UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2024

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from ________ to ________

Commission File Number: 000-52607

Universal Biosensors, Inc.

(Exact name of registrant as specified in its charter)

Delaware *(State or other jurisdiction of incorporation or organization)*	**98-0424072** *(I.R.S. Employer Identification Number)*
Universal Biosensors, Inc. **1 Corporate Avenue,** **Rowville, 3178, Victoria** **Australia** *(Address of principal executive offices)*	**Not Applicable** *(Zip Code)*

Telephone: +61 3 9213 9000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definition of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	☐	*Accelerated filer*	☐
Non-accelerated filer	☑	Smaller reporting company	☑
Emerging growth company	☑		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☑

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 231,400,768 shares of Common Stock, U.S.$0.0001 par value, outstanding as of May 2, 2024.

UNIVERSAL BIOSENSORS, INC.

TABLE OF CONTENTS

Unless otherwise noted, references in this Form 10-Q to "Universal Biosensors", the "Company," "Group," "we," "our" or "us" means Universal Biosensors, Inc. ("UBI") a Delaware corporation and, when applicable, its wholly owned Australian operating subsidiary, Universal Biosensors Pty Ltd ("UBS"), its wholly owned US operating subsidiary, Universal Biosensors LLC ("UBS LLC") and UBS' wholly owned Canadian operating subsidiary, Hemostasis Reference Laboratory Inc. ("HRL") and wholly owned Dutch operating subsidiary, Universal Biosensors B.V. ("UBS BV"). Unless otherwise noted, all references in this Form 10-Q to "$", "A$" or "dollars" and dollar amounts are references to Australian dollars. References to "US$", "CAD$" and "€" are references to United States dollars, Canadian dollars and Euros respectively.

Item 1 Financial Statements

Consolidated Condensed Balance Sheets (Unaudited)

	March 31, 2024 A$	December 31, 2023 A$
ASSETS		
Current assets:		
Cash and cash equivalents	7,039,096	10,240,429
Inventories	5,382,903	4,377,933
Accounts receivable	2,336,644	2,125,500
Prepayments	1,183,296	1,200,188
Restricted cash	35,000	35,000
Research and development tax incentive receivable	3,888,691	3,774,343
Other current assets	192,878	249,540
Total current assets	**20,058,508**	**22,002,933**
Non-current assets:		
Property, plant and equipment	32,430,345	32,304,310
Less accumulated depreciation	(27,706,022)	(27,456,376)
Property, plant and equipment - net	**4,724,323**	**4,847,934**
Right-of-use asset - operating leases	2,653,594	2,662,885
Right-of-use asset - finance leases	46,737	49,074
Restricted cash	320,000	320,000
Other non-current assets	92,092	90,045
Total non-current assets	**7,836,746**	**7,969,938**
Total assets	**27,895,254**	**29,972,871**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	345,345	1,240,902
Accrued expenses	2,122,231	2,056,929
Contract liabilities	0	36,132
Lease liability - operating leases	847,578	825,475
Lease liability - finance leases	9,345	9,236
Employee entitlements liabilities	920,405	869,195
Short-term loan	607,388	911,082
Total current liabilities	**4,852,292**	**5,948,951**
Non-current liabilities:		
Asset retirement obligations	1,231,150	1,214,255
Employee entitlements liabilities	86,020	76,165
Lease liability - operating leases	3,018,114	3,179,294
Lease liability - finance leases	44,020	46,397
Total non-current liabilities	**4,379,304**	**4,516,111**
Total liabilities	**9,231,596**	**10,465,062**
Commitments and contingencies	0	0
Stockholders' equity:		
Preferred stock, US$0.01 par value. Authorized 1,000,000 shares; issued & outstanding nil at March 31, 2024 (nil at December 31, 2023). Common stock, US$0.0001 par value. Authorized 300,000,000 shares; issued & outstanding 231,400,768 shares at March 31, 2024 (212,369,435 at December 31, 2023)	23,140	21,237
Additional paid-in capital	121,656,307	119,239,087
Accumulated deficit	(99,420,347)	(92,678,783)
Current year loss	(3,438,811)	(6,741,564)
Accumulated other comprehensive loss	(156,631)	(332,168)
Total stockholders' equity	**18,663,658**	**19,507,809**
Total liabilities and stockholders' equity	**27,895,254**	**29,972,871**

See accompanying Notes to the Consolidated Condensed Financial Statements.

Universal Biosensors, Inc.

Consolidated Condensed Statements of Comprehensive Income/(Loss) (Unaudited)

	Three Months Ended March 31,	
	2024	**2023**
	A$	**A$**
Revenue		
Revenue from products	1,179,843	1,174,959
Revenue from services	289,667	120,505
Total revenue	1,469,510	1,295,464
Operating costs and expenses		
Cost of goods sold	481,467	369,971
Cost of services	110,177	48,717
Total cost of goods sold and services	591,644	418,688
Gross profit	877,866	876,776
Other operating costs and expenses		
Depreciation and amortization	253,098	218,223
Research and development	254,217	1,854,463
Selling, general and administrative	4,025,382	3,321,305
Total operating costs and expenses	4,532,697	5,393,991
Loss from operations	(3,654,831)	(4,517,215)
Other income/(expense)		
Interest income	68,656	206,474
Interest expense	(6,687)	(7,752)
Financing costs	(16,895)	(46,860)
Research and development tax incentive income	114,348	528,278
Exchange gain/(loss)	13,846	(5,191)
Other income	42,752	53,478
Total other income	216,020	728,427
Net loss before tax	(3,438,811)	(3,788,788)
Income tax benefit/(expense)	0	0
Net loss after tax	(3,438,811)	(3,788,788)
Net loss per share		
Net loss per share - basic and diluted	(0.02)	(0.02)
Average weighted number of shares - basic and diluted	213,833,384	212,351,935
Other comprehensive gain/(loss), net of tax:		
Foreign currency translation reserve	175,537	(80,235)
Other comprehensive income/(loss)	175,537	(80,235)
Comprehensive loss	(3,263,274)	(3,869,023)

See accompanying Notes to the Consolidated Condensed Financial Statements.

Consolidated Condensed Statements of Changes in Stockholders' Equity and Comprehensive Income/(Loss) (Unaudited)

Three Months Ended March 31, 2024

	Ordinary shares		Additional paid-in capital	Accumulated deficit	Other comprehensive income/ (loss)	Total stockholders' equity
	Shares	Amount				
		A$	A$	A$	A$	A$
Balances at January 1, 2024	212,369,435	21,237	119,239,087	(99,420,347)	(332,168)	19,507,809
Net loss	0	0	0	(3,438,811)	0	(3,438,811)
Issuance of common stock at A$0.15 per share, net of issuance costs	16,666,667	1,667	1,901,301	0	0	1,902,968
Other comprehensive income	0	0	0	0	175,537	175,537
Performance awards and exercise of stock options	2,364,666	236	472,697	0	0	472,933
Stock-based compensation expense	0	0	43,222	0	0	43,222
Capitalized stock-based compensation	0	0	0	0	0	0
Balances at March 31, 2024	231,400,768	23,140	121,656,307	(102,859,158)	(156,631)	18,663,658

Three Months Ended March 31, 2023

	Ordinary shares		Additional paid-in capital	Accumulated deficit	Other comprehensive income/ (loss)	Total stockholders' equity
	Shares	Amount				
		A$	A$	A$	A$	A$
Balances at January 1, 2023	211,844,435	21,184	119,040,784	(92,678,783)	(291,714)	26,091,471
Net loss	0	0	0	(3,788,788)	0	(3,788,788)
Other comprehensive loss	0	0	0	0	(80,235)	(80,235)
Performance awards and exercise of stock options	525,000	53	(53)	0	0	0
Stock-based compensation expense	0	0	48,885	0	0	48,885
Balances at March 31, 2023	212,369,435	21,237	119,089,616	(96,467,571)	(371,949)	22,271,333

See accompanying Notes to the Consolidated Condensed Financial Statements.

Consolidated Condensed Statements of Cash Flows (Unaudited)

	Three Months Ended March 31,	
	2024	**2023**
	A$	**A$**
Cash flows from operating activities:		
Net loss	(3,438,811)	(3,788,788)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	253,098	221,675
Impairment of definite-lived intangible assets	0	0
Stock-based compensation expense	43,222	48,885
Non-cash lease (benefit)/expense	(155,127)	21,675
Unrealized foreign exchange losses/(gains)	134,606	(62,680)
Change in assets and liabilities:		
Other liabilities	0	0
Inventories	(1,004,970)	156,595
Accounts receivable	(211,144)	(459,167)
Prepayments and other assets	(40,539)	(1,484,826)
Other non-current assets		(517)
Contract liabilities	(36,132)	11,691
Employee entitlements	61,065	83,241
Accounts payable and accrued expenses	(1,346,103)	(558,989)
Net cash used in operating activities	(5,740,835)	(5,811,205)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(77,728)	(404,382)
Net cash used in investing activities	(77,728)	(404,382)
Cash flows from financing activities:		
Proceeds from borrowings	0	1,056,059
Repayment of borrowings	(303,694)	(351,637)
Proceeds from issuance of common stock, net of issuance costs	2,500,000	0
Exercise of options	472,933	0
Other	(2,309)	(31,783)
Net cash provided by financing activities	2,666,930	672,639
Net decrease in cash, cash equivalents and restricted cash	(3,151,633)	(5,542,948)
Cash, cash equivalents and restricted cash at beginning of period	10,595,429	26,824,851
Effect of exchange rate fluctuations on the balances of cash held in foreign currencies	(49,700)	(7,212)
Cash, cash equivalents and restricted cash at end of period	7,394,096	21,274,691

See accompanying Notes to the Consolidated Condensed Financial Statements.

1. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP" or "GAAP") and with the instructions to Form 10-Q and Article 10 of Regulation S-X for interim financial information. Accordingly, they do not include all information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of the Company's management, the consolidated condensed financial statements reflect all adjustments, which are normal and recurring in nature, necessary for fair financial statement presentation. Operating results for the three months ended March 31, 2024 are not necessarily indicative of the results that may be expected for the year ending December 31, 2024. These consolidated condensed financial statements and accompanying notes should be read in conjunction with the Company's annual consolidated financial statements and accompanying notes included in its Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 Form 10-K" or "Annual Report") filed with the U.S. Securities and Exchange Commission (the "SEC") on February 29, 2024. The year-end consolidated condensed balance sheets data as at December 31, 2023 was derived from audited financial statements but does not include all disclosures required by U.S. GAAP.

Principles of Consolidation

The consolidated condensed financial statements include the financial statements of the Company and its wholly owned subsidiaries, UBS, UBS LLC, HRL and UBS BV. All intercompany balances and transactions have been eliminated on consolidation.

Use of Estimates

The preparation of the consolidated condensed financial statements requires management of the Company to make a number of estimates and assumptions relating to the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated condensed financial statements and the reported amounts of revenues and expenses during the period. Significant items subject to such estimates and assumptions include deferred income taxes, research and development tax incentive income, impairment of definite-lived intangible assets and stock-based compensation expenses. Actual results could differ from those estimates.

Recent Accounting Pronouncements

The Company assesses the adoption impacts of recently issued accounting standards by the Financial Accounting Standards Board on the Company's financial statements as well as material updates to previous assessments, if any, from the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

(a) Recent issued accounting standards not yet adopted

Nil

(b) Recent adopted accounting standards

<u>ASU No. 2023-09, "Improvement to Income Tax Disclosures"</u>

In December 2023, the FASB issued ASU No. 2023-09, Improvements to Income Tax Disclosures, which requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The standard is intended to benefit investors by providing more detailed income tax disclosures that would be useful in making capital allocation decisions. The amendments in this ASU are effective for annual periods beginning on January 1, 2025, and should be applied on a prospective basis with the option to apply the standard retrospectively. Early adoption is permitted.

On January 1, 2024, the Company adopted the new accounting pronouncement ASU No. 2023-09. The adoption of ASU No. 2023-09 did not have any impact on the consolidated condensed financial statements or results of operations.

<u>ASU No. 2023-07 "Improvements to Reportable Segment Disclosure</u>s"

In November 2023, the FASB issued ASU No. 2023-07, Improvements to Reportable Segment Disclosures, which improves reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. In addition, the amendments enhance interim disclosure requirements, clarify circumstances in which an entity can disclose multiple segment measures of profit or loss, provide new segment disclosure requirements for entities with a single reportable segment, and contain other disclosure requirements. The purpose of the amendments is to enable investors to better understand an entity's overall performance and assess potential future cash flows. For public business entities, the amendments in this ASU are effective for annual periods beginning on January 1, 2024 and interim periods beginning on January 1, 2025, and should be applied on a retrospective basis for all periods presented. For entities other than public business entities, the ASU is effective for annual periods beginning after December 15, 2025.

On January 1, 2024, the Company adopted the new accounting pronouncement ASU No. 2023-07. The adoption of ASU No. 2023-07 did not have any impact on the consolidated condensed financial statements or results of operations.

Net Loss per Share and Anti-dilutive Securities

Basic and diluted net loss per share is presented in conformity with ASC 260 – Earnings per Share. Basic and diluted net loss per share has been computed using the weighted-average number of common shares outstanding during the period. Diluted net loss per share is calculated by adjusting the basic net loss per share by assuming all dilutive potential ordinary shares are converted.

Foreign Currency

Functional and Reporting Currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of UBI and UBS is A$ for all years presented. The functional currencies of UBS LLC, HRL and UBS BV are US$, CAD$ and €, respectively, for all years presented.

The consolidated condensed financial statements are presented using a reporting currency of A$.

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated condensed statements of comprehensive income/(loss).

The results and financial position of all the Group entities that have a functional currency different from the reporting currency are translated into the reporting currency as follows:

- assets and liabilities for each balance sheet item reported are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement item reported are translated at average exchange rates (unless this is not a reasonable approximation of the effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognized as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken to the Accumulated Other Comprehensive Income/(Loss).

Fair Value of Financial Instruments

The carrying value of all current assets and current liabilities approximates fair value because of their short-term nature. The estimated fair value of all other amounts has been determined, depending on the nature and complexity of the assets or the liability, by using one or all of the following approaches:

- Market approach – based on market prices and other information from market transactions involving identical or comparable assets or liabilities.
- Cost approach – based on the cost to acquire or construct comparable assets less an allowance for functional and/or economic obsolescence.
- Income approach – based on the present value of a future stream of net cash flows.

These fair value methodologies depend on the following types of inputs:

- Quoted prices for identical assets or liabilities in active markets (Level 1 inputs).
- Quoted prices for similar assets or liabilities in active markets or quoted prices for identical or similar assets or liabilities in markets that are not active or are directly or indirectly observable (Level 2 inputs).
- Unobservable inputs that reflect estimates and assumptions (Level 3 inputs).

Concentration of Credit Risk and Other Risks and Uncertainties

Cash, cash equivalents, restricted cash and accounts receivable consist of financial instruments that potentially subject the Company to concentration of credit risk to the extent of the amount recorded on the consolidated condensed balance sheets. The Company's cash, cash equivalents and restricted cash are primarily invested with one of Australia's largest banks. The Company is exposed to credit risk in the event of default by the banks holding the cash, cash equivalents and restricted cash to the extent of the amount recorded on the consolidated condensed balance sheets. The Company has not experienced any losses on its deposits of cash, cash equivalents and restricted cash. The Company has not identified any collectability issues with respect to receivables.

Cash, Cash Equivalents and Restricted Cash

The Company considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents. For cash and cash equivalents, the carrying amount approximates fair value due to the short maturity of those instruments.

The Company maintains cash and restricted cash, which includes collateral for facilities.

Inventory

Inventories are stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to dispose. Inventories are principally determined under the average cost method which approximates cost. Cost comprises direct materials, direct labour and an appropriate portion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts. The Company recognizes inventory on the consolidated condensed balance sheets when they have concluded that the substantial risks and rewards of ownership, as well as the control of the asset, have been transferred.

Receivables

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for credit losses is the best estimate of the amount of probable credit losses in the existing accounts receivable. The allowance is determined based on a review of individual accounts for collectability, generally focusing on those accounts that are past due. The expense to adjust the allowance for credit losses, if any, is recorded within selling, general and administrative expenses in the consolidated condensed statements of comprehensive income/(loss). Account balances are charged against the allowance when it is probable the receivable will not be recovered.

Prepayments

Prepaid expenses represent expenditures that have not yet been recorded by the Company as an expense but have been paid for in advance. The Company's prepayments are primarily represented by insurance premiums paid annually in advance.

Other Current Assets

The Company's other current assets are primarily represented by sundry receivables.

Property, Plant and Equipment

Property, plant and equipment are recorded at acquisition cost, less accumulated depreciation.

Depreciation on plant and equipment is calculated using the straight-line method over the estimated useful lives of the assets. The estimated useful life of machinery and equipment is three to ten years. Leasehold improvements are amortized on the straight-line method over the shorter of the remaining lease term or estimated useful life of the asset. Maintenance and repairs that do not extend the life of the asset are charged to operations as incurred and include normal services and do not include items of a capital nature.

Impairment of Long-Lived Assets

The Company reviews its long-lived assets, including property, plant and equipment and definite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. An impairment loss is recognized when the undiscounted future cash flows expected to result from the use of the asset is less than the carrying amount of the asset. Accordingly, we recognize an impairment loss based on the excess of the carrying value amount over the fair value of the asset.

Australian Goods and Services Tax, Canadian Harmonized Sales Tax, US Sales Tax and European Value Added Tax, collectively "Sales Tax"

Revenues, expenses and assets are recognized net of the amount of associated Sales Tax, unless the Sales Tax incurred is not recoverable from the taxation authority. In this case it is recognized as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of Sales Tax receivable or payable. The net amount of Sales Tax recoverable from, or payable to, the taxation authority is included with other current assets or accrued expenses in the consolidated condensed balance sheets dependent on whether the balance owed to the taxation authorities is in a net receivable or payable position.

Leases

At contract inception, the Company determines if the new contractual arrangement is a lease or contains a leasing arrangement. If a contract contains a lease, the Company evaluates whether it should be classified as an operating or a finance lease. Upon modification of the contract, the Company will reassess to determine if a contract is or contains a leasing arrangement.

The Company records lease liabilities based on the future estimated cash payments discounted over the lease term, defined as the non-cancellable time period of the lease, together with all the following:

- periods covered by an option to extend the lease if the Company is reasonably certain to exercise the extension option; and
- periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise the termination option.

Leases may also include options to terminate the arrangement or options to purchase the underlying lease property. The Company does not separate lease and non-lease components of contracts. Lease components provide the Company with the right to use an identified asset, which consist of the Company's real estate properties and office equipment. Non-lease components consist primarily of maintenance services.

As an implicit discount rate is not readily determinable in the Company's lease agreements, the Company uses its estimated secured incremental borrowing rate based on the information available at the lease commencement date in determining the present value of future lease payments. For certain leases with original terms of twelve months or less, the Company recognizes lease expense as incurred and does not recognize any lease liabilities. Short-term and long-term portions of operating and finance lease liabilities are classified as lease liabilities in the Company's consolidated condensed balance sheets.

A right-of-use ("ROU") asset is measured as the amount of the lease liability with adjustments, if applicable, for lease incentives, initial direct costs incurred by the Company and lease prepayments made prior to or at lease commencement. ROU assets are classified as operating or finance lease right-of-use assets, net of accumulated amortization, on the Company's consolidated condensed balance sheets. The Company evaluates the carrying value of ROU assets if there are indicators of potential impairment and performs the analysis concurrent with the review of the recoverability of the related asset group. If the carrying value of the asset group is determined to not be fully recoverable and is in excess of its estimated fair value, the Company will record an impairment loss in its consolidated condensed statements of income and comprehensive income/(loss).

Lease payments may be fixed or variable, however, only fixed payments or in-substance fixed payments are included in the Company's lease liability calculation. Variable lease payments are recognized in operating expenses in the period in which the obligation for those payments is incurred.

Asset Retirement Obligations

Asset retirement obligations ("ARO") are legal obligations associated with the retirement and removal of long-lived assets. ASC 410 – Asset Retirement and Environmental Obligations requires entities to record the fair value of a liability for an asset retirement obligation when it is incurred. When the liability is initially recorded, the Company capitalizes the cost by increasing the carrying amounts of the related property, plant and equipment. Over time, the liability increases for the change in its present value, while the capitalized cost depreciates over the useful life of the asset. The Company derecognizes ARO liabilities when the related obligations are settled.

The ARO is in relation to our premises where in accordance with the terms of the lease, the lessee has to restore part of the building upon vacating the premises.

Revenue Recognition

The Group recognizes revenue predominantly from the sale of analyzers and test strips and the provision of laboratory testing services based on the provisions of ASC 606 Revenue from Contracts with Customers. In accordance with this provision, to determine whether to recognize revenue, the Group follows a five-step process:

a) Identifying the contract with a customer;
b) Identifying the performance obligations within the customer contract;
c) Determining the transaction price;
d) Allocating the transaction price to the performance obligation; and
e) Recognizing revenue when/as performance obligations are satisfied.

Nature of goods and services

The following is a description of products and services from which the Company generates its revenue.

Products and services	*Nature, timing of satisfaction of performance obligations and significant payment terms*
Coagulation testing products ("Xprecia")	Our point-of-care coagulation testing products use electrochemical cell technology to measure Prothrombin Time (PT/INR), a test used to monitor the effect of the anticoagulant therapy warfarin. The performance obligation for the sale of these products is satisfied at a point-in-time when the Company transfers control of the products to its customer. The point of transfer of control of the products is dictated by individual terms contained within a customer agreement, as are the payment terms. The transaction price is fixed.
Laboratory testing services	HRL provides non-diagnostic laboratory services and performs these services on behalf of customers. The performance obligation for the services is satisfied when the testing has been finalized and results have been reported to the customer. In some cases, the performance obligations will be satisfied as predetermined milestones have been achieved by the Company.
Wine testing products ("Sentia")	Our Sentia wine analyzer is used to measure Free SO_2, Malic Acid, Glucose, Fructose, Total Sugar, Acetic Acid and Titratable Acidity levels in wine. The performance obligation for the sale of this product is satisfied at a point-in-time when the Company transfers control of the products to its customer. The point of transfer of control of the products is dictated by the individual terms contained within a customer agreement, as are the individual payment terms. The transaction price is fixed.
Veterinary diabetes product ("Petrackr")	Our veterinary blood glucose product, Petrackr, is a blood glucose monitoring product for dogs and cats with diabetes. The performance obligation for the sale of this product is satisfied at a point-in-time when the Company transfers control of the products to its customer. The point of transfer of control of the products is dictated by the individual terms contained within a customer agreement, as are the individual payment terms. The transaction price is fixed.

See Note 8 to the Consolidated Condensed Financial Statements for a disaggregation of revenue.

Interest Income

Interest income is recognized as it accrues, taking into account the effective yield and consists of interest earned on cash, cash equivalents and restricted cash in interest-bearing accounts.

Research and Development Tax Incentive Income

Research and development tax incentive income is recognized when there is reasonable assurance that the income will be received, the relevant expenditure has been incurred and the consideration can be reliably measured.

The research and development tax incentive is one of the key elements of the Australian Government's support for Australia's innovation system and is supported by legislative law primarily in the form of the Australian Income Tax Assessment Act 1997 as long as eligibility criteria are met. Subject to meeting a number of conditions, an entity involved in eligible research and development ("R&D") activities may claim research and development tax incentive income as follows:

(1) as a 43.5% refundable tax offset if aggregate turnover (which generally means an entity's total income that it derives in the ordinary course of carrying on a business, subject to certain exclusions) of the entity is less than A$20,000,000, or

(2) as a 38.5% non-refundable tax offset if aggregate turnover of the entity is more than A$20,000,000.

In accordance with SEC Regulation S-X Article 5-03, the Company's research and development tax incentive income has been recognized as non-operating income as it is not indicative of the core operating activities or revenue producing goals of the Company.

Management has assessed the Company's R&D activities and expenditures to determine which activities and expenditures are likely to be eligible under the tax incentive regime described above. At each period end management estimates the refundable tax offset available to the Company based on available information at the time. This estimate is also reviewed by external tax advisors on an annual basis.

The Company has recorded research and development tax incentive income of A$114,348 and A$528,278 for the three months ended March 31, 2024 and 2023, respectively. In the three months ended March 31, 2024 there is reasonable assurance that the aggregate turnover of the Company for the year ended December 31, 2024 will not exceed A$20,000,000.

Research and Development Expenditure

R&D expenses consist of costs incurred to further the Company's research and product development activities and include salaries and related employee benefits, costs associated with clinical trial and preclinical development, regulatory activities, research-related overhead expenses, costs associated with the manufacture of clinical trial material, costs associated with developing a commercial manufacturing process, costs for consultants and related contract research, facility costs and depreciation. R&D costs are expensed as incurred as they fall in the scope of ASC 730 'Research and Development'.

Clinical Trial Expenses

Clinical trial costs are a component of R&D expenses. These expenses include fees paid to participating hospitals and other service providers, which conduct certain testing activities on behalf of the Company. Depending on the timing of payments to the service providers and the level of service provided, the Company records prepaid or accrued expenses relating to these costs.

Stock-based Compensation

We measure stock-based compensation at grant date, based on the estimated fair value of the award and recognize the cost as an expense on a straight-line basis over the vesting period of the award. We estimate the fair value of stock options using the Trinomial Lattice model.

We record deferred tax assets for awards that will result in deductions on our income tax returns, based on the amount of compensation cost recognized and our statutory tax rate in the jurisdiction in which we will receive a deduction. Differences between the deferred tax assets recognized for financial reporting purposes and the actual tax deduction reported in our income tax return are recorded in expense or in capital in excess of par value if the tax deduction exceeds the deferred tax assets or to the extent that previously recognized credits to paid-in-capital are still available if the tax deduction is less than the deferred tax asset.

Employee Benefit Costs

The Company contributes a portion of each employee's salary to standard defined contribution superannuation funds on behalf of all eligible UBS employees in line with legislative requirements. The contribution rate increased from 10.0% to 10.5% for the period commencing July 1, 2022 and increased to 11.0% on July 1, 2023. Superannuation is an Australian compulsory savings program plan for retirement whereby employers are required to pay a portion of an employee's remuneration to an approved superannuation fund that the employee is typically not able to access until they have reached the statutory retirement age. Whilst the Company has a third-party default superannuation fund, it permits UBS employees to choose an approved and registered superannuation fund into which the contributions are paid. Contributions are charged to the consolidated condensed statements of comprehensive income/(loss) as the expense is incurred.

Registered Retirement Savings Plan and Deferred Sharing Profit Plan

The Company provides eligible HRL employees with a retirement plan. The retirement plan includes a Registered Retirement Savings Plan ("RRSP") and Deferred Profit Sharing Plan ("DPSP"). The RRSP is voluntary and the employee contributions are matched by the Company up to a maximum of 5% based on their continuous years of service and placed into the RRSP. The Company contributes 1% to 2% of the employee's base earnings towards the DPSP. The DPSP contributions are vested immediately.

Benefit Plan

The Company provides eligible HRL employees a Benefit Plan. In general, the Benefit Plan includes extended health care, dental care, basic life insurance, basic accidental death and dismemberment and disability insurance.

401k Plan

The Company acts as a plan sponsor for a 401K plan for eligible UBS LLC employees. A 401K plan is a US-based defined-contribution pension account into which the employees can elect to have a percentage of their salary deducted and contributed to the plan. Their contributions are matched by the Company up to a maximum of 10% of their salary.

Employee Entitlements Liabilities

Employee entitlements to annual leave and long service leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date.

Income Taxes

We are subject to income taxes in Australia, Canada, the Netherlands and the United States. The Company applies ASC 740 - Income Taxes which establishes financial accounting and reporting standards for the effects of income taxes that result from a Company's activities during the current and preceding years. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Where it is more likely than not that some portion or all of the deferred tax assets will not be realized, the deferred tax assets are reduced by a valuation allowance. The valuation allowance is sufficient to reduce the deferred tax assets to the amount that is more likely than not to be realized.

Pursuant to the U.S. tax reform rules, UBI is subject to regulations addressing Global Intangible Low-Taxed Income ("GILTI"). The GILTI rules are provisions of the U.S. tax code enacted as a part of tax reform legislation in the U.S. passed in December 2017. Mechanically, the GILTI rule functions as a global minimum tax for all U.S. shareholders of controlled foreign corporations ("CFCs") and applies broadly to certain income generated by a CFC. The Company can make an accounting policy election to either: (1) treat GILTI as a period cost if and when incurred; or (2) recognize deferred taxes for basis differences that are expected to reverse as GILTI in future years. The Company has elected to treat GILTI as a period cost.

Reclassification

Certain prior year amounts have been reclassified to conform with current year presentation.

2. Cash, cash equivalents and restricted cash

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated condensed balance sheets that sum to the total of the same such amounts shown in the consolidated condensed statements of cash flows.

	March 31, 2024	December 31, 2023
	A$	A$
Cash and cash equivalents	7,039,096	10,240,429
Restricted cash – current assets	35,000	35,000
Restricted cash – non-current assets	320,000	320,000
	7,394,096	10,595,429

Restricted cash maintained by the Company in the form of term deposits is as follows:

	March 31, 2024	December 31, 2023
	A$	A$
Collateral for facilities - current assets	35,000	35,000
Collateral for facilities - non-current assets	320,000	320,000
	355,000	355,000

Collateral for facilities represents a letter of credit for A$35,000 issued in favour of American Express Australia Ltd (current), bank guarantee of A$250,000 for commercial lease of UBS' premises (non-current) and security deposit on Company's credit cards of A$70,000 (non-current).

Interest earned on the restricted cash for the three months ended March 31, 2024 and 2023 was A$3,849 and A$7,808 respectively.

3. Inventories

	March 31, 2024	December 31, 2023
	A$	A$
Raw materials	368,208	261,753
Work in progress	684,661	273,965
Finished goods	4,330,034	3,842,215
	5,382,903	4,377,933

4. Receivables

	March 31, 2024	December 31, 2023
	A$	A$
Accounts receivable	2,336,644	2,125,500
Allowance for credit losses	0	0
	2,336,644	2,125,500

5. Property, Plant and Equipment

	March 31, 2024	December 31, 2023
	A$	A$
Plant and equipment	23,087,849	22,962,369
Leasehold improvements	9,342,496	9,341,941
	32,430,345	32,304,310
Accumulated depreciation	(27,706,022)	(27,456,376)
Property, plant & equipment - net	4,724,323	4,847,934

6. Leases

The Company's lease portfolio consists primarily of operating leases for office space and equipment with contractual terms expiring from December 2025 to February 2032. Lease contracts may include one or more renewal options that allow the Company to extend the lease term. The exercise of lease options is generally at the discretion of the Company. None of the Company's leases contain residual value guarantees, substantial restrictions, or covenants. The Company's leases are substantially within Australia and Canada.

	March 31, 2024	December 31, 2023
	A$	A$
Operating lease right-of-use assets:		
Non-current	2,653,594	2,662,885
Operating lease liabilities:		
Current	847,578	825,475
Non-current	3,018,114	3,179,294
Weighted average remaining lease terms (in years)	6.3	6.3
Weighted average discount rate	4.6%	4.8%

The components of lease income/expense were as follows:

	Three Months Ended March 31,	
	2024	2023
	A$	A$
Fixed payment operating lease expense	115,336	241,523
Short-term lease expense	787	0
Sub-lease income	36,391	33,478

The sublease income is deemed an operating lease.

The components of the fixed payment operating and short-term lease expense as classified in the consolidated condensed statements of comprehensive income/(loss) are as follows:

	Three Months Ended March 31,	
	2024	2023
	A$	A$
Cost of services	14,979	9,644
Research and development	34,963	51,773
Selling, general and administrative	65,394	180,106
	115,336	241,523

Supplemental cash flow information related to the Company's leases was as follows:

	Three Months Ended March 31,	
	2024	2023
	A$	A$
Operating cash outflows from operating leases	249,971	240,291

Supplemental non-cash information related to the Company's leases was as follows:

	Three Months Ended March 31,	
	2024	2023
	A$	A$
Right-of-use assets obtained in exchange for lease liabilities	0	28,353
Right-of-use asset modifications	0	0

Future lease payments are as follows:

	March 31, 2024	December 31, 2023
	A$	A$
1 year	1,013,110	998,418
2 years	877,472	1,022,251
3 years	418,798	407,413
4 years	426,376	416,427
5 years	430,778	418,875
Thereafter	1,312,200	1,388,933
Total future lease payments	4,478,734	4,652,317
Less: imputed interest	(613,042)	(647,548)
Total operating lease liabilities	3,865,692	4,004,769
Current	847,578	825,475
Non-current	3,018,114	3,179,294

On March 1, 2024, HRL entered into a tenancy agreement for an office space for a 12-month period in Hamilton, Canada. As of March 31, 2024, the Company has not entered into any operating or finance lease agreements that have not yet commenced.

7. Short-Term Loan

In December 2023 the Company entered into a short-term loan facility to finance its 2024 Insurance Premium. The total amount available and drawn down under the facility is A$911,082. The facility is repayable in nine monthly installments which commenced in January 2024 and has an effective annual interest rate of 1.99%. The short-term borrowing is secured by proceeds of or payable under any insurance including proceeds or refunds from the cancellation or termination of any insurance.

8. Revenue

Disaggregation of Revenue

In the following table, revenue is disaggregated by major product and service lines and timing of revenue recognition.

	Three Months Ended March 31, 2024	2023
	A$	A$
Major product/service lines		
Coagulation testing products	627,992	580,559
Laboratory testing services	289,667	120,505
Wine testing products	526,688	594,400
Veterinary diabetes products	25,163	0
	1,469,510	1,295,464
Timing of revenue recognition		
Products and services transferred at a point in time	1,469,510	1,295,464

Contract Balances

The following table provides information about receivables and contract liabilities from contracts with customers.

	Three Months Ended March 31, 2024	2023
	A$	A$
Receivables	2,336,644	1,433,490
Contract liabilities	0	41,542

The Company's contract liabilities represent the Company's obligation to transfer products to customers for which the Company has received consideration from customers, but the transfer has not yet been completed.

Significant changes in the contract assets and the contract liabilities balances during the period are as follows:

	Three Months Ended March 31, 2024	2023
	A$	A$
Contract Liabilities - current		
Opening balance	36,132	29,851
Closing balance	0	41,542
Net increase/(decrease)	(36,132)	11,691

The Company expects all of the Company's contract liabilities to be realized by December 31, 2024.

9. Other Income

Other income is recognized when there is reasonable assurance that the income will be received, and the consideration can be reliably measured.

Other income is as follows for the relevant periods:

	Three Months Ended March 31, 2024	2023
	A$	A$
Federal and state government subsidies	0	20,000
Rental income	36,391	33,478
Other income	6,361	0
	42,752	53,478

10. Total Comprehensive Income/(Loss)

The Company follows ASC 220 – Comprehensive Income. Comprehensive income/(loss) is defined as the total change in shareholders' equity during the period other than from transactions with shareholders and for the Company, includes net income/(loss).

	Before-Tax Amount	Tax (Expense)/ Benefit	Net-of-Tax Amount
	A$	A$	A$
Three Months Ended March 31, 2024			
Foreign currency translation reserve	175,537	0	175,537
Other comprehensive gain	175,537	0	175,537
Three Months Ended March 31, 2023			
Foreign currency translation reserve	(80,235)	0	(80,235)
Other comprehensive loss	(80,235)	0	(80,235)

The tax effect allocated to each component of other comprehensive income/(loss) is as follows:

11. Related Party Transactions

Details of related party transactions material to the operations of the Group other than compensation arrangements, expense allowances and other similar items in the ordinary course of business, are set out below:

On March 1, 2024, the Company announced a fully underwritten non-renounceable rights issue of new CHESS depositary interests over fully paid ordinary shares in UBI ("New CDIs") to raise approximately A$10 million ("Entitlement Offer") at a ratio of 1 New CDI for approximately every 3.47 existing CDIs held at the record date, being April 16, 2024. In addition, participants in the Entitlement Offer shall receive one attaching option to acquire CDIs for each New CDI acquired under the Entitlement Offer at an exercise price of A$0.20 ("Options"). The Options will vest upon issue, expire 3 years from the date of issue, be exercisable in multiple tranches and each entitle the option holder to 1 CDI upon exercise (subject to any adjustments for reconstructions or bonus issues in accordance with the Listing Rules).

In connection with the Entitlement Offer, the Company received a binding commitment from the Underwriter, Viburnum Funds Pty Ltd ("Viburnum") to fully underwrite the Entitlement Offer. The underwriting commitment term sheet provides that the Underwriter shall have the right to require the Entitlement Offer to be repriced in the event that the trading price of the Company's CDI's falls below A$0.10 per existing CDI for any three consecutive days prior to the special meeting of stockholders to be held on April 10, 2024. In the event the parties are unable to agree on the repriced amount, Viburnum shall be entitled to terminate its obligations under the underwriting commitment term sheet. The Company's share price did not fall below A$0.10 per existing CDI for any three consecutive days prior to the special meeting of stockholders held on April 10, 2024.

Mr. Craig Coleman is a Non-Executive Director of the Company and an Executive Chairman and associate of the Underwriter. Viburnum, as investment manager for its associated funds and entities holds voting power over approximately 25% of the Company's shares.

The Company has agreed, subject to the approval of the stockholders of the Company, to issue Viburnum 13,849,567 options, as its underwriting fee ("Underwriter Options"), equal in value to 5.0% of the underwritten amount of A$10 million. The Underwriter Options will be issued on the same terms as the Options issued to investors under the Entitlement Offer. If the Underwriter Options are not issued, including where stockholder approval is not obtained for the issue of Underwriter Options, the Company shall pay Viburnum an underwriting fee equal to 6% of the underwritten amount of A$10 million in cash, at the time of issue of CDIs under the Entitlement Offer. The approval of the stockholders to issue Viburnum 13,849,567 options was received at a special meeting of stockholders held on April 10, 2024 (the "Meeting").

The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States or to, or for the account of, a U.S. Person (within the meaning of Regulation S under the Securities Act), absent registration or an applicable exemption from the registration requirements. Hedging transactions involving these securities may not be conducted unless in compliance with the Securities Act.

In addition, the Company will be required to seek stockholder approval to amend its certificate of incorporation to increase the number of authorized shares of common stock available for issuance at a special meeting of stockholders. The consummation of the Entitlement Offer will be conditioned on such approval. The Company intends to seek such approval and the approval of the issuance of the Underwriter Options at a special meeting of stockholders to be held on April 10, 2024. These approvals were received at the Meeting.

On May 27, 2022, Viburnum acquired from Mr. Sharman unlisted options to purchase up to 1,000,000 ordinary shares at A$0.57 per option. The options fully vested on March 25, 2020, had an exercise price of A$0.20 and have an expiry date of March 24, 2024. These options were exercised on March 22, 2024.

In March 2024, Mr. Sharman and his associates exercised 1,364,666 options at an exercise price of A$0.20 per option.

There were no material related party transactions or balances as at March 31, 2024 other than as disclosed above.

12. Commitments and Contingencies

Liabilities for loss contingencies, arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated. These were nil as at March 31, 2023 and December 31, 2023. Purchase commitments are entered into with various parties to purchase products and services such as equipment, technology and consumables used in R&D and commercial activities. Purchase commitments contracted for as at March 31, 2024 and December 31, 2023 were A$2,852,220 and A$3,484,474, respectively.

13. Segment Information

We operate in one segment. We are a specialist biosensors Company focused on the development, manufacture and commercialization of a range of point of use devices for measuring different analytes across different industries.

Our operations are in Australia, US, Europe and Canada. The chief operating decision maker of the Company is the Chief Executive Officer.

14. Subsequent Events

At the Meeting, amongst other matters, the following resolutions were passed:

- issue of Underwriter Options
- amendment to the Company’s Amended and Restated Certificate of Incorporation to increase the number of authorized shares of the Company’s common stock from 300,000,000 to 750,000,000

Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis provides information that we believe is relevant to an assessment and understanding of our results of operations and financial condition. You should read this analysis in conjunction with our audited consolidated financial statements and related footnotes and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our most recent Annual Report on Form 10-K filed with the United States Securities and Exchange Commission ("SEC"). This Form 10-Q contains, including this discussion and analysis, certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") which are intended to be covered by the safe harbors created by such acts. For this purpose, any statements that are not statements of historical fact may be deemed to be forward-looking statements, including statements relating to future events and our future financial performance. Those statements in this Form 10-Q containing the words "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "future", "illustration", "intends", "may", "plans", "predicts", "will", "would" and similar expressions constitute forward-looking statements, although not all forward-looking statements contain such identifying words.

The forward-looking statements contained in this Form 10-Q are based on our current expectations, assumptions, estimates and projections about the Company and its businesses. All such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results to be materially different from those results expressed or implied by these forward-looking statements, including those set forth in this Quarterly Report on Form 10-Q. The Company assumes no obligation to revise or update any forward-looking statements for any reason, except as required by law.

Our Business

We are a specialist biosensors company focused on commercializing a range of biosensors in oenology (wine industry), human health including oncology, coagulation, COVID-19, women's health and fertility, non-human and environmental testing using our patented platform technology and hand-held point-of-use devices.

Key developments include:

- A$2.50 million raised pursuant to a placement and A$10.00 million to be raised pursuant to a fully underwritten entitlement offer which closed on May 1, 2024, both at an issue price of $0.15
- Receipt of FDA 510(k) and CLIA Waiver approval for Xprecia Prime for the full measuring range of 0.8 – 8.0 INR which allows the Company to sell Xprecia Prime into healthcare professional settings (including CLIA waived facilities) such as hospitals, clinics and doctor's office in the U.S.
- Total revenue increased 13% in Q1 2024 to A$1.47 million when compared to Q1 2023
- Gross profit from products and services remained stable in Q1 2024 when compared to Q1 2023
- Operating costs decreased in Q1 2024 when compared to Q1 2023 as follows:
  - R&D expenses declined by 86% to A$0.25 million
  - Total operating expenses declined by 16% to A$4.53 million
- Net loss after tax improved by A$0.35 million in Q1 2024 when compared to Q1 2023

Results of Operations

Analysis of Consolidated Revenue

The financial results of the products and services we generated revenues from during the three months ended March 31, 2024 and 2023 are as follows:

	Three Months Ended March 31,	
	2024	2023
	A$	A$
Revenue from products & services	1,469,510	1,295,464
Cost of goods sold and services	(591,644)	(418,688)
Gross profit	877,866	876,776

- Revenue from products and services increased by 13%
- Gross profit remained stable

Revenue from Products

The financial results of the products we sold during the three months ended March 31, 2024 and 2023 are as follows:

	Three Months Ended March 31,	
	2024	2023
	A$	A$
Xprecia	627,992	580,559
Sentia	526,688	594,400
Petrackr	25,163	0
	1,179,843	1,174,959
Cost of goods sold	(481,467)	(369,971)
Gross profit	698,376	804,988

Our total revenue from products remained stable.

Revenue from Xprecia grew by 8% as our client base increases through our sales and marketing initiatives. Sentia strip sales increased by 35% but our overall Sentia revenue declined by 11% primarily as a result of large stocking orders placed for devices during Q1 2023. Petrackr, launched in May 2023, generated revenue of A$25,163.

Gross profit declined by 13% primarily as a result of large stocking orders placed for devices in Q1 2023.

Revenue from Services

The financial results of the laboratory testing services we provided during the three months ended March 31, 2024 and 2023 are as follows:

	Three Months Ended March 31,	
	2024	2023
	A$	A$
Laboratory testing services	289,667	120,505
Cost of services	(110,177)	(48,717)
Gross profit	179,490	71,788

Revenue from laboratory testing services increased by 140% during the three months ended March 31, 2024, compared to the same period in the previous financial year due to new revenue generating customers. Gross profit margin has remained stable.

Depreciation and Amortization Expenses

	Three Months Ended March 31,	
	2024	2023
	A$	A$
Depreciation	210,798	219,337
Amortization	43,822	2,338
Depreciation allocated to cost of goods sold & services	(1,522)	(3,452)
	253,098	218,223

Depreciation of fixed assets is calculated on a straight-line basis over the useful life of property, plant and equipment. Decrease in depreciation is as a result of certain assets fully depreciated.

Amortization expense for the three months ended March 31, 2024 represents the Company's software. Increase in amortization expense is as a result of certain software costs which were still in development for the three months ended March 31, 2023 and were not amortized have since been completed and subject to amortization during the current period.

Research and Development Expenses

	Three Months Ended March 31,	
	2024	2023
	A$	A$
Research and development expenses	254,217	1,854,463

Our research and development ("R&D") expenditure declined by 86% during the three months ended March 31, 2024, compared to the same period in the previous financial year. The primary focus of the R&D activities during the three months ended March 31, 2024 were:

- activities undertaken to support Xprecia Prime's submission to the FDA. FDA 510(k) and CLIA Waiver approval for the Xprecia Prime device was received in March 2024
- developing Sentia Alcohol and further enhancement of certain Sentia tests that has already been launched
- completing proof of concept for detecting heavy metals and other impurities in water
- developing the Company's Oncology platform biosensors used for the detection, staging and monitoring of cancer
- developing the Company's Aptamer based sensing platform including COVID-19 and female fertility testing

Research is focused on demonstrating technical feasibility of new technology applications and generally does not incur a large amount of expenses. Development activity is focused on turning these technology platforms into commercial-ready products and represents the majority of the Company's research and development expenses. For the three months ended March 31 ,2023, we had a number of projects in the development phase which included Xprecia Prime, Petrackr and Sentia Fructose, Acetic Acid and Titratable Acidity tests hence the higher R&D expenses in that quarter compared to the three months ended March 31, 2024 wherein most of the projects are in the research phase.

The timing and cost of any development program is dependent upon a number of factors including achieving technical objectives, which are inherently uncertain and subsequent regulatory approvals. We have project plans in place for all our development programs which we use to plan, manage and assess our projects. As part of this procedure, we also undertake commercial assessments of such projects to optimize outcomes and decision making.

R&D expenses consist of costs associated with research activities, as well as costs associated with our product development efforts, including pilot manufacturing costs. R&D expenses include:

- consultant and employee related expenses, which include consulting fees, salaries and benefits;
- materials and consumables acquired for the research and development activities;
- verification and validation work on the various R&D projects including clinical trials;
- external research and development expenses incurred under agreements with third party organizations and universities; and
- facilities, depreciation and other allocated expenses, which include direct and allocated expenses for rent and maintenance of facilities, depreciation of leasehold improvements and equipment and laboratory and other supplies.

Selling, General and Administrative Expenses

	Three Months Ended March 31,	
	2024	**2023**
	A$	**A$**
Selling, general and administrative	4,025,382	3,321,305

Selling, general and administrative expenses consist principally of salaries and related costs, including stock-based compensation expense for certain personnel. Other selling, general and administrative expenses include sales and marketing costs to support our products in the market, shipping and handling costs incurred when fulfilling customer orders, repairs and maintenance, insurance, facility costs not otherwise included in R&D expenses, consultancy fees and professional fees including legal services and maintenance fees incurred for patent applications, audit and taxation services.

Selling, general and administrative expenses increased by 21% during the three months ended March 31, 2024, compared to the same period in the previous financial year primarily due to an investment in the Company's sales and marketing efforts. The Company now has multiple products in the market compared to the same period in the previous financial year and these products are supported by various marketing campaigns and awareness including sales personnel to support our pipeline of products, webinar series and focused direct marketing campaign.

Interest Income

Interest income decreased by 67% to A$68,656 during the three months ended March 31, 2024, compared to the same period in the previous financial year. The decrease in interest income is generally attributable to the lower amount of funds available for investment.

Interest Expense

Interest expense relates to interest being charged on the secured short-term borrowing initiated by the Company for the 2024 financial year and the interest expense on finance lease liabilities.

Financing Costs

Disclosed in this account is accretion expense which is associated with the Company's asset retirement obligations ("ARO"). Decrease in financing costs is as a result of change of estimate for the ARO liability.

Research and Development Tax Incentive Income

As at March 31, 2024 there is reasonable assurance that the aggregate turnover of the Company for the year ending December 31, 2024 will be less than A$20,000,000 and accordingly an estimated A$114,348 has been recorded as research and development tax incentive income for the three months ended March 31, 2024. The decrease period on period is driven by the decrease in eligible research and development expenditure incurred during the three months ended March 31, 2024 as compared to the previous financial year.

Research and development tax incentive income for the 2023 financial year has not yet been received and as such is recorded in "Research and development tax incentive receivable" in the consolidated condensed balance sheet.

Exchange Gain/(Loss)

Foreign exchange gains and losses arise from the settlement of foreign currency transactions that are translated into the functional currency using the exchange rates prevailing at the dates of the transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies.

Other Income

Other income is as follows for the relevant periods:

	Three Months Ended March 31,	
	2024	2023
	A$	A$
Federal and state government subsidies	0	20,000
Rental income	36,391	33,478
Other income	6,361	0
	42,752	53,478

Critical Accounting Estimates and Judgments

The preparation of financial statements and related disclosures in conformity with U.S. generally accepted accounting principles and the Company's discussion and analysis of its financial condition and operating results require the Company's management to make judgments, assumptions and estimates that affect the amounts reported. Significant items subject to such estimates and assumptions include research and development tax incentive income, stock-based compensation expenses and asset retirement obligations:

Research and Development Tax Incentive Income

The refundable tax offset is one of the key elements of the Australian Government's support for Australia's innovation system and if eligible, provides the recipient with cash based upon its eligible research and development activities and expenditures. The calculation of the refundable tax offset requires judgement as to what is eligible research and development activity and expenditure and the outcome will change if different assumptions were used.

Stock-based Compensation Expenses

Probability of attaining vesting conditions and the fair value of the stock-based compensation is highly subjective and requires judgement, and results could change materially if different estimates and assumptions were used. The probability assumptions are critically examined by management each reporting period and reviewed by the board of directors for reasonableness.

Asset Retirement Obligations

ARO are legal obligations associated with the retirement and removal of long-lived assets. ARO reflects estimates of future costs directly attributable to remediating the liability, inflation, assumptions of risks associated with the future cash outflows, and the applicable risk-free interest rates for discounting future cash outflows. Changes in these factors can result in a change to the ARO recognized by the Company.

Note 1, "Summary of Significant Accounting Policies" in Item 1 of this Form 10-Q and Note 1, "Summary of Significant Accounting Policies," of the Notes to Consolidated Financial Statements in Part II, Item 8 of the 2023 Form 10-K describes in further detail the significant accounting policies and methods used in the preparation of the Company's consolidated condensed financial statements. Management bases its estimates on historical experience and on various other assumptions it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the recognition of revenue and expenses. Actual results may differ from these estimates.

Financial Condition, Liquidity and Capital Resources

Net Cash/(Debt)

Our net cash position is shown below:

	March 31, 2024	December 31, 2023
	A$	A$
Cash and cash equivalents		
Cash and cash equivalents	7,039,096	10,240,429
Debt		
Short term debt/ loan	607,388	911,082
Net cash	6,431,708	9,329,347

Since inception, we have financed our business primarily through the issuance of equity securities, funding from strategic partners, government grants and rebates (including the research and development tax incentive income), cash flows generated from operations and a loan.

The Group has experienced net cash outflows over recent periods, predominantly in conducting research & development activities, product approval and registrations, launch of our products and support of the same in the marketplace. We continue to reduce research & development expenditure and other operating expenditure in the foreseeable future and focus on increasing our commercialization efforts. We are closely monitoring the success of our commercialization efforts in relation to the newly launched product portfolio and their impact on our cash position. Given the natural uncertainty that arises with the launch of new products, if we were to experience delays or encounter issues in these commercialization efforts, we would need and expect to adjust our operating expenditure accordingly, to ensure sufficient cash remains available to fund our operations for at least the next twelve months from the date of issuance. We do not have any external long-term debt obligations and are not subject to any covenant obligations.

We believe we have sufficient cash and cash equivalents to fund our operations for at least the next twelve months from the date of issuance. Liquidity risk is the risk that the Company may encounter difficulty meeting obligations associated with financial liabilities. The Company manages liquidity risk through the management of its capital structure. The purpose of liquidity management is to ensure that there is sufficient cash to meet all the financial commitments and obligations of the Company as they come due. In managing the Company's capital, management estimates future cash requirements by preparing a budget and a multi-year plan for review and approval by the Board of Directors ("the Board"). The budget is reviewed and updated periodically and establishes the approved activities for the next twelve months and estimates the costs associated with those activities. The multi-year plan estimates future activity along with the potential cash requirements and is based upon management's assessment of current progress along with the expected results from the coming years' activity. Budget to actual variances is prepared and reviewed by management and are presented on a regular basis to the Board.

The carrying value of the cash and cash equivalents and the accounts receivables approximates fair value because of their short-term nature.

We regularly review all our financial assets for impairment. A financial asset is a non-physical asset whose value is derived from a contractual claim and in our case includes cash and cash equivalents, accounts receivables, fixed assets and equity shares. There were no impairments recognized as at March 31, 2024 or for the year ended December 31, 2023.

Measures of Liquidity and Capital Resources

The following table provides certain relevant measures of liquidity and capital resources:

	March 31, 2024	December 31, 2023
	A$	A$
Cash and cash equivalents	7,039,096	10,240,429
Working capital	15,206,216	16,053,982
Ratio of current assets to current liabilities	4.13	3.70
Shareholders' equity per common share	0.08	0.09

The movement in cash and cash equivalents and working capital (calculated as current assets less current liabilities) during the above periods was primarily the result of ongoing investment in our R&D activities and the general operations of the Company. The Company also raised A$2.50 million via an institutional placement at an issue price of A$0.15 per New CDIs in March 2024. There were certain options exercised in March 2024 which raised A$0.47 million. The Company is also raising A$10.00 million pursuant to a fully underwritten entitlement offer which closed on May 1, 2024, at an issue price of $0.15 per New CDI.

We have not identified any collection issues with respect to receivables.

Summary of Cash Flows

	March 31, 2024	December 31, 2023
	A$	A$
Cash provided by/(used in):		
Operating activities	(5,740,835)	(5,811,205)
Investing activities	(77,728)	(404,382)
Financing activities	2,666,930	672,639
Net decrease in cash, cash equivalents and restricted cash	(3,151,633)	(5,542,948)

Our net cash used in operating activities for all periods represents receipts offset by payments for our R&D projects including efforts involved in establishing and maintaining our manufacturing operations and selling, general and administrative expenditure. Cash outflows from operating activities primarily represent the ongoing investment in our efforts to promote brand awareness of our products, R&D activities and the general operations of the Company. As our products capture increases market share, we expect our inflows from the receipt from our customers to eventually exceed the cash outflows from operating activities.

Our net cash used in investing activities for all periods is primarily for the purchase of various equipment and for the various continuous improvement programs we are undertaking.

Our net cash increase in financing activities for the three months ended March 31, 2024 is primarily the result of A$2.50 million raised pursuant to a placement which occurred in March 2024. There were certain options exercised in March 2024 which raised A$0.47 million. The balance, including the financing activities for the three months ended March 31, 2023 primarily represents proceeds received in the form of a short-term loan to finance our insurance program and repayment of the same.

Off-Balance Sheet Arrangement

As of March 31, 2024 and December 31, 2023, we did not have any off-balance sheet arrangements, as such term is defined under Item 303 of Regulation S-K, that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Segment Operating Performance

We operate in one segment. We are a specialist biosensors Company focused on the development, manufacture and commercialization of a range of point of use devices for measuring different analytes across different industries.

Our operations are in Australia, US, Europe and Canada.

The Company's material long-lived assets are predominantly based in Australia.

Item 3 Quantitative and Qualitative Disclosures About Market Risk

As a "smaller reporting company", we are not required to provide the information called for by this Item.

Item 4. Controls and Procedures

Disclosure Controls and Procedures.

At the end of the period covered by this report, the Company and management evaluated the effectiveness of the design and operation of its disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e)). The Company's disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. John Sharman, Principal Executive Officer and Salesh Balak, Principal Financial Officer, reviewed and participated in this evaluation. Based on this evaluation, Messrs. Sharman and Balak concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting.

During the fiscal quarter ended March 31, 2024, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II

Item 1 Legal Proceedings

None.

Item 1A Risk Factors

The business, financial condition and operating results of the Company can be affected by a number of factors, whether currently known or unknown, including but not limited to those described in Part I, Item 1A of the 2022 Form 10-K under the heading "Risk Factors," any one or more of which could, directly or indirectly, cause the Company's actual financial condition and operating results to vary materially from past, or from anticipated future, financial condition and operating results. Any of these factors, in whole or in part, could materially and adversely affect the Company's business, financial condition, operating results and stock price. There have been no material changes to the Company's risk factors since the 2023 Form 10-K.

Item 2 Unregistered Sales of Equity Securities and Use of Proceeds

On March 25, 2024, the Company issued 16,666,667 CHESS Depositary Interests over fully paid shares of common stock of the Company ("CDIs") at A$0.15 per CDI in a placement offering (the "Placement") to selected institutional investors (the "Placement Participants") and received aggregate gross proceeds of approximately A$2.5 million in connection therewith. The Company has also agreed, subject to receipt of stockholder approval which was received at the Meeting, to issue to Placement Participants one option (the "Options") to acquire CDIs for the exercise price of A$0.20 per CDI for each CDI acquired under the Placement. The issuance of CDIs in the Placement was made in reliance upon the exemption from registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act") and/or Regulation S promulgated under the Securities Act.

On April 11, 2024, the Company entered into an underwriting agreement (the "Underwriting Agreement") with an underwriter named in the Underwriting Agreement (the "Underwriter"), whereby the Company agreed to issue: (i) up to 66,666,667 shares of its common stock in the form of CHESS Depositary Interests ("CDIs"), each of which represents a beneficial interest of one (1) fully paid share of the Company's common stock together with (ii) options to purchase CDI for an exercise price of A$0.20 and expiry date 3 (three) years from the date of issue (the "Offer Options"), with one (1) Offer Option attaching to each such CDI, in a transaction including a pro rata non-renounceable entitlement offer to eligible existing CDI holders (the "Entitlement Offer") at a price of A$0.15 per CDI, and the Underwriter agreed to take up its full entitlement under the Entitlement Offer and fully underwrite the Entitlement Offer, which means that the Underwriter has agreed to subscribe for or procure others to subscribe for all securities (if any) not subscribed for by the Company's eligible securityholders under the Entitlement Offer. The Underwriting Agreement additionally contemplates that, subject to approval of the Australian Securities Exchange Limited ("ASX") and satisfaction of certain conditions, the Offer Options and the Underwriter Options (as defined below) will be listed and subsequently traded on the ASX. The Company expects to receive aggregate gross proceeds of approximately A$10 million in connection with the Entitlement Offer (excluding amounts to be raised upon exercise of the Offer Options).

Pursuant to the terms of the Underwriting Agreement, the Company agreed to issue to the Underwriter (or its nominee) up to 13,849,567 options (the "Underwriter Options"), as its underwriting fee in lieu of a cash underwriting fee of 5% of the underwritten amount of A$10 million, or A$0.5 million. The terms of the Underwriter Options are identical to the terms of the Offer Options. If the Underwriter Options are not issued to the Underwriter, the Company will be obligated to pay a cash underwriting fee of 6% of the underwritten amount of A$10 million, or A$0.6 million. The approval to issue the Underwriter Options was received at the Meeting. The Company has also agreed to pay reasonable costs and expenses incurred by the Underwriter in relation to the Entitlement Offer, including legal fees and out-of-pocket expenses.

The Underwriting Agreement contains representations, warranties, and agreements of the Company, conditions to closing, indemnification obligations of the parties, termination provisions, and other terms and conditions in each case that are customary in agreements of this type.

The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States or to, or for the account of, a U.S. Person (within the meaning of Regulation S under the Securities Act), absent registration or an applicable exemption from the registration requirements. Hedging transactions involving these securities may not be conducted unless in compliance with the Securities Act.

Proceeds of the Placement and 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.

Item 3 Defaults Upon Senior Securities

None.

Item 4 Mine Safety Disclosures

Not applicable.

Item 5 Other Information

None.

Item 6 Exhibits

Exhibit No	Description	Location
10.15	Term sheet between Viburnum Funds Pty Ltd and Universal Biosensors, Inc. executed on February 29, 2024	Filed herewith
31.1	Rule 13a-14(a)/15d-14(a) Certification (Principal Executive Officer)	Filed herewith
31.2	Rule 13a-14(a)/15d-14(a) Certification (Principal Financial Officer)	Filed herewith
32	Section 1350 Certificate	Furnished herewith
101	The following materials from the Universal Biosensors, Inc. Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 formatted in Inline Extensible Business Reporting Language (XBRL): (i) the Consolidated Condensed Balance Sheets, (ii) the Consolidated Condensed Statements of Comprehensive Income/(Loss), (iii) the Consolidated Condensed Statements of Changes in Stockholders' Equity and Comprehensive Income/(Loss), (iv) the Consolidated Condensed Statements of Cash Flows and (v) the Notes to Consolidated Condensed Financial Statements	As provided in Rule 406T of Regulation S-T, this information is furnished herewith and not filed for purposes of Sections 11 and 12 of the Securities Act of 1933 and Section 18 of the Securities Exchange Act of 1934.
104	Cover page Interactive Data File (embedded within the Inline XBRL and contained in Exhibit 101)	

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	UNIVERSAL BIOSENSORS, INC. (Registrant)
Date: May 2, 2024	By: /s/ John Sharman John Sharman Principal Executive Officer
Date: May 2, 2024	By: /s/ Salesh Balak Salesh Balak Principal Financial Officer

CONFIDENTIAL UNIVERSAL BIOSENSORS, INC. EQUITY UNDERWRITING TERM SHEET (Term Sheet)		
1.	Investor	Viburnum Funds Pty Ltd (or its nominees or a special purpose investment trust) (Investor).
2.	Company	Universal Biosensors, Inc. (the Company).
3.	Underwriting	Investor offers to fully underwrite a A$10,000,000.00 (Underwritten Amount) non- renounceable entitlement offer of the Company's ordinary equity at $0.15 per share with one attaching new option (on the same terms as the Options – see section 10) for every ordinary share issued under the offer (Entitlement Offer). Any reference to ordinary equity, shares or securities in this Term Sheet includes CHESS Depositary Interests, where appropriate and as the context requires.
4.	Pricing	If the Company's ASX listed CHESS Depositary Interests trade below $0.10 for any three consecutive days prior to the Special Meeting of stockholders to approve matters associated with the Entitlement Offer, then Investor has the right to reprice the Entitlement Offer. If mutual agreement between Investor and Company on any such repricing is not reached, Investor may terminate its underwriting without obligation.
5.	Sub-underwriting	Investor has the right but not the obligation to secure sub-underwriters for any portion of the Entitlement Offer shortfall.
6.	Final Documentation	This Term Sheet will be replaced by long form definitive transaction documentation incorporating the terms detailed in this Term Sheet in more detail and be on such other terms and conditions which are mutually acceptable to Investor and Company (acting reasonably and in good faith) (Final Documentation). The Final Documentation must include: (a) an underwriting agreement; (b) option subscription agreements; and (c) any other documents agreed between the Company and the Investor (each acting reasonably). Both the Company and Investor agree to act reasonably and in good faith and use best endeavours to enter Final Documentation as soon as practicable following execution of this Term Sheet. Investor will provide Company with an initial underwriting agreement incorporating terms of this Term Sheet as soon as practicable. reimburse the Investor for reasonable legal costs incurred in negotiation and execution of Final Documentation
7.	Legal Costs	Company will: (a) pay the reasonable legal costs associated with drafting the Final Documentation; and (b) reimburse the Investor for reasonable legal costs incurred in negotiation and execution of Final Documentation even if Final Documentation is not agreed or signed by the Company and Investor.
8.	Conditions Precedent	A condition precedent to the execution of, and which must be contained in Final Documentation is the Company obtaining all requisite consents and approvals, including regulatory and board approvals, including any ASX or ASIC waivers to the execution of the Final Documentation and the transactions contemplated by such Final Documentation. The above condition precedent should not be considered exhaustive and other conditions precedent may be included in the Final Documentation, as agreed between the Investor and the Company (acting reasonably).

9.	Representations and warranties; undertakings and events of default	Final Documentation must contain standard representations, warranties and undertakings customary for a transaction of this nature for the funding of a listed company that are satisfactory to the Investor (acting reasonably). Final Documentation must also include events of default that are customary for transactions of this nature and the inclusion must be to the Investor's satisfaction, acting reasonably.
10.	Consideration	Company agrees to issue the Investor 13,849,567 options with an aggregate value equivalent to 5.0% of the Underwritten Amount for nil consideration concurrent with the issue of the Entitlement Offer shares, in consideration for the Investor offering to underwrite the Entitlement Offer to the Company (Options). Options will: (a) each have a $0.20 exercise price; (b) expire three years from their respective date of issue; (c) be listed; (d) vest upon issue; (e) be exercisable in tranches of any number provided they are exercised within their expiry date; and (f) each convert to one fully paid ordinary share in the Company on payment of the relevant exercise price. The issue of Options will be subject to Shareholder approval and the terms and conditions set out in section 11. Where Options are not issued to the Investor, including where any required Company shareholder approval is not obtained, the Company agrees to pay the Investor 6.0% of the Underwritten Amount in cash, upon issuance of the Entitlement Offer shares.
11.	Terms and Conditions for the issue of shares and Options	Company will ensure, undertakes and warrants that in respect of all issues of Options and shares on conversion of Options: (a) all shares issued will be fully paid ordinary shares, will rank pari-passu with all existing ordinary shares in the Company, and be issued within three business days of receipt of the relevant notice from Investor; (b) it will within three business days of the conversion of the Options apply for shares to be quoted and tradeable on the ASX, including complying with any on-sale disclosure requirements and ASX Listing Rule requirements; and (c) it will have sufficient capacity to issue the Options (and therefore the underlying shares upon exercise of the Options) under Listing Rules 7.1. Further, the issue of the Options will additionally be subject to the following conditions: (a) if the Company reconstructs its issued capital, the Options will be reconstructed in the same proportion as the issued capital is reconstructed; and (b) the Company will give the Investor written notice the earlier of 20 business days prior to the closing date and five business days prior to the record date of any pro-rata issue, new issue, bonus issue or rights issue of shares in the Company, to enable the Investor to exercise the Options prior to that date and participate in the issue if the Investor chooses to do so.
12.	Transfer	Investor may sell or exercise the Options at any time after the grant of the Option and any shares issued on any conversion of any Options may be disposed or transferred by the Investor at any time, subject to any applicable regulatory trading restrictions.
13.	Binding	This Term Sheet is intended to be legally binding.
14.	Taxes	All payments by the Company must be made free and clear of any present or future taxes, withholdings or other deductions.

15.	Confidentiality	The terms of this Term Sheet are confidential, and the Company without the Investor's prior consent may not disclose to any other person: (a) the existence of or terms of this Term Sheet; (b) and any information provided by one party to the other not already in public domain prior to the Term Sheet being signed, except: (a) as required by law or the rules of any stock exchange; (b) to establish a defense in any legal or regulatory proceeding or investigation; or (c) to its professional advisers for the purpose of obtaining advice on the matters the subject of this Term Sheet.
16.	Governing Law	This Term Sheet and the Final Documentation will be governed by the laws of Western Australia.

Viburnum Funds Pty Ltd has much pleasure in providing this equity underwriting offer to the Company on the terms contained in this Term Sheet. We look forward to acceptance of it by the Company.

Executed by Viburnum Funds Pty Ltd ACN 126 348 990 in accordance with Section 127 of the *Corporations Act 2001*

/s/ Craig Coleman ☐	/s/ David St Quintin
Signature of director	Signature of company secretary
Craig Coleman	David St Quintin
Name of director (print)	Name of company secretary (print)

The offer to make available the Funding Facility on the terms of this Term Sheet is accepted by Universal Biosensors, Inc ARBN 121 559 993.

Executed by Universal Biosensors, Inc ARBN 121 559 993 in accordance with Section 127 of the *Corporations Act 2001*

/s/ John Sharman ☐	/s/ Salesh Balak
Signature of CEO	Signature of director/company secretary (Please delete as applicable)
John Sharman	Salesh Balak
Name of CEO (print)	Name of director/company secretary (print)

Exhibit 31.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John Sharman, certify that:

1. I have reviewed this report on Form 10-Q of Universal Biosensors, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2024

/s/ John Sharman

John Sharman
Principal Executive Officer
Universal Biosensors, Inc.

Exhibit 31.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Salesh Balak, certify that:

1. I have reviewed this report on Form 10-Q of Universal Biosensors, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2024

/s/ Salesh Balak

Salesh Balak
Principal Financial Officer
Universal Biosensors, Inc.

Exhibit 32

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 *

In connection with the quarterly report of Universal Biosensors, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company does hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of such officer's knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. The undersigned have executed this Certificate as of the 2nd day of May 2024.

/s/ John Sharman
John Sharman
Principal Executive Officer

/s/ Salesh Balak
Salesh Balak
Principal Financial Officer

* This certification is being furnished as required by Rule 13a-14(b) under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code, and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent such certification is explicitly incorporated by reference in such filing.