

Universal Biosensors, Inc.
ARBN 121 559 993

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11 April 2024

Dear Optionholder,

Letter to Optionholders

I write to you in your capacity as the registered holder (**Optionholder**) of options (**Options**) in Universal Biosensors, Inc. ARBN 121 559 993 (ASX:UBI) (**UBI** or **the Company**).

Today the Company announced a fully underwritten pro-rata non-renounceable entitlement offer of new CHES depositary interests over fully paid ordinary shares (common stock) in UBI (**New CDIs**) to raise approximately A\$10 million at a ratio of 1 New CDI for every 3.47 existing CDIs (**Existing CDIs**) held at 7:00pm (Melbourne time) on Tuesday, 16 April 2024 (**Record Date**) at an offer price of A\$0.15 (**Offer Price**), together with 1 new attaching option for every New CDI acquired under the Entitlement Offer (**New Options**) (**Entitlement Offer**).

Eligible securityholders who take up their full entitlement may also apply for additional new CDIs (**Additional New CDIs**) together with 1 new option for each Additional New CDI acquired (**Additional New Options**) in excess of their entitlement under a top up facility at the same Offer Price (**Top Up Facility**). The Top Up Facility is not capped, however, to the extent that the Company receives valid applications in excess of the available Additional New CDIs and Additional New Options under the Top Up Facility, the Company reserves the right to scale back applications for in its discretion, having regard to the pro rata entitlement of Eligible Securityholders who apply for Additional New CDIs and Additional New Options.

In this letter, each of the New CDIs, New Options, Additional New CDIs and Additional New Options are together, the **Offer Securities**.

Net proceeds of the Entitlement Offer shall be applied to:

- sustain growth;
- support ongoing product development;
- fund short term operating losses; and
- operate and expand marketing and sales development, particularly in relation to the sale of UBI's Xprecia Prime device following its recent FDA approval.

Further details of the Entitlement Offer were announced to the ASX today, on Thursday, 11 April 2024.

This letter is to inform you of the Entitlement Offer and inform you of your rights in relation to your Options. This letter is not an invitation or offer to acquire Offer Securities or to participate in the Entitlement Offer. The Company has instituted procedures to prevent any person who is not a resident of Australia or New Zealand, or any person who is, or who is acting for the benefit of, a "U.S. Person" within the meaning of the U.S. Securities Act of 1933, as amended (**U.S. Securities Act**), from purchasing securities offered or sold in the Entitlement Offer.

The Entitlement Offer is expected to be open from Friday, 19 April 2024 until 5:00pm (Melbourne time) Wednesday, 1 May 2024.

The Entitlement Offer is being made pursuant to a prospectus lodged with ASX and ASIC on Thursday, 11 April 2024 (**Prospectus**). Further details regarding the Entitlement Offer are set out in the Prospectus.

Optionholder Eligibility

As an Optionholder, you are not eligible to participate in the Entitlement Offer (with respect to any CDIs that underlie your Options) other than to the extent to which you first exercise some or all of your Options. In order to take up the Entitlement Offer, the exercise of your Options (if vested), and the issue of underlying CDIs, needs to be completed before the Record Date.

If you wish to exercise some or all of your Options and they are eligible to be exercised on their terms, you should complete a notice of exercise of Options (available from the Company) and lodge that notice with the Company together with your payment of the exercise price for the number of Options you wish to exercise. Notice of exercise of your Options and payment of the exercise price should be received at the address below by close of business on Friday, 12 April 2024, as Optionholders lodging notices of exercise after that date cannot be assured of the allotment of CDIs by the Record Date. The notice of exercise of Options can be sent to:

Universal Biosensors Inc
Company Secretary
1 Corporate Avenue
Rowville, Victoria 3178

If you decide to exercise some or all of your Options before the Record Date, the CDIs that are issued upon the exercise of those Options will be included in your securityholding as at the Record Date for the purposes of the Entitlement Offer. Subject to the Securityholder Eligibility section of this letter (below), your aggregate holding of CDIs at the Record Date determines the extent of your entitlement to participate in the Entitlement Offer.

If you are considering exercising Options, please consider carefully if you should do so bearing in mind your personal circumstances, including considering the exercise price for any Option which may be above the current ASX price for the Company's CDIs and above the Entitlement Offer Price. Please also refer to the Company's announcements to ASX in relation to the Entitlement Offer, which were released earlier today and which are available on the ASX company announcements platform (accessible at www.asx.com.au).

If you do not wish to participate in the Entitlement Offer in respect of your Options, you do not need to take any action.

Please note that, in accordance with the terms of your Options, an adjustment will be made to the exercise price of any unexercised Options on completion of the Entitlement Offer, such adjustment to be calculated by reference to the formula set out in those terms.

Securityholder Eligibility

The persons eligible to participate in the Entitlement Offer are those persons who on the Record Date:

- are registered as a holder of Existing CDIs as at the Record Date;
- have a registered address on the UBI share register in Australia and New Zealand as at the Record Date;
- are not in the United States, its possessions and territories, any state thereof or the District of Columbia (**United States**), and are not, and are not acting for the account or benefit of, a U.S. Person (as defined in Regulation S (**Regulation S**) promulgated under the U.S. Securities Act of 1933, as amended (**U.S. Securities Act**) or a person elsewhere outside Australia or New Zealand; and
- do not hold CDIs on behalf of another person who resides outside Australia or New Zealand (unless they hold CDIs in another eligible capacity),

(Eligible Securityholders).

The Entitlement Offer is not being extended to any Securityholder who is not an Eligible Securityholder. Securityholders not satisfying the above criteria will not be eligible to participate in the Entitlement Offer.

Applications

A copy of the Prospectus and a personalised Application Form will be sent together to Eligible Securityholders on or around Friday, 19 April 2024.

The Prospectus will also be available as follows:

- **Online:** The Prospectus can be accessed via the ASX's company announcements platform (accessible at www.asx.com.au), and Eligible Securityholders' personalised Application Form can be requested from the Company's Share Registry at www.investorserve.com.au.
- **Paper:** A hard copy (paper) of the Prospectus and personalised Application Form can be accessed from the Company's Share Registry by Eligible Securityholders, by contacting the Share Registry at 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia).

The Application Form will be despatched together with the Prospectus. Eligible Securityholders must complete the Application Form or pay the application monies via BPAY® in order to take up some or all of their entitlement to New CDIs and New Options and to apply for any Additional New CDIs and Additional New Options under the Top Up Facility. Application Forms and/or application monies must be properly completed and received by the Company no later than 5:00pm (AEST) on Wednesday, 1 May 2024 in order for applicants to be issued Offer Securities.

Enquiries

This letter is to inform you of the Entitlement Offer and inform you of your rights in relation to your Options. This letter is not an invitation or offer to acquire Offer Securities or to participate in the Entitlement Offer.

If you have any questions regarding the Entitlement Offer, please see the Prospectus as published on the ASX website and/or contact the Company on +613 9213 9000.

Yours sincerely,

John Sharman
Chief Executive Officer
Universal Biosensors, Inc.

The offer and sale of the New CDIs, the Additional CDIs, the New Options, the Additional New Options, any CDIs received upon the exercise of New Options and Additional Options, and the shares of the Company's common stock evidenced by any of the foregoing (collectively, the "Securities"), have not been and will not be registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. Offers and sales of the Securities are being made to investors outside the United States that are not, and are not acting for the account or benefit of, U.S. Persons (as defined in Regulation S) in accordance with the exemption from registration under the U.S. Securities Act provided by Regulation S, and the Securities will be "restricted securities" for purposes of Rule 144 under the U.S. Securities Act. Accordingly, the Securities may not be offered or sold in the United States or to, or for the account or benefit of, any U.S. Person, unless registered under the U.S. Securities Act and any applicable securities laws of any state or other jurisdiction of the United States or an applicable exemption from such registration requirements is available. The New Options and the Additional New Options may not be exercised by or for the account or benefit of any U.S. Person unless registered under the U.S. Securities Act or an applicable exemption from such registration requirement is available. No holder of Securities will have the right to require the Company to register any of the Securities under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. Hedging transactions involving the Securities may not be conducted unless in compliance with the U.S. Securities Act.