

Universal Biosensors, Inc.
ARBN 121 559 993

1 Corporate Avenue
Rowville Victoria 3178
Australia

Telephone +61 3 9213 9000
Facsimile +61 3 9213 9099
Email info@universalbiosensors.com
www.universalbiosensors.com



12 May 2022

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APPLICATION OF FOREIGN OWNERSHIP RESTRICTION FACILITY

Universal Biosensors, Inc. (ASX:UBI) refers to the previous announcements regarding the fully underwritten pro-rata non-renounceable rights issue to raise approximately A\$20 million ("Entitlement Offer"), and the \$6m non-underwritten institutional placement ("Placement") of new CHESS depository interests over fully paid ordinary shares in UBI ("New CDIs").

Shareholders are advised that in order to comply with US regulatory requirements, all existing CHESS depository interests (CDIs), together with those New CDIs issued pursuant to the Placement and Entitlement Offer, will be designated Foreign Ownership Restriction ("FOR") Financial Products under the ASX Settlement Operating Rules, effective 18 May 2022. Accordingly all CDIs, (including New CDIs) will be easily tradeable on the ASX (noting the FOR designation).

The FOR designation is a technical restriction required in connection with the issue of New CDIs and is not considered to be a material limitation on shareholders' ability to trade UBI CDIs on market.

Whilst the FOR effectively prevents a "U.S. Person" from acquiring CDIs, it does not prevent US institutional buyers (who are a "Qualified Institutional Buyer") from purchasing CDIs on market via the ASX.

UBI considers that the establishment of the FOR designation in respect of all CDIs is in the best interests of the Company and all shareholders. The FOR designation in respect of all CDIs will be effective on and from 18 May 2022 and is expected to be in place for approximately 6 months, however, this may be extended as required to allow the Company to comply with US securities law.

Further details regarding the FOR designation are also set out in Schedule 1 of the ASX Settlement Operating Rules Procedures.

There is no requirement for shareholders to take any action.

Enquiries:
Salesh Balak
Company Secretary

Announcement authorised by the Board of Directors of Universal Biosensors, Inc.

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States, its possessions and territories, or any state or the District of Columbia (United States), and may not be distributed, reproduced, published or released, in whole or in part, directly or indirectly, in the United States

or in any jurisdiction in which such an offer would be illegal, or to any U.S. Person (as defined in Regulation S under the United States Securities Act of 1933, as amended (U.S. Securities Act)), or to any resident of the United States or to any other person to whom, such an offer would be illegal. The CDIs have not been and will not be registered under the U.S. Securities Act, or under the securities laws of any state or other jurisdiction of the United States, and the CDIs will be “restricted securities” for purposes of Rule 144 under the U.S. Securities Act. Accordingly, the CDIs may not be offered or sold, directly or indirectly, in or into the United States or to or for the account or benefit of a U.S. Person or a resident of the United States except in compliance with the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States (which the Company has no obligation or intention to do or procure) or pursuant to an exemption from, or in a transaction exempt from or not subject to, such registration requirements and any other applicable securities laws. Hedging transactions involving the CDIs may not be conducted unless in compliance with the U.S. Securities Act and applicable United States securities laws.

About Universal Biosensors

Universal Biosensors, founded in 2001, specialises in the design and development of electrochemical cells (strips) used in conjunction with point of use devices that are used in various industries such as healthcare (point of care), wine, food, and agriculture. UBI’s ambition is to build a multi product stable of biosensors in large markets which generate ongoing revenue streams. For additional information regarding Universal Biosensors, Inc., refer to: <http://www.universalbiosensors.com>.

About FOR Facility

From 18 May 2022, the CHESS Depositary Interests of UBI (UBI's CDIs), which are trading under ASX code UBI, are not permitted to be acquired at any time by, or for the account of or benefit of, any U.S. Person who is not a Qualified Institutional Buyer (as those terms are defined in Rule 144A under the U.S. Securities Act of 1933 (**U.S. Securities Act**)) (**Excluded U.S. Investor**). Any Excluded U.S. Investor will not be entitled to acquire any of UBI's CDIs during the applicable distribution compliance period except:

- (a) in accordance with the provisions of Regulation S under the U.S. Securities Act of 1933, as amended (U.S. Securities Act);
- (b) pursuant to Rule 144A under the U.S. Securities Act;
- (c) pursuant to an effective registration statement under the U.S. Securities Act; or
- (d) pursuant to any other available exemption from the registration requirements of the U.S. Securities Act, and in each case in accordance with all applicable U.S. state securities laws.

In order to ensure that foreign ownership restrictions can be monitored and that UBI's CDIs are not acquired by, or for the account of, or benefit of any Excluded U.S. Investor, UBI has applied to ASX to request that ASX:

- (a) classify UBI's CDIs as FOR Financial Products under the ASX Settlement Operating Rules and to include UBI's CDIs in Schedule 1 of the ASX Settlement Operating Rules Procedures; and

- (b) implement certain additional procedures as contemplated in Guidance Note 7 of the ASX Listing Rules (US Entities – Regulation S Offerings on ASX) and Guidance Note 13 of the ASX Settlement Operation Rules (Financial Products subject to Foreign Ownership Restrictions) in relation to UBI's CDIs.