how it is going but what we see is that increased in sales for our products. We are one-of-the-two manufactures of strips. We make the strips here in Australia and LifeScan also manufactures the strip. For diabetes they have the rights and technology to make the strips. We use the same technology for testing things other than glucose on our own. As far as diabetes is concerned, we have partnered with LifeScan.

What was the reason behind licensing OneTouch Verio to LifeScan and not taking the product to the market on your own?

Our competency, when we met LifeScan during our initial days, when we were smaller company doing clever development work on technology, and still today as a company, is in technology development and manufacturing. We wouldn't claim today to be experts in sales and marketing and more importantly we don't have the reach and customer base. So it is important for us to work with other leaders in the field. And so when we met LifeScan, we thought it was a good combination of our technical skills and their ability to reach customers.

What are the other things that you can diagnose using this technology?

We have a partnership with Siemens Healthcare. For them, we are in the process of developing a series of coagulation tests. The first test is expected to be launched by Siemens in 2013, which is to determine how quickly the blood clots. These tests are referred to as Prothrombin Time (PT) and International Normalized Ratio (INR) tests. These tests are done when one is on a drug warfarin, a blood thinner. If one is taking warfarin over a period of time, the individual needs to do this PT-INR tests regularly. This is our second product which has a very large market. We are also developing other coagulation tests for Siemens.

When was OneTouch Verio launched?

LifeScan is launching the product country-by-country. In 2011, they made the product available in the bulk of the European market. Earlier in 2012, the product reached the US. There are more markets to come including Asian markets and that's just a question of time.

What are some of the milestones that the company has achieved since inception?

First of all, we have developed a technology platform (both strips and readers) with the ability to manufacture the technology at a world scale by meeting regulatory requirements from all over the world. To be able to do that in a large market such as diabetes is an achievement.

We are also proud to have strong relationships with LifeScan and Siemens. Other thing that we are proud of is that we are selling our product (through our partner) into some of the world largest and demanding market where countries such as North America, which is very hard to penetrate from regulatory and competition point-of-view. This year we saw our revenue more than double. So we are starting to see some rewards.

Please share with us the highlights of your agreement with LifeScan

LifeScan funded a good part of initial R&D by a milestone payment once we proved that product was workable. And now that the product is in market, they pay us in two ways. One is the quarterly service fee of one cent everytime they sell our strips. The other way we make money is when we manufacture and supply strips to LifeScan.

How had 2012 been for you?

2012 was an exciting year for the company. We saw growth in revenues. For the first nine months we generated \$23.5 million worth of revenue, which is 117 percent higher than that of previous year. We also witnessed more than 300 percent growth in the fees that we got from LifeScan. So that reflects the early growth in the market.

What are the new trends that the diagnostic segments will witness?

I think that the trends of the previous year will continue. We hope to see continuous growth in the POCD market. I also hope continued integration of diagnostics tools with IT. We have already sent some of the POCD products, which offer wireless connectivity to communicate information to doctors, for better empowerment of patient.

Another different trend that I expect is that more interest in diagnostics from companies that have not ventured in diagnostics segment. Pharma companies, I suppose, would want to get involved in personalized medicine in some way so to have control over diagnostics and treatment.

What are some of the new strategies for 2013?

Everything we do is new. What we want to do is extend the portfolio of our testing capabilities. We will be adding the three new coagulation tests. In the background, we also continue to develop the immunoassay testing and molecular testing (DNA

Testing). These things at early stages but the market for these tests is lucrative.

What is the potential of the geographies that you operate in?

At the moment our priority remains US, European and Japanese markets, as these are very large and lucrative markets. There are interesting opportunities in emerging economies as well. If you see China and India, there is a very big market in terms of people and healthcare. But when you get out into regional areas of China, the ability to take samples from patients and move them around to the laboratories is not great. The idea of having low cost easy to use tools for local diagnostics of patients is appealing. So I see good opportunities in POCD in these markets.