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

**AMENDMENT NO. 4
TO
FORM S-1
REGISTRATION STATEMENT
UNDER THE
SECURITIES ACT OF 1933**

GBS INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

3829
(Primary Standard Industrial
Classification Code Number)

82-1512711
(I.R.S. Employer
Identification Number)

**708 Third Avenue, 6th Floor
New York, New York 10017
Telephone: (646) 828-8258**

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

**Harry Simeonidis
President**

**708 Third Avenue, 6th Floor
New York, New York 10017
Telephone: (646) 828-8258**

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

Copies to:

**David Alan Miller, Esq.
Eric T. Schwartz, Esq.
Graubard Miller
The Chrysler Building
405 Lexington Avenue
New York, New York 10174
Telephone: (212) 818-8800**

**Spencer G. Feldman, Esq.
Olshan Frome Wolosky LLP
1325 Avenue of the Americas, 15th Floor
New York, New York 10019
Telephone: (212) 451-2300**

Approximate date of commencement of proposed sale to the public: **As soon as practicable after the effective date of this registration statement.**

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box. []

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

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 definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.:

Large accelerated filer []
Non-accelerated filer [X]

Accelerated filer []
Smaller reporting company [X]
Emerging growth company [X]

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 7(a)(2)(B) of the Securities Act. []

CALCULATION OF REGISTRATION FEE

Title of Each Class of Security Being Registered	Proposed Maximum Aggregate Offering Price⁽¹⁾⁽²⁾	Amount of Registration Fee⁽³⁾
Common stock, par value \$0.01 per share	\$ 23,000,000	\$ 2,787.60

- (1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) of the Securities Act.
- (2) Includes shares of common stock subject to an over-allotment option granted to the representative of the underwriters. Pursuant to Rule 416, there are also being registered an indeterminable number of additional securities as may be issued to prevent dilution resulting from stock splits, stock dividends or similar transactions.
- (3) Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS

Subject to Completion, dated November 29, 2019

Shares



Common Stock

This is our initial public offering. The public offering price of our common stock is expected to be between \$ and \$ per share.

Prior to this offering, there has been no public market for our common stock. In connection with this offering, we have applied to list our common stock for trading on under the symbol “GBSG.” Although we expect our common stock to be listed on , there can be no assurance that an active trading market will develop.

Investing in our common stock involves a high degree of risk. See “Risk Factors” beginning on page 9 for a discussion of certain risks that you should carefully consider in connection with an investment in our common stock.

	Per Share	Total
Public offering price	\$	\$
Underwriting discounts (1)	\$	\$
Proceeds to us, before expenses	\$	\$

(1) See “Underwriting” beginning on page 87 of this prospectus for additional information regarding the underwriting compensation.

The underwriters may also purchase up to additional shares of common stock from us at the public offering price, less the underwriting discounts payable by us, solely to cover over-allotments, if any, within 45 days after the date of this prospectus.

We are an “emerging growth company” as defined in the Jumpstart Our Business Startups Act, or the “JOBS Act,” and as such, may elect to comply with certain reduced reporting requirements for this prospectus and future filings after this offering.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares against payment on or about , 2019.

Book-Running Manager

Aegis Capital Corp.

The date of this prospectus is , 2019

ABOUT THIS PROSPECTUS

Neither we nor the underwriters have authorized anyone to provide you with any information or to make any representations other than as contained in this prospectus or in any free writing prospectuses we have prepared. Neither we nor the underwriters take responsibility for, and provide no assurance about the reliability of, any information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of the common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

No action is being taken in any jurisdiction outside the United States to permit a public offering of our common stock or possession or distribution of this prospectus in any such jurisdiction. Persons who come into possession of this prospectus in jurisdictions outside the United States are required to inform themselves about and to observe any restrictions about this offering and the distribution of this prospectus applicable to those jurisdictions.

Unless otherwise indicated, data contained in this prospectus concerning the glucose monitoring market and the other markets relevant to our operations are based on information from various public sources. Although we believe that this data is generally reliable, such information is inherently imprecise, and our estimates and expectations based on these data involve a number of assumptions and limitations. As a result, you are cautioned not to give undue weight to such data, estimates or expectations.

TRADEMARKS

We have proprietary or licensed rights to trademarks used in this prospectus, including “Glucose Biosensor.” Solely for our convenience, trademarks and trade names referred to in this prospectus may appear without the “®” or “™” symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent possible under applicable law, our rights or the rights to these trademarks and trade names. We do not intend our use or display of other companies’ trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies. Each trademark, trade name or service mark of any other company appearing in this prospectus is the property of its respective holder.

INDUSTRY AND MARKET DATA

This prospectus contains estimates, projections and other information concerning our industry, our business, the science of our products and the markets for our products, including data regarding the incidence of certain medical conditions and the scientific basis of our products. We obtained the industry, science, market and similar data set forth in this prospectus from our internal estimates and research and from academic and industry research, publications, surveys, and studies conducted by third parties.

The content of the above sources, except to the extent specifically set forth in this prospectus, does not constitute a portion of this prospectus and is not incorporated herein. Information that is based on estimates, forecasts, projections, market research, scientific research, or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances that are assumed in this information. While we believe that the data we use from third parties are reliable, we have not independently verified the accuracy or completeness of the data. Further, while we believe our internal research is reliable, such research has not been verified by any third party. You are cautioned not to give undue weight to any such information, projections, and estimates.

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PROSPECTUS SUMMARY

This summary highlights information contained in other parts of this prospectus. Because it is a summary, it does not contain all of the information that you should consider in making your investment decision. Before investing in our securities, you should read the entire prospectus carefully, including our consolidated financial statements and the related notes included in this prospectus and the information set forth under the headings “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

When used herein, unless the context requires otherwise, references to the “Company,” “we,” “our” and “us” refer to GBS Inc., a Delaware corporation, collectively with its subsidiaries, GBS Operations Inc., a Delaware corporation, and Glucose Biosensor Systems (Apac) Pty Ltd, Glucose Biosensor Systems (Japan) Pty Ltd and Glucose Biosensor Systems (Greater China) Pty Ltd, each an Australian corporation.

Our Company

Our objective is to introduce and launch the Saliva Glucose Biosensor, the first of our diagnostic tests that stem from the Biosensor Platform that we license, across the Asia Pacific Region. Following the launch of the Saliva Glucose Biosensor, or “SGB,” we intend to introduce and launch other diagnostic tests based on the Biosensor Platform in this region, including a Prostate Specific Antigen test, a Peanut Kernel Allergen test and a Luteinizing Hormone test.

Our SGB uses saliva to measure glucose non-invasively. When the SGB interacts with saliva, an electrochemical reaction is initiated that produces an electrical signal directly correlated to the amount of glucose present in the saliva. This measurement is then converted into a real-time saliva glucose reading by a software app on a smart device, or a dedicated smart reader for those that do not possess a compliant and compatible smart device. The reading may then be stored in our proprietary cloud-based digital information system. The Saliva Glucose Test, or “SGT,” consists of:

1. the SGB – a single use disposable saliva biosensor, and
2. the software app that interfaces the SGB with our digital information system.

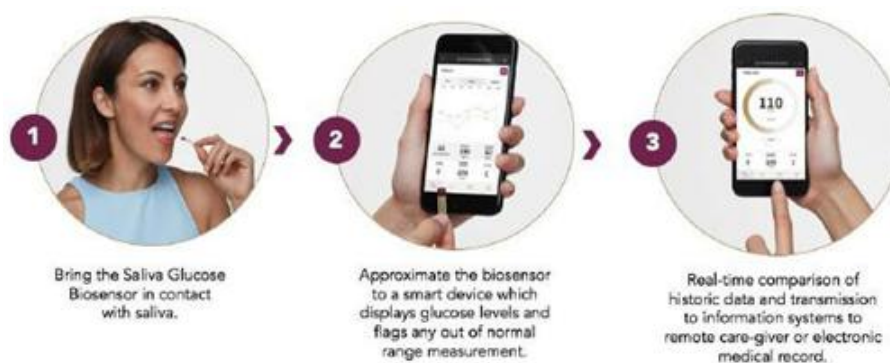


Figure 1: Using the Saliva Glucose Biosensor (for illustration purposes only)

The Asia Pacific Region includes over 164 million people living with diabetes, which accounts for 38% of the world’s diabetic population. Rapid urbanization, unhealthy diets and increasingly sedentary lifestyles have resulted in ever increasing rates of obesity and diabetes across the region. The following table shows the countries and territories that constitute the “Asia Pacific Region” or “APAC Region,” where we will introduce, market and launch the biosensor:

Country / Territory
Australia
New Zealand
Japan
Singapore
Malaysia
South Korea
Indonesia
Philippines
Bangladesh
Taiwan
China
Hong Kong
Thailand
Vietnam
Other Asia countries
South Pacific region (18 nations)

Figure 2: The APAC Region

The Saliva Glucose Test

Self-testing blood glucose monitors were introduced to the market in the 1970s and, since then, the method of glucose self-monitoring has not meaningfully changed. The industry remains dominated by invasive methods that ultimately use blood or interstitial fluid to measure glucose. We believe the sampling medium, methodology and technology of the SGB represents a breakthrough in glucose monitoring as it represents the only non-invasive, painless and cost-effective saliva-based method of measuring glucose levels. The biosensor technology has been developed over several decades of university-based scientific research and has been extensively referenced in scientific literature. For more detail on this research, see “*Business—The Saliva Glucose Test.*”

The SGB is an organic transistor, which in its structure embeds the glucose oxidase enzyme, or “GOX.” When the single-use SGB interacts with saliva it initiates an electrochemical reaction, producing an electrical signal directly correlated to the amount of glucose present in the saliva. This measurement is then converted into a real-time saliva glucose reading, through the biosensor app installed on a smart device or a dedicated reader. The patent-protected SGB is able to detect glucose in saliva at concentrations between 8 and 200 μM and exhibits linear glucose sensing characteristics at these concentrations, sensing glucose at levels 100 times lower than in blood.

The direct correlation between glucose concentration and sensor signal is independent of the type of sample under examination (i.e., blood or saliva). The use of saliva as a meaningful proxy for estimating blood glucose levels is supported by extensive scientific literature that has investigated the physiological glucose concentration in both biological fluids and overwhelmingly reported a strong correlation, although a few articles have reported finding no significant correlation. Overall, we believe there is abundant clinical evidence in independently-reviewed scientific literature that saliva can be utilized as a non-invasive alternative to blood to monitor glycemic status in diabetic patients. For more detail on this scientific literature, see “*Business—The Saliva Glucose Test.*”

In our development of the SGT, we aim to go beyond the innovation of changing the sampling medium from blood to saliva, and further create value for the patient and the payers by decreasing the cost of managing diabetes, improving the outcomes of the disease and providing convenience in testing methodology. This will be achieved by directly transferring the SGB reading from the smart device or the dedicated reader to our proprietary digital information system, which is cloud-based to enable every patient the option to create his or her own medical record where the SGB results will be uploaded.

Our digital information system is intended to be interfaced to an artificial intelligence system and will be able to, at the patient’s or authorized carer’s direction, disseminate patient data to a remote caregiver, a service for consultation or to any other individual with whom the patient chooses to share his or her glucose level measurements. We believe patients and payers will be able to leverage our digital information system to decrease cost and improve outcomes and convenience.

The SGB drives economic value beyond the revenue stemming from the sale of the SGB units – it also allows for monetization and the creation of separate revenue streams from the patient network and other data that resides within our digital information system, by way of the following:

- *Data usage.* The usage of the data, and the analysis and interpretation of the data, to improve patients’ conditions and leveraging this insight to improve patient care.
- *Safe data sharing.* The provision of data-sharing services between users/patients, authorized carers and authorized medical practitioners.
- *Data collection.* The collection of anonymized data, its aggregation with other data from multiple sources and multiple health devices and its combination with non-health data.

We plan to leverage this usage, safe sharing and collection of data in the following four revenue-generating channels:

1. *Direct Monetization Channel.* This channel focuses on the development of revenue based on commercial relationships for the use of anonymized and compliant information derived from data generation.
2. *Commercial Adjacencies Channel.* This channel focuses on the development of revenue from data generated through patient engagement and market insights from a clinical and medical perspective.
3. *Product and Service Bundles Channel.* This channel focuses on ancillary revenue generated through bespoke service opportunities across the industry, for example, by working with insurers to develop products that integrate the usage of testing as part of their service offering.
4. *Core Operations Synergy Channel.* Through combining the data generation with the use of artificial intelligence, we expect to develop a deep insight into our customer base, providing a high level of customer insight. It is expected that this insight will drive a high customer retention level and generate a considerable number of broader revenue opportunities through direct and specific interaction with our customer base.

The SGB has been under continuous development for over six years, first by the University of Newcastle, Australia, then by the Licensor and us. The SGB development program is currently at the validation stage, which is Phase 5 of development of the SGB as illustrated in the diagram in Figure 17 in “*Business.*” This stage involves implementation of the clinical evidence module, which incorporates the commercial production of the investigative biosensor devices to commence the clinical evaluation of analytical performance of the device and generate the clinical evidence necessary to gain regulatory approval. This stage also involves making the regulatory submissions and obtaining approval, and is the final stage prior to product launch. Accordingly, we have engaged Emergo Global Consulting LLC, a clinical research and regulatory consulting firm specializing in high tech medical device development, and commenced the regulatory approval process in various jurisdictions in the APAC Region. We also have reached an agreement in principle to engage Cambridge Consultants Ltd. as advisors on our commercial scale manufacturing program.

Within the Asia Pacific region, China has the highest number of people with diabetes and we will first seek regulatory approval with the National Medical Products Administration of China, or “NMPA,” formerly known as the China Food and Drug Administration. Recently, we entered into non-binding memoranda of understanding with two large distributors in China, which express our intent to enter into definitive agreements to collaborate on the manufacture, regulatory approval, and distribution and sale of, and the medical affairs, marketing, and identification of strategic opportunities for, the SGB in China.

The SGB is manufactured using modified reel-to-reel printing technology that was developed at the Australian National Fabrication Facility. See Figure 3 below for a depiction of the reel-to-reel printing. This technology allows mass volume printing at a low cost.



Figure 3: Biosensor manufacture at the Australian National Fabrication Facility

We anticipate that the non-invasive nature of saliva-based glucose testing will make patients more amenable to glucose monitoring, with the expected result of increasing the number of times a patient tests per day. The data generated by the SGB, combined with the interface of the smart device or dedicated reader with our digital information system and the artificial intelligence feedback, will allow the patient to achieve better glucose control through a practical understanding of lifestyle factors that affect glucose levels, thereby helping prevent or delay diabetes complications and ultimately personalizing diabetes management. See Figure 4 below.

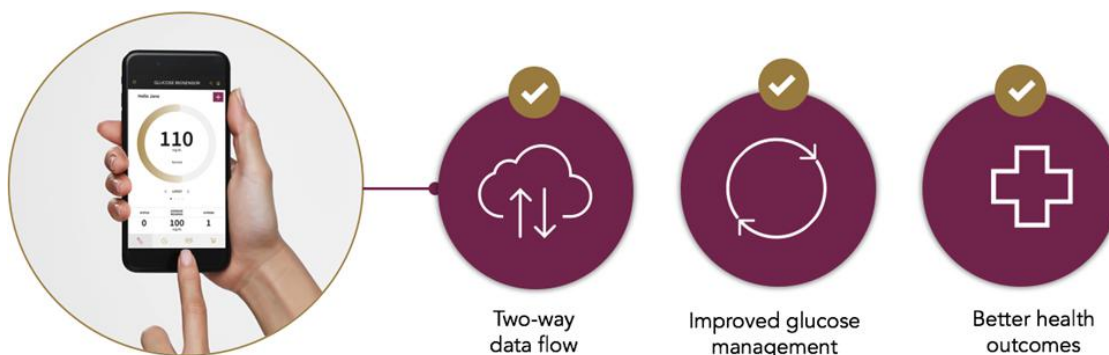


Figure 4: Our digital information system (for illustration purposes only)

Development Status of Our Other Tests

The Biosensor Platform is capable of detecting multiple biological analytes by substituting the GOX enzyme with a suitable alternative for each analyte. The substitute enzyme will generate an electrical current signal that is detected in a manner identical to the SGB. Given that the underlying sensing mechanism is unaltered, we believe the technical risk associated with the development of other tests for biomarkers other than glucose is low. The development effort for biomarkers other than glucose, including the development of the Prostate Specific Antigen test, the Peanut Kernel Allergen test and the Luteinizing Hormone test mentioned above, is presently in the Phase 1 of development as illustrated in the diagram in Figure 17 in “Business,” which is the definitional stage and encompasses the shortlisting of the best enzyme candidates and identification of the ideal bio-conjugation methods for immobilization on the sensor surface and optimal printing process.

The development status of the SGB is far more advanced, with several years of research and development effort leading to the accumulation of pre-clinical data demonstrating that the sensor can deliver the required analytical performance. We have commenced Phase 5 of development of the SGB as illustrated in the diagram in Figure 17 in “Business,” which is the validation stage and involves implementation of the clinical evidence module.

We have not generated any revenues to date from sales of our intended products and have incurred net losses and negative cash flows from operations. We do not anticipate generating any revenues from sales of our intended products for at least 18 months from the date of this offering, if at all. The proceeds generated from this offering will accelerate and enhance the establishment of our business in the APAC Region. Other than the APAC Region, we have no rights to license or launch the SGB in any other territory or region.

Technology License Agreement

On September 12, 2019, we entered into an Amended and Restated Technology License Agreement, or the “*License Agreement*,” with Life Science Biosensor Diagnostics Pty Ltd, or the “*Licensor*.” The Licensor currently owns 99.1% our outstanding common stock and will continue to own a majority of our outstanding common stock immediately after this offering.

The License Agreement sets forth our contractual rights and responsibilities relating to the Licensed Products in the APAC Region. The “*Licensed Products*” are products consisting of a biosensor strip and smart device application or dedicated reader device that use the biosensor technology owned by the Licensor relating to measuring, or otherwise determining, the amount or concentration of glucose, and the existence of biological markers of cancer, allergy/immunology and hormones, in a bodily fluid. The Licensed Products only include products that are supplied by an Authorized Supplier. An “*Authorized Supplier*” includes us, the Licensor, any of our affiliates or any affiliates of the Licensor, or any third party manufacturer and/or reseller that the Licensor has expressly identified or approved in advance in writing for the purpose of quality control for the supply of Licensed Products to us. We do not currently intend to manufacture the Licensed Products in-house. As we believe it is common practice in our industry, we intend to outsource manufacturing to an unrelated third party. Outsourced manufacturing has commenced at the Australian National Fabrication Facility, which has Class 1000, ISO Class 6 cleanroom facilities and has been approved by the Licensor. We intend to continue to use this facility to manufacture the SGB batches to be used for regulatory evaluation.

Pursuant to the License Agreement, the Licensor granted to us an exclusive license to the Licensor’s proprietary rights to the biosensor technology used in the Licensed Products, solely in the APAC Region and solely to:

- act as the authorized party for the purpose of prosecuting the application of, and obtaining any, regulatory approval for the Licensed Product, including being authorized to prosecute the approval for an investigational device required for the purpose of carrying out clinical studies;
- manufacture, promote, market, import, offer, sell and distribute the Licensed Products;
- provide reasonable customer support services on the use of the Licensed Products to end users of, and health care practitioners referring end users to, the Licensed Products;
- use the Licensed Products only for the purposes identified and permitted pursuant to regulatory approval; and
- collect data acquired from the Licensed Products.

The geographic scope limitation for the exclusive license was the result of negotiations between us and the Licensor. We believe that the Licensor sought a limited geographic scope in order to facilitate commercialization of the biosensor technology by minimizing the required financing and regulatory hurdles to launch the Licensed Products. However, we also believe the APAC Region is the most suitable region for the distribution model we plan to implement for the reasons discussed under “—*Our Company*” above and in “*Business—Diabetes—An Epidemic Globally and Across APAC*.” As of the date of this prospectus, we have been informed by the Licensor that it has not granted other licenses with different or overlapping scopes, although it may grant licenses covering other geographic areas in the future.

We are required to collect and anonymize demographic information about the end users of the Licensed Products and data acquired from the Licensed Products. While the anonymized data will be owned by the Licensor, we will own during the term of the License Agreement the personally identifiable data, including health data, collected by us. In addition, the Licensor will provide us with certain of the data acquired from the Licensed Products. The demographic information and personally identifiable information will be used, following patient consent, as a disease management tool to offer patients value-added services, *i.e.*, personalized education services for lifestyle, diet and glucose management. These services will be in accordance with the applicable local medical codes and regulatory environment. The use of such consensual information will be in accordance with privacy laws of the relevant countries and territories in the APAC Region.

The license is non-transferable, non-assignable and non-sublicensable, except that the Licensor will in good faith consider any request by us for any sublicense. We may not exploit or seek to exploit any rights in respect of the Licensed Product outside of the APAC Region through any means, including digitally or online where the end user is not physically resident in the APAC Region. We must do all things necessary in turn to ensure that any distributors of Licensed Products in the APAC Region do not exploit or seek to exploit any rights in respect of the Licensed Product outside of the distributor’s territorial boundary.

Commencing after the receipt of regulatory approval in a jurisdiction, we may be required to pay the Licensor a minimum royalty fee with respect to such jurisdiction for each year, or the “*Minimum Royalty*,” in four equal quarterly installments. The Minimum Royalty will be 13% of the projected net sales in such jurisdiction for each such year. The projected net sales will be an amount mutually agreed between us and the Licensor for the first such year. For each ensuing year after the first year, the projected net sales will be the number of Licensed Products sold in such jurisdiction in the prior year, as adjusted for the expected market growth and, for each year through the tenth year, as increased by up to an additional 7%. In the event of a dispute between us and the Licensor regarding the determination of the expected market growth or the additional growth percentage, the License Agreement provides for resolution by an independent third party. At the end of each quarter, if the quarterly installment of the Minimum Royalty is less than 13% of the actual net sales of Licensed Products in such jurisdiction for such quarter, or the “*Actual Royalty*,” we will pay Licensor the difference between the quarterly installment of the Minimum Royalty and the Actual Royalty. The royalty fee rate will be reduced from 13% to 3% upon the expiration of the patent portfolio covered by the License Agreement.

As between us and the Licensor, the Licensor solely owns all right, title and interest to, among other items of intellectual property, the biosensor technology (including any improvements made to the biosensor technology by us), the anonymized data collected by us and any other technology of the Licensor, and all derivations based on, and all proprietary rights in, the foregoing. The Licensor will have the right to decide whether to protect or enforce, and the right to control any action relating to the protection and enforcement of, any of the foregoing intellectual property and proprietary rights. However, if the Licensor does not protect or enforce the foregoing intellectual property and proprietary rights, we will have the right to do so in the APAC Region at our own cost and expense.

There is no set expiration date for the License Agreement. However, the exclusivity of the license granted under the License Agreement runs until the expiration of the patent portfolio covered by the License Agreement, which is currently until 2033. We expect that the patent portfolio will be extended as new patents are created throughout product development, thereby extending the exclusivity of the License Agreement. For instance, we expect to seek additional patents in connection with the development of the Prostate Specific Antigen test, the Peanut Kernel Allergen test and the Luteinizing Hormone test. The License Agreement may be terminated by us in the event of a material breach by the Licensor, if the Licensor does not cure the breach within 30 days after receiving notice of the breach; or in the event the Licensor discontinues its business operations or in the case of certain events related to insolvency or bankruptcy. The License Agreement also may be terminated by us after July 3, 2029 upon 180 days' prior written notice. The License Agreement may not be terminated by the Licensor unless we permanently discontinue our business operations in relation to the Licensed Products, or if we dissolve or cease to exist.

After the expiration of the exclusivity period under the License Agreement, we may continue to market and sell the Licensed Products. We believe the non-invasive nature of our product will establish us as a significant participant in the glucose testing market across the APAC Region and, therefore, by the time the patents expire, and by the time the exclusivity period under the License Agreement expires, we expect to hold a meaningful share in the market, and brand awareness that will ensure we continue to operate successfully. No assurance can be given that there will not be significant direct competition for our products in the APAC Region following the expiration of patent protection.

Risks We Face

An investment in our common stock involves a high degree of risk. You should carefully consider the risks summarized below. The risks are discussed more fully in “*Risk Factors*” beginning on page 9. These risks include, but are not limited to, the following:

- We expect to incur losses for the foreseeable future, until we are able to generate sufficient revenue from product sales. We do not anticipate generating any revenues for at least 18 months, if at all, from the date of this offering.
- The Licensor, which owns the intellectual property rights to the Biosensor Platform that we license, currently owns 99.1% of our outstanding common stock and will own a majority of our outstanding common stock immediately after this offering, which creates potential conflicts of interest.
- We are highly dependent on the License Agreement with the Licensor. The License Agreement imposes significant obligations on us, including the potential obligation to pay the Minimum Royalty (the determination of which is subject to agreement between us and the Licensor as to certain parameters, as described elsewhere in this prospectus, with disputes generally resolved by an independent third party).
- The regulatory approval pathway we must navigate may be expensive, time-consuming and uncertain, and may prevent us from obtaining approval for the marketing of the SGT or the other products in our pipeline.
- There can be no assurance that we will successfully complete any clinical evaluation studies necessary to receive regulatory approvals.
- Our success is highly dependent on the SGT, which is yet to be approved and, even if approved, may not be accepted by the marketplace.
- We have yet to finalize the manufacturing plan for the production of our products and their components on a mass market commercial scale.
- We intend to rely on third parties to manufacture and distribute our product.
- If the Licensor is unable to successfully protect or enforce its intellectual property and proprietary rights or elects to not do so, our competitive position will be harmed. If that were to occur, although we would be permitted take action to protect or enforce these rights in the APAC Region, any such action would be at our cost and expense.
- If others claim we or the Licensor are infringing on their intellectual property rights, we may be subject to costly and time-consuming litigation.
- We face competition from companies that have greater resources than we do, and we may not be able to effectively compete against these companies.
- Given our lack of revenue, we may need to raise additional capital, which may not be available to us on acceptable terms, or at all.

Corporate Information

We were incorporated under the laws of Delaware on December 5, 2016 under the name “Glucose Biosensor Systems (Greater China) Holdings, Inc.” On September 3, 2019, we changed our name to “GBS Inc.” Our principal executive offices are located at 708 Third Avenue, 6th Floor, New York, New York 10017 and our telephone number is (646) 790-5756. Our corporate website address is glucosebiosensor.com. Information contained on, or that can be accessed through, our website is not incorporated by reference into this prospectus, and you should not consider information on our website to be part of this prospectus.

Implications of being an Emerging Growth Company

We qualify as an “emerging growth company” as defined in the JOBS Act. An “emerging growth company” may take advantage of reduced reporting requirements that are otherwise applicable to public companies. We intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies” including, but not limited to:

- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended, or the “*Sarbanes-Oxley Act*”;
- reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements; and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards, delaying the adoption of these accounting standards until they would apply to private companies. We have elected to avail ourselves of this exemption and, therefore, we are not subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

As a result, the information that we provide to our stockholders may be different than you might receive from other public reporting companies in which you hold equity interests.

We expect to take advantage of these reporting exemptions until we are no longer an “emerging growth company.” We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier. We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year following the fifth anniversary of the completion of this offering, (2) the last day of the fiscal year in which we have total annual gross revenue of at least \$1.07 billion, (3) the date on which we are deemed to be a large accelerated filer, which is the end of the fiscal year in which the market value of our common stock that is held by non-affiliates exceeds \$700.0 million as of the end of our most recent second fiscal quarter, and (4) the date on which we have issued more than \$1.0 billion in non-convertible debt securities during the prior three-year period.

The Offering

<i>Issuer:</i>	GBS Inc.
<i>Number of shares of common stock outstanding before the offering:</i>	8,510,000 shares
<i>Common stock offered by us:</i>	shares
<i>Common stock to be outstanding after this offering:</i>	shares
<i>Over-allotment option:</i>	We have granted the representative of the underwriters an option, exercisable for 45 days after the date of this prospectus, to purchase up to additional shares of common stock from us. See “ <i>Underwriting</i> .”
<i>Use of proceeds:</i>	We estimate that we will receive net proceeds from this offering of approximately \$ million based upon an assumed public offering price of \$ per share, after deducting the underwriting discounts and estimated offering expenses payable by us. We intend to use the net proceeds received from this offering (i) to obtain regulatory approvals, including completing any product development required to meet regulatory requirements and establishing manufacturing facilities with sufficient capacity for clinical evaluation and commercial scale production of the SGT; and (ii) to market the SGT and establish a distribution network in the APAC Region. The remaining net proceeds, if any, are expected to be used for working capital and other general corporate purposes. See “ <i>Use of Proceeds</i> .”
<i>Proposed listing:</i>	We have applied to list our common stock on under the symbol “GBSG.” Although we expect our common stock to be listed on , there can be no assurance that an active trading market will develop.
<i>Risk factors:</i>	An investment in our company is highly speculative and involves a high degree of risk. See “ <i>Risk Factors</i> ” and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in our securities.

On November 5, 2017, we effected a 1-for-90,000 forward stock split, which resulted in our having 9,000,000 outstanding shares of common stock as of such date. On August 8, 2018, we effected a 1-for-0.9167 reverse stock split, which resulted in our having 8,250,000 outstanding shares of common stock as of such date. On November 24, 2018, we issued 260,000 shares of common stock in exchange for the cancellation of \$1,950,000 in debt, resulting in 8,510,000 outstanding shares of common stock as of such date. Share and per share amounts set forth herein (except in any historical financial information) give effect to the reverse split, unless indicated otherwise.

On June 27, 2019, the Licensor, our controlling stockholder, transferred a total of 36,600 shares of our common stocks to a total of 122 employees of the Licensor and related companies, and on September 2, 2019, the Licensor transferred a total of 42,000 shares of our common stocks to a total of 140 employees of the Licensor and related companies, in each case pursuant to Regulation S under the Securities Act. Therefore, as at the date of this prospectus, the Licensor owns a total of 8,431,400 common stock of our common stock representing 99.1% of our outstanding common stock.

The number of shares of common stock outstanding as of the date of this prospectus and to be outstanding after the offering excludes:

- 2,250,377 shares issuable upon the exercise of outstanding warrants issued in connection with the placement of our Series A Convertible Preferred Stock, at an exercise price of \$ per share, which warrants are exercisable only during the one-year period commencing on the second anniversary of the closing of this offering;
- 500,000 shares that will become available for future issuance under our 2019 Equity Incentive Plan, or the “2019 Plan”; and
- shares issuable upon the exercise of warrants to be issued to the underwriters upon the closing of this offering.

Unless expressly indicated or the context requires otherwise, all information in this prospectus assumes no exercise by the representative of the over-allotment option and further assumes:

- the automatic conversion at the closing of this offering of 2,323,891 outstanding shares of our Series A Convertible Preferred Stock as of the date hereof (including 259,007 shares of Series A Convertible Preferred Stock issued after September 30, 2019) into 2,323,891 shares of common stock; and
- the automatic conversion at the closing of this offering of the convertible notes issued by our 99%-owned subsidiary, Glucose Biosensor Systems (Greater China) Pty Ltd, or “*GBS Pty Ltd*,” at a conversion price equal to 85% of the public offering price in this offering (or \$, assuming a public offering price of \$, for an aggregate of shares based on \$ of principal and accrued interest outstanding as of , 2019).

Summary Financial Data

You should read the following summary financial data together with our consolidated financial statements and the related notes appearing at the end of this prospectus, “*Capitalization*,” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*.” We have derived the financial data for the three-month period ended September 30, 2019 and consolidated balance sheet data as of September 30, 2019 from our unaudited condensed consolidated financial statements appearing elsewhere in this prospectus. We have derived the financial data for the fiscal years ended June 30, 2019 and 2018 and consolidated balance sheet data as of June 30, 2019 from our audited consolidated financial statements included in this prospectus.

	For the Fiscal Year Ended June 30, 2018	For the Fiscal Year Ended June 30, 2019	For the Three Months Ended September 30, 2019
<i>Results of Operations Data:</i>			
Net sales	\$ 564	\$ 188	\$ 122,117
Net loss	(5,020,383)	(7,336,686)	(757,850)
Basic and diluted net loss per share	(0.61)	(0.88)	(0.09)
Weighted average number of shares outstanding	8,250,000	8,382,685	8,510,000

	September 30, 2019		
	As of June 30, 2019	Actual	Pro Forma As Adjusted⁽²⁾
<i>Balance Sheet Data:</i>			
Cash	\$ 197,940	\$ 714,307	\$
Working capital	(3,977,138)	(3,887,889)	
Total assets	2,327,950	3,062,785	
Total liabilities	6,305,088	6,950,674	
Stockholders’ equity (deficit)	(3,977,138)	(3,887,889)	

- (1) Reflects the mandatory conversion at the closing of this offering of 2,323,891 outstanding shares of our Series A Convertible Preferred Stock as of the date hereof (including 259,007 shares of Series A Convertible Preferred Stock issued after September 30, 2019) into 2,323,891 shares of common stock; and the mandatory conversion at the closing of this offering of the convertible notes issued by our 99%-owned subsidiary, GBS Pty Ltd, at a conversion price equal to 85% of the public offering price in this offering (or \$, assuming a public offering price of \$, for an aggregate of shares based on \$ of principal and accrued interest outstanding as of , 2019).
- (2) Reflects the sale and issuance of all the shares of common stock offered hereby, at an assumed public offering price of \$ per share, after deducting the underwriting discounts and estimated offering expenses payable by us.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should consider carefully the risks and uncertainties described below, together with all of the other information in this prospectus, including the consolidated financial statements and the related notes included elsewhere in this prospectus, before deciding whether to invest in shares of our common stock. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that adversely affect our business. If any of the following risks actually occurs, our business, financial condition, results of operations, and future prospects could be materially and adversely affected. In that event, the market price of our common stock could decline, and you could lose part or all of your investment.

Risks Related to Our Financial Condition and Capital Requirements

We are subject to the risks associated with new businesses.

We were formed in December 2016 as a new business with a plan to commercialize our licensed technology. Our limited operating history may not be adequate to enable you to fully assess our ability to develop and market the SGT and other tests based on the Biosensor Platform, achieve market acceptance of the SGT and such other tests and respond to competition. Our efforts to date have related to the organization and formation of our company, strategic planning, product research and development and preparation for commencing regulatory trials, and have depended on support from the Licensor and its affiliates. We have not yet generated revenue, and we cannot guarantee we will ever be able to generate revenues. Therefore, we are, and expect for the foreseeable future to be, subject to all the risks and uncertainties, inherent in a new business focused on the development and sale of new medical devices and related software applications. As a result, we may be unable to further develop, obtain regulatory approval for, manufacture, market, sell and derive revenues from the SGT and the other products in our pipeline based on the Biosensor Platform, and our inability to do so would materially and adversely impact our viability. In addition, we still must optimize many functions necessary to operate a business, including expanding our managerial, personnel and administrative structure, continuing product research and development, and assessing and commencing our marketing activities.

Accordingly, you should consider our prospects in light of the costs, uncertainties, delays and difficulties frequently encountered by companies that have not yet commercialized their products or services, particularly those in the medical device and digital health fields. In particular, potential investors should consider that there is a significant risk that we will not be able to:

- implement or execute our current business plan, or that our business plan is sound;
- maintain our management team and Board of Directors;
- determine that the technologies that have been developed are commercially viable;
- attract, enter into or maintain contracts with, and retain customers; and
- raise any necessary additional funds in the capital markets or otherwise to effectuate our business plan.

In the event that we do not successfully address these risks, our business, prospects, financial condition, and results of operations could be materially and adversely affected.

We have incurred significant losses since inception and may not be able to achieve significant revenues or profitability.

Since our inception, we have engaged primarily in business development activities. We have financed our operations primarily through financing from private capital raising and support from our controlling stockholder, and have incurred losses since inception, including a net loss of \$5,020,383 for the fiscal year ended June 30, 2018, a net loss of \$7,336,686 for the fiscal year ended June 30, 2019 and a net loss of \$757,850 for the three-month ended September 30, 2019. We do not know whether or when we will become profitable. Our ability to generate revenue and achieve profitability depends upon our ability, alone or with others, to complete the development process of our products, including regulatory approvals, and thereafter achieve substantial acceptance in the marketplace for our products. We may be unable to achieve any or all of these goals.

Our current financial condition raises substantial doubt as to our ability to continue as a going concern.

Since inception, we have incurred losses and negative cash flows from operating activities. We do not expect to generate positive cash flows from operating activities until such time, if at all, that we complete the development process of our products, including regulatory approvals, and thereafter achieve substantial acceptance in the marketplace for our products. We incurred a net loss of \$5,020,383 for the fiscal year ended June 30, 2018, a net loss of \$7,336,686 for the fiscal year ended June 30, 2019 and a net loss of \$757,850 for the three-month ended September 30, 2019. At September 30, 2019, we had an accumulated deficit of \$13,433,571, negative working capital of \$3,887,889, current liabilities of \$6,950,674 (of which \$5,269,556 is the aggregate outstanding principal amount of convertible notes issued by our 99%-owned subsidiary GBS Pty Ltd that will convert to common stock upon the closing of this offering), and cash of \$714,307. These factors may raise doubt about our ability to continue as a going concern. Our consolidated financial statements have been prepared on a going concern basis which contemplates the realization of assets and satisfaction of liabilities and commitments in the normal course of business. If we become unable to continue as a going concern, we may have to liquidate our assets and the values we receive for our assets in liquidation or dissolution could be significantly lower than the values reflected in our consolidated financial statements. Should we encounter a scenario whereby sufficient capital is not available, the two shareholders of our controlling stockholder have committed to provide sufficient financial assistance to us as and when it is needed for us to continue our operations until July 2020. The two shareholders of our controlling stockholder also have committed to purchase, from time to time, up to \$9,300,000 in shares of our common stock, at a purchase price equal to the greater of the public offering price in this offering and the market price at the time of the investment, in order to allow us to continue to meet the stockholders' equity requirements of _____ until the second anniversary of this offering. See Note 1 to our consolidated financial statements for the fiscal year ended June 30, 2018 and Note 1 to our consolidated financial statements for the fiscal year ended June 30, 2019 included elsewhere in this prospectus.

Given our lack of revenue and our negative cash flow, we may need to raise additional capital, which may be unavailable to us or, even if consummated, may cause dilution or place significant restrictions on our ability to operate.

According to our management's estimates, based on our budget and proposed schedules of development, approvals and organization, we believe, although there can be no assurances, that after this offering we will have sufficient capital resources to enable us to continue to implement our business plan and remain in operation for at least the next 30 months. We do not anticipate generating any revenues for at least 18 months from the date of this offering, if at all, and our revenues will not immediately be sufficient to finance our ongoing operations. In addition, available resources may be consumed more rapidly than currently anticipated, and there can be no assurance that we will be successful in developing the SGT and generating sufficient revenue in the timeframe set forth above, or at all. We may also need additional funding for developing new products and services and for additional sales, marketing and promotional activities. Accordingly, we may need to seek additional equity or debt financing earlier than anticipated to provide the capital required to maintain or expand our operations.

We may raise additional capital through sales of equity securities or the incurrence of debt. See "*Risks Related to This Offering and the Ownership of Our Common Stock.*" For example, the two shareholders of our controlling stockholder have committed to provide sufficient financial assistance to us as and when it is needed for us to continue our operations until July 2020. The two shareholders of our controlling stockholder also have committed to purchase, from time to time, up to \$9,300,000 in shares of our common stock, at a purchase price equal to the greater of the public offering price in this offering and the market price at the time of the investment, in order to allow us to continue to meet the stockholders' equity requirements of _____ until the second anniversary of this offering. Except for these commitments, we do not currently have any arrangements or credit facilities in place as a source of funds, and there can be no assurance that we will be able to raise sufficient additional capital on acceptable terms, or at all. If such financing is not available on satisfactory terms, or is not available at all, we may be required to delay, scale back or eliminate the development of business opportunities and our operations and financial condition may be materially adversely affected.

Risks Related to Our Business

The License Agreement with the Licensor, our controlling stockholder, which covers the license of the core technology used in our products, contains significant risks that may threaten our viability or otherwise have a material adverse effect on us and our business, assets and its prospects.

The License Agreement is limited to the APAC Region and includes the terms and related risks set forth below. We have no contractual rights to the intellectual property covered in the License Agreement other than as expressly set forth therein. Our plans, business, prospects and viability are substantially dependent on that intellectual property and subject to the limitations relating thereto as set forth in the License Agreement:

- The license granted to us is limited in territorial scope. The Licensor, of which we are currently a 99.1%-owned subsidiary, and which will continue to own a majority of our outstanding common stock immediately following this offering, granted us a license to its proprietary rights in the biosensor technology used in the Licensed Products solely in the APAC Region, and primarily to act as authorized party for obtaining regulatory approval and to manufacture (subject to being approved as an Authorized Supplier by the Licensor) for use in the APAC Region, and to promote, market, import, offer sell and distribute the Licensed Products in the APAC Region. We may not exploit or seek to exploit any rights in respect of the Licensed Product outside of the APAC Region through any means, including digitally or online where the end user is not physically resident in the APAC Region. Accordingly, to the extent that such users are prohibited, we will be unable to realize any commercialization from such users and ensure that such users do not do business with us, even as such commercialization and business might be appropriate, related, synergistic or enhanced by our operations. In addition, we may be responsible for costs and other liabilities that might arise to the extent that users outside the APAC Region obtain such access, and may incur costs to comply with these prohibitions. Further, the non-coverage of digital or online use for users not physically in the APAC Region may constitute a material limitation on our ability to freely conduct business digitally, online or through any other medium that may reach outside of the APAC Region. This limitation may have a material adverse effect on our marketing, sales, operational and other business efforts.

- After the receipt of regulatory approval in a jurisdiction, we may be required to pay the Minimum Royalty with respect to such jurisdiction regardless of the actual amount of sales by us of Licensed Products. Accordingly, although the Minimum Royalty is based on our projected sales in each such jurisdiction, and although the determination of the Minimum Royalty is subject to agreement between us and the Licensor as to certain parameters, as described elsewhere in this prospectus, with disputes generally resolved by an independent third party, we could be obligated to pay royalties even though we have generated no or limited revenue. Such payments could materially and adversely affect our profitability, and could limit our investment in our business.
- The Licensed Products include only products that are supplied by an Authorized Supplier. Accordingly, we will not have unfettered right to select our suppliers, regardless of whether an unauthorized supplier could provide products on better pricing, delivery, quality or other terms, thus potentially materially and adversely impacting those aspects of our business, economies, profitability and prospects.
- We are required to collect and anonymize demographic information about the end users of the Licensed Products, as well as data acquired from the Licensed Products. The data collection and retention may be expensive in cost, resources, legal and regulatory compliance and other ways, none of which costs can be quantified at this time. Further, changing regulations with respect to medical and similar such data may make such compliance beyond the scope of our capabilities. Any failure to comply may result in financial liability, as well as reputational harm.
- The license is non-transferable, non-assignable and non-sublicensable, except that the Licensor will in good faith consider any request by us for any sublicense. The Licensor is not obligated to agree to any such sub-license. These restrictions may limit our flexibility to structure our operations in the most advantageous manner.
- We must manufacture, promote, market, import, offer, sell, distribute and supply the Licensed Products in accordance with certain distribution requirements set forth in the License Agreement. For instance, we may not package the Licensed Products with other products and we may deliver them only as supplied by an Authorized Supplier. Accordingly, the limitations imposed by the License Agreement may impact our ability to pursue certain marketing strategies and distribution channels, which may have a material adverse effect on us and our business, assets and prospects.
- The Licensor may require any change to any Licensed Product by any Authorized Supplier and may make any change to any sales or promotional literature made available by the Licensor, provided that such changes do not affect any regulatory approvals we obtain. This right of the Licensor may create material expense for us, may be practically difficult to accomplish and may cause relationship, reputational and other adverse harm to us, our business and our prospects, without our having any control over these changes. Further, the Licensor is not liable for any of the costs to us of such changes.
- We must file for, prosecute the application for, and obtain all regulatory approvals for each of the Licensed Products and all legal permits necessary for promoting, marketing, offering or selling each Licensed Product. The regulatory approval process can be expensive and time consuming, and there can be no assurances that we will be able to obtain or maintain any or all required permits.
- Except with respect to the Licensor's ownership of all intellectual property rights in respect of the licensed property and the non-infringement by our exercise of those rights, the Licensor provides no, and disclaims all, representations, warranties or covenants relating to the licensed intellectual property or any other matters under the License Agreement and in particular disclaims any fitness of the property for any purpose. These provisions limit our recourse in the event that the licensed intellectual property is flawed, defective, inadequate, incomplete, uncommercial, wrongly described or otherwise not useful for our purposes. We have not independently verified any of the technical, scientific, commercial, legal, medical or other circumstances or nature of the licensed intellectual property and therefore there can be no assurances that any of the foregoing risks have been reduced or eliminated. These provisions represent a significant risk of a material adverse impact on us, our business and our prospects.

In addition, see the risks in “—Risks Related to Our Intellectual Property” below. These risks are not the only risks inherent in the License Agreement. You are encouraged to read the complete text of the License Agreement, which is filed as an exhibit to the registration statement of which this prospectus is a part.

Neither we nor the Licensor have yet launched the SGT and the ability to do so will depend on the acceptance of the SGT in the APAC healthcare market.

Neither we nor the Licensor has yet launched the SGT and it has not yet received regulatory approvals in any country or territory. We are faced with the risk that the APAC Region marketplace will not be receptive to the SGT over competing products and that we will be unable to enter the marketplace or compete effectively. Factors that could affect our ability to establish the SGT or any future diagnostic test based on the Biosensor Platform include:

- sales of the SGT across the APAC Region may be limited due to the complex nature of the healthcare system in each country and territory in the region, low average personal income, lack of patient cost reimbursement and pricing controls
- the development of products or devices which could result in a shift of customer preferences away from our device and services and significantly decrease revenue;
- the increased use of improved diabetes drugs that could encourage certain diabetics to test less often, resulting in less usage of self-monitoring (saliva-based, blood-based or otherwise) test device for certain types of diabetics;
- the challenges of developing (or acquiring externally-developed) technology solutions that are adequate and competitive in meeting the requirements of next-generation design challenges;
- the significant number of current competitors in the glucose monitoring market who have significantly greater brand recognition and more recognizable trademarks and who have established relationships with diabetes healthcare providers and payors; and
- intense competition to attract acquisition targets, which may make it more difficult for us to acquire companies or technologies at an acceptable price or at all.

We cannot assure you that the SGT or any future diagnostic test based on the Biosensor Platform will gain market acceptance. If the market for the SGT or any future test fails to develop or develops more slowly than expected, or if any of the technology and standards supported by us do not achieve or sustain market acceptance, our business and operating results would be materially and adversely affected.

We cannot accurately predict the volume or timing of any sales, making the timing of any revenues difficult to predict.

We may be faced with lengthy and unpredictable customer evaluation and approval processes associated with the SGT. Consequently, we may incur substantial expenses and devote significant management effort and expense in developing customer adoption of the SGT, which may not result in revenue generation. We must also obtain regulatory approvals of the SGT in each respective jurisdiction, which is subject to risk and potential delays, and may actually occur. The same risks apply to other tests we may develop based on the Biosensor Platform. As such, we cannot accurately predict the volume, if any, or timing of any future sales.

If the SGT fails to satisfy current or future customer requirements, we may be required to make significant expenditures to redesign the product, and we may have insufficient resources to do so.

The SGT is being designed to address an existing marketplace and must comply with current and evolving customer requirements in order to gain market acceptance. There is a risk that the SGT will not meet anticipated customer requirements or desires. If we are required to redesign our products to address customer demands or otherwise modify our business model, we may incur significant unanticipated expenses and losses, and we may be left with insufficient resources to engage in such activities. If we are unable to redesign our products, develop new products or modify our business model to meet customer desires or any other customer requirements that may emerge, our operating results would be materially adversely affected, and our business might fail.

We expect to derive substantially all of our revenues from the SGT and the underlying Biosensor Platform technology.

We expect to derive substantially all of our revenues from sales of products derived from the Biosensor Platform technology, which we license from the Licensor. Our initial product utilizing this technology is the SGT. As such, any factor adversely affecting sales of the SGT, including the product development and release cycles, regulatory issues, market acceptance, product competition, performance and reliability, reputation, price competition and economic and market conditions, would likely harm our operating results. We may be unable to fully develop the SGT or other products utilizing our technology, which may lead to the failure of our business. Moreover, in spite of our efforts related to the registration of our technology, if intellectual property protection is not available for the Biosensor Platform technology, the viability of the SGT and any other products that may be derived from such technology would likely be adversely impacted to a significant degree, which would materially impair our prospects.

We have yet to finalize the manufacturing plan for the production of the SGT and its components on a mass market commercial scale, and may be dependent upon third-party manufacturers and suppliers, making us vulnerable to contractual relationships and market forces, supply shortages and problems and price fluctuations, which could harm our business.

While we are using the facilities of Australian National Fabrication Facility to manufacture the SGB for clinical evaluation, we have yet to finalize the manufacturing plan for the production of the SGT and its components on a mass market commercial scale. We presently do not possess the manufacturing and processing capacity to meet the production requirements of clinical testing or consumer demand in a timely manner. Accordingly, we may rely on outsourcing the manufacturing of the SGT or its components. We have reached an agreement in principle to engage Cambridge Consultants Ltd. as advisors on our commercial scale manufacturing program.

Our capacity to conduct clinical evaluation and launch our products in the market will depend in part on our ability or the ability of third-party manufacturers to provide our products on a large scale, at a competitive cost and in accordance with regulatory requirements. We cannot guarantee that we or our third-party manufacturers or suppliers will be able to provide the SGT and its components in mass-market quantities in a timely or cost-effective manner, or at all. Delays in providing or increasing production or processing capacity could result in additional expense or delays in our clinical evaluation, regulatory submissions and the market launch of our products. In addition, we or our third-party manufacturers or suppliers could make errors that could adversely affect the efficacy or safety of the SGT or cause delays in shipment.

Any third-party party manufacturers or suppliers may encounter problems for a variety of reasons, including, for example, failure to follow specific protocols and procedures, failure to comply with applicable legal and regulatory requirements, equipment malfunction and environmental factors, failure to properly conduct their own business affairs, and infringement of third-party intellectual property rights, any of which could delay or impede their ability to meet our requirements. Reliance on these third-party manufacturers or suppliers also subjects us to other risks where:

- we may have difficulty locating and qualifying alternative manufacturers or suppliers;
- switching manufacturers or suppliers may require product redesign and possibly submission to regulatory bodies, which could significantly impede or delay our commercial activities;
- sole-source manufacturers or suppliers could fail to supply the SGT or components of the SGT; and
- manufacturers or suppliers could encounter financial or other business hardships unrelated to us, interfering with their fulfillment of our orders and requirements.

We may not be able to quickly establish additional or alternative manufacturers or suppliers if necessary, in part because we may need to undertake additional activities to establish such manufacturers or suppliers as required by the regulatory approval process. We potentially will rely on certain single-source manufacturers or suppliers, and to the extent we do so, these risks will be intensified. Any interruption or delay in obtaining products or components from our third-party manufacturers or suppliers, or shortages of products or components, could impair our ability to meet the demand of our customers and cause them to switch to competing products.

We expect to rely in part on third-party distributors to effectively distribute our products.

We will depend in part on qualified distributors for the marketing and selling of our products. We will depend on these distributors' efforts to market our products, yet we will be unable to control their efforts completely. While we recently entered into non-binding memoranda of understanding with two large distributors in China, we have not yet executed any definitive distribution agreements in this regard and there can be no assurances that suitable distributors will be engaged on terms acceptable to us. These distributors typically would sell a variety of other, non-competing products that may limit the resources they dedicate to selling the SGT. In addition, we are unable to ensure that our distributors will comply with all applicable laws regarding the sale of our products. If our distributors fail to effectively market and sell the SGT in full compliance with applicable laws, our operating results and business may suffer. Recruiting and retaining qualified third-party distributors and training them in our technology and product offering will require significant time and resources. To develop and expand our distribution, we will be required to scale and improve our processes and procedures that support our distributors. Further, if our relationship with a successful distributor terminates, we may be unable to replace that distributor without disruption to our business. If we fail to develop or maintain positive relationships with our distributors, including in new markets, fail to manage, train or incentivize these distributors effectively, or fail to provide distributors with competitive products on attractive terms, or if these distributors are not successful in their sales efforts, we may not achieve or may have a reduction in revenue and our operating results, reputation and business would be harmed.

Failure in our conventional, online and digital marketing efforts could impact our ability to generate sales.

We intend to engage in conventional marketing strategies and also may utilize online and digital marketing in order to create awareness to the SGT. Our management believes that using a wide variety of marketing strategies, including online advertisement and a variety of other pay-for-performance methods may be effective for marketing and generating sales of the SGT, as opposed to relying exclusively on traditional, expensive retail channels. In any event, there is a risk that any or all of our marketing strategies could fail. We cannot predict whether the use of traditional and/or non-traditional retail sales tools, in combination with reliance on healthcare providers to educate our customers about the SGT, will be successful in effectively marketing the SGT. The failure of our marketing efforts could negatively impact our ability to generate sales.

The SGT may utilize a smart device platform and, in the future, other software platforms. If we are unable to achieve or maintain a good relationship with the providers of these platforms, or if a platform's application store (such as the App Store for iOS devices or the Google Play Store for Android devices), or any other applicable platform resource were unavailable for any prolonged period of time, our business will suffer.

A key component of the SGT is a smart device application that includes tools to help diabetic patients manage their disease. This application will be compatible with various operating platforms. We will be subject to each of the standard terms and conditions for application developers, which govern the promotion, distribution and operation of applications through their respective app stores. If we are unable to make the SGT application compatible with these platforms, or if we fail to comply with the standard terms and conditions for developers or there is any deterioration in our relationship with either platform providers or others after our application is available, our business would be materially harmed.

As we intend to conduct business internationally, we are susceptible to risks associated with international relationships.

We are based in the United States, and expect to market, promote and sell our products in the APAC Region, initially in China. The international nature of our business requires significant management attention, which could negatively affect our business if it diverts their attention from their other responsibilities. In addition, doing business with foreign customers subjects us to additional risks that companies do not generally face if they operate exclusively within a single jurisdiction. These risks and uncertainties include:

- different regulatory requirements for medical product approvals in foreign countries;
- different standards of care in various countries that could complicate the evaluation of our product candidates;
- different medical product import and export rules;
- different labor laws;
- reduced protection for intellectual property rights in certain countries;
- unexpected changes in tariffs, trade barriers and regulatory requirements;
- different reimbursement systems and different competitive medical products indicated for glucose testing;
- localization of products and services, including translation of foreign languages;
- delivery, logistics and storage costs;

- longer accounts receivable payment cycles and difficulties in collecting accounts receivable;
- difficulties providing customer services;
- economic weakness, including inflation, or political instability in particular foreign economies and markets;
- compliance with tax, employment, immigration and labor laws for employees living or traveling abroad;
- compliance with the Foreign Corrupt Practices Act, or the “FCPA,” and other anti-corruption and anti-bribery laws;
- foreign taxes, including withholding of payroll taxes;
- foreign currency fluctuations, which could result in increased operating expenses and reduced revenues, and other obligations incident to doing business in another country;
- restrictions on the repatriation of earnings;
- workforce uncertainty in countries where labor unrest is more common than in the United States;
- potential liability resulting from development work conducted by third party foreign distributors; and
- business interruptions resulting from geopolitical actions, including war and terrorism, or natural disasters, management, communication and integration problems resulting from cultural differences and geographic dispersion.

The occurrence of any or all of these risks could adversely affect our business. In the event that we are unable to manage the complications associated with international operations, our results of operations, financial condition and business prospects could be materially and adversely affected.

If third-party payors do not provide coverage and reimbursement for the use of the SGT, our business and prospects may be negatively impacted.

Third-party payors, whether governmental or commercial, are developing increasingly sophisticated methods of controlling healthcare costs. In addition, in certain countries, no uniform policy of coverage and reimbursement for medical device products and services exists among third-party payors. Therefore, coverage and reimbursement for medical device products and services can differ significantly from payor to payor. In addition, payors continually review new technologies for possible coverage and can, without notice, deny coverage for these new products and procedures. As a result, the coverage determination process is often a time-consuming and costly process that will require us to provide scientific and clinical support for the use of our products to each payor separately, with no assurance that coverage and adequate reimbursement will be obtained, or maintained if obtained.

Reimbursement systems in international markets vary significantly by country and by region within some countries, and reimbursement approvals must be obtained on a country-by-country basis. In many international markets, a product must be approved for reimbursement before it can be approved for sale in that country.

Further, many international markets have government-managed healthcare systems that control reimbursement for new devices and procedures. For example, no government in the areas where we hold our license has approved reimbursement of the SGT in particular. In most markets, there are private insurance systems as well as government-managed systems. If sufficient coverage and reimbursement is not available for our current or future products, in any country where our license operates, the demand for our products and our revenues will be adversely affected.

Non-United States governments often impose strict price controls, which may adversely affect our future profitability.

We intend to seek approval to market the SGT across the APAC Region. If we obtain approval in one or more of the jurisdictions within our License Agreement, we will be subject to rules and regulations in those jurisdictions relating to our products. In some countries, pricing may be subject to governmental control under certain circumstances, which may vary country by country. In these countries, pricing negotiations with governmental authorities can take considerable time after the receipt of requisite marketing approval. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a clinical evaluation that compares the cost-effectiveness of our product to other available products. If reimbursement of our product candidates is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, we may be unable to achieve or sustain profitability. Price controls may reduce prices to levels significantly below those that would prevail in less regulated markets or limit the volume of products which may be sold, either of which may have a material and adverse effect on potential revenues from sales of the SGT. Moreover, the process and timing for the implementation of price restrictions is unpredictable, which may cause potential revenues from the sales of the SGT to fluctuate from period to period.

The SGT, including its software and systems, may contain undetected errors, which could limit our ability to provide our products and services and diminish the attractiveness of our service offerings.

The SGT may contain undetected errors, defects or bugs. As a result, our customers or end users may discover errors or defects in our products, software or systems, or our products, software or systems may not operate as expected. We may discover significant errors or defects in the future that we may not be able to fix. Our inability to fix any of those errors could limit our ability to provide our products and services, impair the reputation of our brand and diminish the attractiveness of our product and service offerings to our customers.

In addition, we may utilize third party technology or components in our products, and we rely on those third parties to provide support services to us. The existence of errors, defects or bugs in third party technology or components, or the failure of those third parties to provide necessary support services to us, could materially adversely impact our business.

We will rely on the proper function, security and availability of our information technology systems and data to operate our business, and a breach, cyber-attack or other disruption to these systems or data could materially and adversely affect our business, results of operations, financial condition, cash flows, reputation or competitive position.

We will depend on sophisticated software and other information technology systems to operate our business, including to process, transmit and store sensitive data, and our products and services will include information technology systems that collect data regarding patients. We could experience attempted or actual interference with the integrity of, and interruptions in, our technology systems, as well as data breaches, such as cyber-attacks, malicious intrusions, breakdowns, interference with the integrity of our products and data or other significant disruptions. Furthermore, we may rely on third-party vendors to supply and/or support certain aspects of our information technology systems. These third-party systems could also become vulnerable to cyber-attack, malicious intrusions, breakdowns, interference or other significant disruptions, and may contain defects in design or manufacture or other problems that could result in system disruption or compromise the information security of our own systems.

Our international operations mean that we are subject to laws and regulations, including data protection and cybersecurity laws and regulations, in many jurisdictions. Furthermore, there has been a developing trend of civil lawsuits and class actions relating to breaches of consumer data held by large companies or incidents arising from other cyber-attacks. Any data security breaches, cyber-attacks, malicious intrusions or significant disruptions could result in actions by regulatory bodies and/or civil litigation, any of which could materially and adversely affect our business, results of operations, financial condition, cash flows, reputation or competitive position.

In addition, our information technology systems require an ongoing commitment of significant resources to maintain, protect, and enhance existing systems and develop new systems to keep pace with continuing changes in information processing technology, evolving legal and regulatory standards, the increasing need to protect patient and customer information, changes in the techniques used to obtain unauthorized access to data and information systems, and the information technology needs associated any new products and services. There can be no assurance that our process of consolidating, protecting, upgrading and expanding our systems and capabilities, continuing to build security into the design of our products, and developing new systems to keep pace with continuing changes in information processing technology will be successful or that additional systems issues will not arise in the future.

If our information technology systems, products or services or sensitive data are compromised, patients or employees could be exposed to financial or medical identity theft or suffer a loss of product functionality, and we could lose existing customers, have difficulty attracting new customers, have difficulty preventing, detecting, and controlling fraud, be exposed to the loss or misuse of confidential information, have disputes with customers, physicians, and other health care professionals, suffer regulatory sanctions or penalties, experience increases in operating expenses or an impairment in our ability to conduct our operations, incur expenses or lose revenues as a result of a data privacy breach, product failure, information technology outages or disruptions, or suffer other adverse consequences including lawsuits or other legal action and damage to our reputation.

Our future performance will depend on the continued engagement of key members of our management team.

Our future performance depends to a large extent on the continued services of members of our current management including, in particular, our President and Chief Financial Officer. In the event that we lose the continued services of such key personnel for any reason, this could have a material adverse effect on our business, operations and prospects.

Certain of our officers and directors will allocate their time to other businesses. This could have a negative impact on our business.

Our President, Harry Simeonidis, will not commit his full time to our affairs. He also serves as General Manager of FarmaForce Limited. While we presently expect Mr. Simeonidis to devote 50% of his business time to our operations, and we expect that such amount of time will be sufficient for him to satisfy his responsibilities to us on a timely basis, if he is unable to balance his duties to both organizations, it could have a negative impact on our business. There can be no assurance that he will be able to devote sufficient time to our operations.

Certain of our officers have fiduciary obligations to other companies and, accordingly, may have conflicts of interest in determining to which entity a particular business opportunity should be presented.

Our Chairman of the Board, George Syrmalis, M.D., has fiduciary obligations to other companies engaged in life science business activities, namely certain entities comprising the The iQ Group Global. Accordingly, he may have obligations that are in conflict or competition with our business. As a result, a potential business opportunity may be presented by Dr. Syrmalis to another entity prior to its presentation to us and we may not be afforded the opportunity to engage in such a transaction. For a more detailed description of the fiduciary obligations of Dr. Syrmalis and our management team, and the potential conflicts of interest that such obligations may present, see the section titled “*Management — Conflicts of Interest.*”

If we are not able to attract and retain highly skilled managerial, scientific and technical personnel, we may not be able to implement our business model successfully.

We believe that our management team must be able to act decisively to apply and adapt our business model in the markets in which we will compete. In addition, we will rely upon technical and scientific employees or third-party contractors to effectively establish, manage and grow our business. Consequently, we believe that our future viability will depend largely on our ability to attract and retain highly skilled managerial, sales, scientific and technical personnel. In order to do so, we may need to pay higher compensation or fees to our employees or consultants than we currently expect, and such higher compensation payments would have a negative effect on our operating results. Competition for experienced, high-quality personnel is intense and we cannot assure that we will be able to recruit and retain such personnel. We may not be able to hire or retain the necessary personnel to implement our business strategy. Our failure to hire and retain such personnel could impair our ability to develop new products and manage our business effectively.

If we or our manufacturers fail to comply with the regulatory quality system regulations or any applicable equivalent regulations, our proposed operations could be interrupted, and our operating results would suffer.

We and any third-party manufacturers and suppliers of ours will be required, to the extent of applicable regulation, to follow the quality system regulations of each jurisdiction we will seek to penetrate and also will be subject to the regulations of these jurisdictions regarding the manufacturing processes. If we or any third-party manufacturers or suppliers of ours are found to be in significant non-compliance or fail to take satisfactory corrective action in response to adverse regulatory findings in this regard, regulatory agencies could take enforcement actions against us and such manufacturers or suppliers, which could impair or prevent our ability to produce our products in a cost-effective and timely manner in order to meet customers’ demands. Accordingly, our operating results would suffer.

We may be subject to healthcare fraud and abuse laws and regulations.

Many international healthcare laws and regulations apply to the glucose monitoring business and medical devices. We will be subject to certain regulations regarding commercial practices false claims. If our operations or arrangements are found to be in violation of governmental regulations, we may be subject to civil and criminal penalties, damages, fines and the curtailment of our operations. All of these penalties could adversely affect our ability to operate our business and our financial results.

Product liability suits, whether or not meritorious, could be brought against us due to an alleged defective product or for the misuse of the SGT. These suits could result in expensive and time-consuming litigation, payment of substantial damages, and an increase in our insurance rates.

If the SGT or any future diagnostic test based on the Biosensor Platform is defectively designed or manufactured, contains defective components or is misused, or if someone claims any of the foregoing, whether or not meritorious, we may become subject to substantial and costly litigation. Misusing our devices or failing to adhere to the operating guidelines or our devices producing inaccurate meter readings could cause significant harm to patients, including death. In addition, if our operating guidelines are found to be inadequate, we may be subject to liability. Product liability claims could divert management’s attention from our core business, be expensive to defend and result in sizable damage awards against us. While we expect to maintain product liability insurance, we may not have sufficient insurance coverage for all future claims. Any product liability claims brought against us, with or without merit, could increase our product liability insurance rates or prevent us from securing continuing coverage, could harm our reputation in the industry and could reduce revenue. Product liability claims in excess of our insurance coverage would be paid out of cash reserves harming our financial condition and adversely affecting our results of operations.

If we are found to have violated laws protecting the confidentiality of patient health information, we could be subject to civil or criminal penalties, which could increase our liabilities and harm our reputation or our business.

Part of our business plan includes the storage and potential monetization of data of users of the SGT. There are a number of laws around the world protecting the confidentiality of certain patient health information, including patient records, and restricting the use and disclosure of that protected information. Privacy rules protect medical records and other personal health information by limiting their use and disclosure, giving individuals the right to access, amend and seek accounting of their own health information and limiting most use and disclosures of health information to the minimum amount reasonably necessary to accomplish the intended purpose. We may face difficulties in holding such information in compliance with applicable law. If we are found to be in violation of the privacy rules, we could be subject to civil or criminal penalties, which could increase our liabilities, harm our reputation and have a material adverse effect on our business, financial condition and results of operations.

We are party to agreements pursuant to which we may be required to make payments to certain of our affiliates, which may reduce our cash flow and profits.

We are party to agreements (including the License Agreement) pursuant to which we may be required to make payments to certain of our affiliates as described in “*Certain Transactions*.” For instance, commencing after the receipt of regulatory approval in any jurisdiction in the APAC Region, we may be required to pay the Minimum Royalty with respect to such jurisdiction to our controlling stockholder, the Licensor, although the determination of the Minimum Royalty is subject to agreement between us and the Licensor as to certain parameters, as described elsewhere in this prospectus, with disputes generally resolved by an independent third party. In addition, Clinical Research Corporation, or “*CRC*,” an entity under common control with us, may provide medical affairs services to us. While these contracts have been approved by the independent members of our board of directors, and while we believe that the agreements reflect arms’-length negotiations, we cannot assure you that such services are not available at lower cost from third parties. As with any payments made to suppliers, payments made to the Licensor or CRC will reduce our cash flow and profits.

Risks Related to Product Development and Regulatory Approval

The regulatory approval process which we may be required to navigate may be expensive, time-consuming, and uncertain and may prevent us from obtaining clearance for the product launch of the SGT or our any future product.

We intend to market the SGT following regulatory approval. To date, we have not received regulatory approval in any jurisdiction. However, we recently have engaged Emergo Global Consulting LLC, a clinical research and regulatory consulting firm specializing in high tech medical device development, and commenced the regulatory approval process in various jurisdictions in the APAC Region.

The research, design, testing, manufacturing, labeling, selling, marketing and distribution of medical devices are subject to extensive regulation by country-specific regulatory authorities, which regulations differ from country to country. There can be no assurance that, even after such time and expenditures, we will be able to obtain necessary regulatory approvals for clinical testing or for the manufacturing or marketing of any products. In addition, during the regulatory process, other companies may develop other technologies with the same intended use as our products.

We also will be subject to numerous post-marketing regulatory requirements, which may include labeling regulations and medical device reporting regulations, which may require us to report to different regulatory agencies if our device causes or contributes to a death or serious injury, or malfunctions in a way that would likely cause or contribute to a death or serious injury. In addition, these regulatory requirements may change in the future in a way that adversely affects us. If we fail to comply with present or future regulatory requirements that are applicable to us, we may be subject to enforcement action by regulatory agencies, which may include, among others, any of the following sanctions:

- untitled letters, warning letters, fines, injunctions, consent decrees and civil penalties;
- customer notification, or orders for repair, replacement or refunds;
- voluntary or mandatory recall or seizure of our current or future products;
- imposing operating restrictions, suspension or shutdown of production;
- refusing our requests for clearance or pre-market approval of new products, new intended uses or modifications to the SGT or future products;
- rescinding clearance or suspending or withdrawing pre-market approvals that have already been granted; and
- criminal prosecution.

The occurrence of any of these events may have a material adverse effect on our business, financial condition and results of operations.

Clinical data obtained subsequent to the implementation of the clinical evidence module may not meet the required objectives, which could delay, limit or prevent additional regulatory approval.

There can be no assurance that we will successfully complete any clinical evaluations necessary to receive regulatory approvals. While preliminary results have been encouraging and indicative of the potential performance of the SGT, data already obtained, or in the future obtained, from clinical studies do not necessarily predict the results that will be obtained from later clinical evaluations. The failure to adequately demonstrate the analytical performance characteristics of the device under development could delay or prevent regulatory approval of the device, which could prevent or result in delays to market launch and could materially harm our business. There can be no assurance that we will be able to receive approval for any potential applications of our principal technology, or that we will receive regulatory clearances from targeted regions or countries.

We may be unable to complete required clinical evaluations, or we may experience significant delays in completing such clinical evaluations, which could prevent or significantly delay our targeted product launch timeframe and impair our viability and business plan.

The completion of any future clinical evaluations for the SGT, or other studies that we may be required to undertake in the future for the SGT or other products based on the Biosensor Platform, could be delayed, suspended or terminated for several reasons, including:

- we may fail to or be unable to conduct the clinical evaluation in accordance with regulatory requirements;
- sites participating in the trial may drop out of the trial, which may require us to engage new sites for an expansion of the number of sites that are permitted to be involved in the trial;
- patients may not enroll in, remain in or complete, the clinical evaluation at the rates we expect; and
- clinical investigators may not perform our clinical evaluation on our anticipated schedule or consistent with the clinical evaluation protocol and good clinical practices.

If our clinical evaluations are delayed it will take us longer to ultimately launch the SGT and our other products based on the Biosensor Platform in the market and generate revenues. Moreover, our development costs will increase if we have material delays in our clinical evaluation or if we need to perform more or larger clinical evaluations than planned.

We are subject to the risk of reliance on third parties to conduct our clinical evaluation work.

We will depend on independent clinical investigators to conduct our clinical evaluations. Contract research organizations may also assist us in the collection and analysis of data. These investigators and contract research organizations will not be our employees and we will not be able to control, other than by contract, the amount of resources, including time that they devote to products that we develop. If independent investigators fail to devote sufficient resources to our clinical evaluations, or if their performance is substandard, it will delay the approval or clearance and ultimately the market launch of any products that we develop. Further, regulatory bodies in the APAC Region require that we comply with standards, commonly referred to as good clinical practice, for conducting, recording and reporting clinical evaluations to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of trial subjects are protected. If our independent clinical investigators and contract research organizations fail to comply with good clinical practice, the results of our clinical evaluations could be called into question and the clinical development of our product candidates could be delayed. Failure of clinical investigators or contract research organizations to meet their obligations to us or comply with applicable regulations could adversely affect the clinical development of our product candidates and harm our business. Moreover, we intend to have several clinical evaluations in order to support our marketing efforts and business development purposes. Such clinical evaluations will be conducted by third parties as well. Failure of such clinical evaluations to meet their primary endpoints could adversely affect our marketing efforts.

Risks Related to Our Intellectual Property

We depend on intellectual property licensed from the Licensor, and any absence of legal effect of the license or dispute over the license would significantly harm our business.

We are dependent on the intellectual property licensed from the Licensor. Although the License Agreement may not be terminated by the Licensor as long as we are continuing our operations, any absence of legal effect of the license could result in the loss of significant rights and could harm our ability to launch the SGT in the market. Disputes may also arise between us and the Licensor regarding intellectual property subject to the License Agreement. If disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on acceptable terms, or are insufficient to provide us the necessary rights to use the intellectual property, we may be unable to successfully develop and launch the SGT and our other product candidates. If we or the Licensor fail to adequately protect this intellectual property, our ability to launch our products in the market also could suffer. For so long as we are dependent on the intellectual property covered by the License Agreement for the pursuit of our business, any such disputes relating to the License Agreement or failure to protect the intellectual property could threaten our viability.

We will depend primarily on the Licensor to file, prosecute, maintain, defend and enforce intellectual property that we license from it and that is material to our business.

The intellectual property relating to the SGT is owned by the Licensor. Under the License Agreement, the Licensor generally has the right to file, prosecute, maintain and defend the intellectual property we have licensed from the Licensor. If the Licensor fails to conduct these activities for intellectual property protection covering any of our product candidates, our ability to develop and launch those product candidates may be adversely affected and we may not be able to prevent competitors from making, using or selling competing products. In addition, pursuant to the terms of the License Agreement with the Licensor, the Licensor generally has the right to control the enforcement of our licensed intellectual property and the defense of any claims asserting the invalidity of that intellectual property. We cannot be certain that the Licensor will allocate sufficient resources to and otherwise prioritize the enforcement of such intellectual property or the defense of such claims to protect our interests in the licensed intellectual property. In the absence of action by the Licensor, we may be unable to protect and enforce the proprietary rights on which our business relies. Even if we are not a party to these legal actions, an adverse outcome could harm our business because it might prevent us from continuing to use the licensed intellectual property that we need to operate our business. In addition, even if we take control of the prosecution of licensed intellectual property and related applications, enforcement of licensed intellectual property, or defense of claims asserting the invalidity of that intellectual property in the APAC Region, we may still be adversely affected or prejudiced by actions or inactions of the Licensor and its counsel that took place prior to or after our assuming control, and we cannot ensure the cooperation of the Licensor in any such action. Furthermore, if we take action to protect, enforce or defend the licensed intellectual property, we may incur significant costs and the attention of our management may be diverted from our normal business operations. As a result, our business, results of operations and financial condition could be materially and adversely affected.

We and the Licensor may be unable to protect or enforce the intellectual property rights licensed to us, which could impair our competitive position.

In order for our business to be viable and to compete effectively, the proprietary rights with respect to the technologies and intellectual property used in our products must be developed and maintained. The Licensor relies primarily on patent protection and trade secrets, as well as a combination of copyright and trademark laws and nondisclosure and confidentiality agreements to protect its technology and intellectual property rights. There are significant risks associated with the Licensor's ability (or our ability, in the absence of action by the Licensor) to protect the intellectual property licensed to us, including:

- pending intellectual property applications may not be approved or may take longer than expected to result in approval in one or more of the countries in which we operate;
- the Licensor's intellectual property rights may not provide meaningful protection;
- other companies may challenge the validity or extent of the Licensor's patents and other proprietary intellectual property rights through litigation, oppositions and other proceedings. These proceedings can be protracted as well as unpredictable;
- other companies may have independently developed (or may in the future independently develop) similar or alternative technologies, may duplicate the Licensor's technologies or may design their technologies around the Licensor's technologies;
- enforcement of intellectual property rights is complex, uncertain and expensive, and may be subject to lengthy delays. In the event we take control of any such action under the License Agreement, our ability to enforce our intellectual property protection could be limited by our financial resources; and
- the other risks described in "*—Risks Related to Our Intellectual Property.*"

If any of the Licensor's patents or other intellectual property rights fail to protect the technology licensed by us, it would make it easier for our competitors to offer similar products. Any inability on the Licensor's part (or on our part, in the absence of action by the Licensor) to adequately protect its intellectual property may have a material adverse effect on our business, financial condition and results of operations.

We and/or the Licensor may be subject to claims alleging the violation of the intellectual property rights of others.

We may face significant expense and liability as a result of litigation or other proceedings relating to intellectual property rights of others. In the event that another party has intellectual property protection relating to an invention or technology licensed by us from the Licensor, we and/or the Licensor may be required to participate in an interference proceeding declared by the regulatory authorities to determine priority of invention, which could result in substantial uncertainties and costs for us, even if the eventual outcome was favorable to us. We and/or the Licensor also could be required to participate in interference proceedings involving intellectual property of another entity. An adverse outcome in an interference proceeding could require us and/or the Licensor to cease using the technology, to substantially modify it or to license rights from prevailing third parties, which could delay or prevent the launch of our products in the market or adversely affect our profitability.

The cost to us of any intellectual property litigation or other proceeding relating the intellectual property licensed by us from the Licensor, even if resolved in our favor, could be substantial, especially given our early stage of development. A third party may claim that we and/or the Licensor are using inventions claimed by their intellectual property and may go to court to stop us and/or the Licensor from engaging in our normal operations and activities, such as research, development and the sale of any future products. Such lawsuits are expensive and would consume significant time and other resources. There is a risk that a court will decide that we and/or the Licensor are infringing the third party's intellectual property and will order us to stop the activities claimed by the intellectual property. In addition, there is a risk that a court will order us and/or the Licensor to pay the other party damages for having infringed their intellectual property. While the Licensor is required to indemnify us for certain losses in connection with such proceedings, there can be no assurance that the Licensor will be able to satisfy any such obligation. Moreover, there is no guarantee that any prevailing intellectual property owner would offer us a license so that we could continue to engage in activities claimed by the intellectual property, or that such a license, if made available to us, could be acquired on commercially acceptable terms.

The Licensor has limited foreign intellectual property rights and may not be able to protect its intellectual property rights throughout the APAC Region.

Our intellectual property rights consist primarily of intellectual property licensed from the Licensor. The Licensor has determined that filing, prosecuting and defending intellectual property on devices in all countries throughout the APAC Region would be prohibitively expensive, and intellectual property rights in some countries can be less extensive than those in the United States. In addition, the laws of some foreign countries do not protect intellectual property to the same extent as laws in the United States. Consequently, we and/or the Licensor may not be able to prevent third parties from practicing our inventions or from selling or importing products made using our inventions. Competitors may use our technologies in jurisdictions where we have not obtained intellectual property rights to develop their own products and further, may export otherwise infringing products to territories where we have intellectual property protection, but enforcement is not as strong as that in the United States.

Policing unauthorized use of proprietary technology is difficult and expensive. The legal systems of certain countries do not favor the enforcement of trade secrets and other intellectual property, particularly those relating to medical device products, which could make it difficult for us to stop the infringement of our intellectual property or marketing of competing products in violation of our proprietary rights generally. An adverse determination or an insufficient damage award in any such litigation could materially impair our intellectual property rights and may otherwise harm our business. In addition, China and certain other developing countries in the APAC Region have compulsory licensing laws under which an intellectual property owner may be compelled to grant licenses to third parties. In those countries, we and/or the Licensor may have limited remedies if our intellectual property is infringed or if we and/or the Licensor are compelled to grant a license to a third party, which could materially diminish the value of that intellectual property.

Furthermore, we may not be able to register or otherwise protect the trademark "Glucose Biosensor" in China and certain other developing countries in the APAC Region.

We and the Licensor rely on confidentiality agreements that could be breached and may be difficult to enforce, which could result in third parties using our intellectual property to compete against us.

Although we believe that we and the Licensor take reasonable steps to protect our intellectual property, including the use of agreements relating to the non-disclosure of confidential information to third parties, as well as agreements that purport to require the disclosure and assignment to us of the rights to the ideas, developments, discoveries and inventions of our employees and consultants while we or the Licensor employ them, the agreements can be difficult and costly to enforce. Although we and the Licensor seek to enter into these types of agreements with contractors, consultants, advisors and research collaborators, to the extent that employees and consultants utilize or independently develop intellectual property in connection with any of our projects, disputes may arise as to the intellectual property rights associated with our technology. If a dispute arises, a court may determine that the right belongs to a third party. In addition, enforcement of our rights and the rights of the Licensor can be costly and unpredictable. We and the Licensor also rely on trade secrets and proprietary know-how that we and the Licensor may seek to protect in part by confidentiality agreements with employees, contractors, consultants, advisors or others. Despite the protective measures we employ, we and the Licensor still face the risk that:

- these agreements may be breached;
- these agreements may not provide adequate remedies for the applicable type of breach;
- our proprietary know-how will otherwise become known; or
- our competitors will independently develop similar technology or proprietary information.

We and the Licensor may be subject to claims challenging the invention of the intellectual property that we license from the Licensor.

We and the Licensor may be subject to claims that former employees, collaborators or other third parties have an interest in intellectual property as an inventor or co-inventor. For example, we and the Licensor may have inventorship disputes arising from conflicting obligations of consultants or others who are involved in developing our product candidates. Litigation may be necessary to defend against these and other claims challenging inventorship. If we and the Licensor fail in defending any such claims, in addition to paying monetary damages, we and the Licensor may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, valuable intellectual property. Such an outcome could have a material adverse effect on our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees. As a result, it is unclear whether and, if so, to what extent employees of ours and the Licensor may be able to claim compensation with respect to our future revenue. We may receive less revenue from future products if any of employees of the Licensor or us successfully claim compensation for their work in developing our intellectual property, which in turn could impact our future profitability.

Risks Related to Our Industry

We face intense competition in the self-monitoring of glucose market, particularly blood-based products, and as a result we may be unable to effectively compete in our industry.

With our first product, the SGT, we expect to compete directly and primarily with large medical device companies, as well as with second and third tier companies having various levels of sophistication and resources. The large companies have most of the glucose monitoring business and strong research and development capacity. Their dominant market position over the last few decades and significant control over markets could significantly limit our ability to introduce the SGT or effectively market and generate sales of the product.

We have not yet entered the commercial stage and most of our competitors have long histories and strong reputations within the industry. They have significantly greater brand recognition, financial and human resources than we do. They also have more experience and capabilities in researching and developing testing devices, obtaining and maintaining regulatory clearances and other requirements, manufacturing and marketing those products than we do. There is a significant risk that we may be unable to overcome the advantages held by our competition, and our inability to do so could lead to the failure of our business.

Competition in the glucose monitoring markets is intense, which can lead to, among other things, price reductions, longer selling cycles, lower product margins, loss of market share and additional working capital requirements. To succeed, we must, among other critical matters, gain consumer acceptance for the SGT, technical solutions, prices and response time, or a combination of these factors, than those of other competitors. If our competitors offer significant discounts on certain products, we may need to lower our prices or offer other favorable terms in order to compete successfully. Moreover, any broad-based changes to our prices and pricing policies could make it difficult to generate revenues or cause our revenues, if established, to decline. Moreover, if our competitors develop and commercialize products that are more desirable than the SGT or the other products that we may develop, we may not convince customers to use our products. Any such changes would likely reduce our commercial opportunity and revenue potential and could materially adversely impact our operating results.

If we or the Licensor fail to respond quickly to technological developments, our products may become uncompetitive and obsolete.

The glucose monitoring market may experience rapid technology developments, changes in industry standards, changes in customer requirements and frequent new product introductions and improvements. If we or the Licensor are unable to respond to these developments, we may lose competitive position, and the SGT or any other device or technology may become uncompetitive or obsolete, causing our business and prospects to suffer. In order to compete, we and the Licensor may have to develop, license or acquire new technology on a schedule that keeps pace with technological developments and the requirements for products addressing a broad spectrum and designers and designer expertise in our industries.

Risks Related to Our Proposed Operations in the APAC Region

The medical device and other medical product industries in the APAC Region generally are highly regulated and such regulations are subject to change.

The medical device and other medical product industries in the APAC Region generally are subject to comprehensive government regulation and supervision, encompassing the approval, registration, manufacturing, packaging, licensing and marketing of new products. In addition, the regulatory frameworks in the APAC Region regarding our industry are subject to change. Any such changes may result in increased compliance costs on our business or cause delays in or prevent the successful development or launch of our product candidates in the APAC Region. The regulatory authorities in the countries and territories constituting the APAC Region also may launch investigations of individual companies or on an industry-wide basis. The costs and time necessary to respond to an investigation can be material. Any failure by us or our partners to maintain compliance with applicable laws and regulations or obtain and maintain required licenses and permits may result in the suspension or termination of our business activities in certain countries and territories in the APAC Region or in the region as a whole.

Fluctuation in the value of foreign currencies may have a material adverse effect on your investment.

A substantial portion of our revenues and costs may be denominated in foreign currencies, such as the Chinese Renminbi, Australian Dollar or Japanese Yen. Any significant change in value of these foreign currencies against the U.S. dollar may materially affect our cash flows, net revenues, earnings and financial position, and the value of, and any dividends payable on, our common stock in U.S. dollars. For example, an appreciation of any such foreign currency against the U.S. dollar would make any new investments or expenditures denominated in the foreign currency costlier to us, to the extent that we need to convert U.S. dollars into the foreign currency for such purposes. Conversely, a significant depreciation of any such foreign currency against the U.S. dollar may significantly reduce the U.S. dollar equivalent of our earnings, which in turn could adversely affect the price of our common stock. If we decide to convert any such foreign currency into U.S. dollars for the purpose of making payments for dividends on our common stock, strategic acquisitions or investments or other business purposes, appreciation of the U.S. dollar against the foreign currency would have a negative effect on the U.S. dollar amount available to us.

We do not expect to hedge against the risks associated with fluctuations in exchange rates and, therefore, exchange rate fluctuations could have an adverse impact on our future operating results. As a result, fluctuations in exchange rates may have a material adverse effect on your investment.

We may be subject to tax inefficiencies and have not ascertained the impact on us of the new United States tax laws.

The tax regulations of the United States and other jurisdictions in which we operate are extremely complex and subject to change. New laws, new interpretations of existing laws, such as the Base Erosion Profit Shifting project initiated by the Organization for Economic Co-operation and Development and any legislation proposed by the relevant taxing authorities, or limitations on our ability to structure our operations and intercompany transactions may lead to inefficient tax treatment of our revenue, profits, royalties and distributions, if any are achieved. In the United States, in December 2017, comprehensive tax reform was enacted. We have not yet ascertained what impact the new law will have on our future effective tax rate, corporate structure and us in general.

In addition, we and our foreign subsidiaries will have various intercompany transactions. We may not be able to obtain certain benefits under relevant tax treaties to avoid double taxation on certain transactions among our subsidiaries. If we are not able to avail ourselves of the tax treaties, we could be subject to additional taxes, which could adversely affect our financial condition and results of operations.

We are subject to laws and regulations governing business conduct, which will require us to develop and implement costly compliance programs.

We must comply with a wide range of laws and regulations to prevent corruption, bribery, and other unethical business practices, including the FCPA, anti-bribery and anti-corruption laws in other countries. The creation and implementation of international business practices compliance programs is costly and such programs are difficult to enforce, particularly where reliance on third parties is required.

Anti-bribery laws prohibit us, our employees, and some of our agents or representatives from offering or providing any personal benefit to covered government officials to influence their performance of their duties or induce them to serve interests other than the missions of the public organizations in which they serve. Certain commercial bribery rules also prohibit offering or providing any personal benefit to employees and representatives of commercial companies to influence their performance of their duties or induce them to serve interests other than their employers. The FCPA also obligates companies whose securities are listed in the United States to comply with certain accounting provisions requiring us to maintain books and records that accurately and fairly reflect all transactions of the corporation, including international subsidiaries, and devise and maintain an adequate system of internal accounting controls for international operations. The anti-bribery provisions of the FCPA are enforced primarily by the Department of Justice. The SEC is involved with enforcement of the books and records provisions of the FCPA.

Compliance with these anti-bribery laws is expensive and difficult, particularly in countries in which corruption is a recognized problem. In addition, the anti-bribery laws present particular challenges in the medical products industries because in many countries, a majority of hospitals are state-owned or operated by the government, and doctors and other hospital employees are considered civil servants. Furthermore, in certain countries, hospitals and clinics are permitted to sell medical devices to their patients and are primary or significant distributors of medical devices. Certain payments to hospitals in connection with clinical studies, procurement of medical devices and other work have been deemed to be improper payments to government officials that have led to vigorous anti-bribery law enforcement actions and heavy fines in multiple jurisdictions, particularly in the United States and China.

It is not always possible to identify and deter violations, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations.

In the medical products industries, corrupt practices include, among others, acceptance of kickbacks, bribes or other illegal gains or benefits by the hospitals and medical practitioners from medical device manufacturers, distributors or their third-party agents in connection with the prescription of certain medical devices or disposables. If our employees, affiliates, distributors or third-party marketing firms violate these laws or otherwise engage in illegal practices with respect to their sales or marketing of our products or other activities involving our products, we could be required to pay damages or heavy fines by multiple jurisdictions where we operate, which could materially and adversely affect our financial condition and results of operations. Our potential customers also may deny access to sales representatives from medical device companies because the potential customers want to avoid the perception of corruption, which could adversely affect our ability to promote our products.

As we expand our operations in the APAC Region, we will need to increase the scope of our compliance programs to address the risks relating to the potential for violations of the FCPA and other anti-bribery and anti-corruption laws. Our compliance programs will need to include policies addressing not only the FCPA, but also the provisions of a variety of anti-bribery and anti-corruption laws in multiple jurisdictions, including provisions relating to books and records that apply to us as a public company, and will need to include effective training for our personnel throughout our organization. The creation and implementation of anti-corruption compliance programs is costly and such programs are difficult to enforce, particularly where reliance on third parties is required. Violation of the FCPA and other anti-corruption laws can result in significant administrative and criminal penalties for us and our employees, including substantial fines, suspension or debarment from government contracting, prison sentences, or even the death penalty in extremely serious cases in certain countries. The SEC also may suspend or bar us from trading securities on United States exchanges for violation of the FCPA's accounting provisions. Even if we are not ultimately punished by government authorities, the costs of investigation and review, distraction of company personnel, legal defense costs, and harm to our reputation could be substantial and could limit our profitability or our ability to develop or launch our product candidates. In addition, if any of our competitors are not subject to the FCPA, they may engage in practices that will lead to their receipt of preferential treatment from potential customers and enable them to secure business from potential customers in ways that are unavailable to us.

Changes in the economic, political or social conditions or government policies in the APAC Region could have a material adverse effect on our business and operations.

The economies and societies of certain countries and territories in the APAC Region, continue to undergo significant change. Adverse changes in the political and economic policies in these countries and territories could have a material adverse effect on the overall economic growth of these countries and territories, which could adversely affect our ability to conduct business in these countries and territories. The governments of these countries and territories continue to adjust economic policies to promote economic growth. Some of these measures may benefit the overall economy, but may also have a negative effect on us. As the medical product industry grows and evolves in these countries and territories, the governments may also implement measures to change the structure of foreign investment in this industry. We are unable to predict any such policy changes, any of which could materially and adversely affect our ability to finance or conduct our business in these countries and territories. Any failure on our part to comply with changing government regulations and policies could result in the loss of our ability to develop and launch our product candidates in these countries and territories.

Our customers initially may be concentrated in China, in which case we may be susceptible to risks specifically associated with business activities in China.

We will first seek regulatory approval for the SGT with the NMPA of China. To the extent we have operations in China and our customers initially are concentrated in China, we may be subject to additional risks specific to China that companies do not generally face if they operate primarily outside of China. These risks and uncertainties include:

- the Ministry of Commerce in China or its local counterpart must approve the amount and use of any capital contributions from us to our Chinese subsidiary, which may inhibit our ability to contribute additional capital to fund our Chinese operations;
- the Chinese government imposes controls on the convertibility of the Renminbi into foreign currencies and the remittance of foreign currency out of China for certain transactions, which may restrict the ability of our operating subsidiary in China to remit sufficient foreign currency to pay dividends or other payments to us;
- the legal system of China is a civil law system that continues to rapidly evolve, and the laws, regulations and rules are not always uniformly interpreted or enforced, which may limit legal protections available to us;
- our operations in China subject us to various Chinese labor and social insurance laws, and any failure to comply with such laws could subject us to late fees, fines and penalties, or cause the suspension or termination of our ability to conduct business in China; and
- failure to make adequate contributions to various employee benefit plans as required by Chinese regulations may subject us to penalties.

In the event that we are unable to manage the complications associated with operations in China, our results of operations, financial condition and business prospects could be materially and adversely affected.

Risks Related to this Offering and the Ownership of Our Common Stock

We have broad discretion in the use of the net proceeds from this offering and may use the net proceeds in ways with which you may not agree.

Our management will have broad discretion in the application of the net proceeds from this offering and could spend the proceeds in ways that do not advance our business plan, achieve proposed objectives, improve our financial condition, generate revenue or enhance the value of our common stock. You will be relying on the judgment of our management with regard to the use of these net proceeds, and you will not have the opportunity, as part of your investment decision, to assess whether the net proceeds are being used appropriately. The failure by our management to apply these funds effectively could result in financial losses that could have a material adverse effect on our business, cause the price of our common stock to decline and delay the development of our product candidates. Pending the application of these funds, we may invest the net proceeds from this offering in a manner that does not produce income or that loses value.

We may not be able to satisfy the continued listing requirements of _____ in order to maintain the listing of our common stock.

We must meet certain financial and liquidity criteria to maintain the listing of our common stock on _____. If we violate _____ listing requirements or fail to meet any of _____ listing standards, our common stock may be delisted. In addition, while we have no present intention to do so, our Board of Directors may determine that the cost of maintaining our listing on a national securities exchange outweighs the benefits of such listing. A delisting of our common stock from _____ may have materially adverse consequences to our stockholders, including:

- a reduced market price and liquidity with respect to our shares of common stock;
- limited dissemination of the market price of our common stock;
- limited news coverage;
- limited interest by investors in our common stock;
- volatility of the prices of our common stock, due to low trading volume;
- our common stock being considered a “penny stock,” which would result in broker-dealers participating in sales of our common stock being subject to the regulations set forth in Rules 15c-2 through 15c-9 promulgated under the Exchange Act;
- increased difficulty in selling our common stock in certain states due to “blue sky” restrictions; and
- limited ability to issue additional securities or to secure additional financing.

If our common stock is delisted, we may seek to have our common stock quoted on an over-the-counter marketplace, such as on the OTCQX. The OTCQX is not a stock exchange, and if our common stock trades on the OTCQX rather than a securities exchange, there may be significantly less trading volume and analyst coverage of, and significantly less investor interest in, our common stock, which may lead to lower trading prices for our common stock.

Investors in this offering will experience immediate and substantial dilution in net tangible book value.

The difference between the public offering price per share of our common stock and the pro forma net tangible assets per share of our common stock after this offering constitutes the dilution to the investors in this offering. You will incur immediate and substantial dilution as a result of this offering. After giving effect to the conversion at the closing of this offering of our convertible preferred stock and the convertible notes issued by our majority-owned subsidiary, and after giving further effect to the sale by us of all _____ shares of common stock in this offering at an assumed public offering price of \$ _____ per share, investors in this offering can expect an immediate dilution to net tangible assets of \$ _____ per share, based on a pro forma net tangible book value per share after the offering (which excludes a value for the License Agreement) of \$ _____. This dilution is due in large part to the fact that our existing investors acquired their securities prior to this offering at substantially less than investors are paying in this offering. If any outstanding warrants to purchase shares of our common stock are exercised, there would be further dilution. See “Dilution” for a more complete description of how the value of your investment in our common stock will be diluted upon the completion of this offering.

The market price of our common stock may be significantly volatile.

The market price for our common stock may be significantly volatile and subject to wide fluctuations in response to factors including the following:

- developments prior to commercial sales relating to regulatory approval, manufacturing and distribution of our products;
- actual or anticipated fluctuations in our quarterly or annual operating results;
- changes in financial or operational estimates or projections;
- conditions in markets generally;
- changes in the economic performance or market valuations of companies similar to ours; and
- general economic or political conditions in the United States or elsewhere.

In particular, the market prices for securities of medical device companies have historically been particularly volatile. Some of the factors that may cause the market price of our common stock to fluctuate include:

- any delay in or the results of our clinical evaluations;
- any delay in manufacturing of our products;
- any delay with the approval for reimbursement for the patients from their insurance companies;
- our failure to comply with regulatory requirements;
- the announcements of clinical evaluation data, and the investment community's perception of and reaction to those data;
- the results of clinical evaluations conducted by others on products that would compete with ours;
- any delay or failure to receive clearance or approval from regulatory agencies or bodies;
- our inability to commercially launch products or market and generate sales of our products, including the SGT;
- failure of the SGT or any other products, even if approved for marketing, to achieve any level of commercial success;
- our failure to obtain intellectual property protection for any of our technologies and products (including those related to the SGT) or the issuance of third-party intellectual property that cover our proposed technologies or products;
- developments or disputes concerning our product's intellectual property rights;
- our or our competitors' technological innovations;
- general and industry-specific economic conditions that may affect our expenditures;
- changes in market valuations of similar companies;
- announcements by us or our competitors of significant contracts, acquisitions, strategic partnerships, joint ventures, capital commitments, new technologies, or intellectual property;
- failure to adequately manufacture the SGT or any other products through third parties;
- future sales of our common stock or other securities, including shares issuable upon the exercise of outstanding warrants or otherwise issued pursuant to certain contractual rights;
- period-to-period fluctuations in our financial results; and
- low or high trading volume of our common stock due to many factors, including the terms of our financing arrangements.

In addition, if we fail to reach an important research, development or commercialization milestone or result by a publicly expected deadline, even if by only a small margin, there could be significant impact on the market price of our common stock. Additionally, as we approach the announcement of anticipated significant information and as we announce such information, we expect the price of our common stock to be volatile and negative results would have a substantial negative impact on the price of our common stock.

In some cases, following periods of volatility in the market price of a company's securities, stockholders have often instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial costs and diversion of management attention and resources, which could significantly harm our business operations and reputation.

Shares eligible for future sale may adversely affect the market for our common stock.

The price of our common stock could decline if there are substantial sales of our common stock, particularly sales by our directors, executive officers, employees, and significant stockholders, or when there is a large number of shares of our common stock available for sale.

We have 8,510,000 shares of common stock outstanding as of immediately prior to this offering. We also have a significant number of shares of common stock underlying outstanding preferred stock and warrants of ours and the convertible notes of our subsidiary, GBS Pty Ltd. As of the date of this prospectus: (i) 2,323,891 shares of common stock are issuable upon the completion of this offering by mandatory conversion of such outstanding preferred stock convertible at a one-to-one ratio; (ii) _____ shares of common stock are issuable upon the completion of this offering by mandatory conversion of the convertible notes issued by our majority-owned subsidiary (assuming a public offering price in this offering of \$ _____ and based on \$ _____ of principal and accrued interest outstanding as of _____, 2019); and (iii) 2,250,377 shares of common stock are issuable during the one year period commencing on the second anniversary of the completion of this offering by exercise of outstanding warrants that were issued in connection with the issuance of the preferred stock. In addition, upon the closing of this offering, we will issue to the underwriters warrants to purchase _____ shares of our common stock.

Our directors, officers and certain existing stockholders will enter into lock-up agreements pursuant to which, subject to certain exceptions, such persons will not sell _____ shares of our common stock that they own for six months after the date of this prospectus, as further described in "Underwriting." Notwithstanding the foregoing, the lock-up provisions in these agreements may be waived, at any time and without notice.

Subject to the lock-up agreements, our existing stockholders (including the holders of our preferred stock and warrants and the holders of the convertible notes) may be eligible to sell all or some of their shares of common stock by means of ordinary brokerage transactions in the open market, subject to the limitations of Rule 144, promulgated under the Securities Act of 1933, as amended, or the "Securities Act." In general, under Rule 144 as currently in effect, once we have been subject to public company reporting requirements for at least 90 days, a person who is not deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than our affiliates, is entitled to sell those shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then that person is entitled to sell those shares without complying with any of the requirements of Rule 144. Our affiliates and other persons selling shares on behalf of our affiliates also are entitled to sell as long as they comply with Rule 144's manner of sale, volume limitation and notice provisions, in addition to the provisions applicable to non-affiliates described above.

The market price of the shares of our common stock could decline as a result of the sale of a substantial number of our shares of common stock in the public market or the perception in the market that the holders of a large number of shares intend to sell their shares.

We may undertake additional equity or debt financing that may dilute the shares in this offering.

We may undertake further equity or debt financing. Although we have no commitments as of the date of this offering to issue our securities, we may issue a substantial number of additional shares of our common stock or preferred stock, or a combination of common and preferred stock, to raise additional funds or in connection with any strategic acquisition. The issuance of additional shares of our common stock or any number of shares of our preferred stock:

- may significantly reduce the equity interest of investors in this offering;
- may subordinate the rights of holders of common stock if preferred stock is issued with rights senior to those afforded to our common stockholders;

- may cause a change in control if a substantial number of our shares of common stock are issued, which may affect, among other things, our ability to use our net operating loss carryforwards, if any, and most likely also result in the resignation or removal of some or all of our present officers and directors; and
- may adversely affect prevailing market prices for our common stock.

Similarly, if we issue debt securities, it could result in:

- default and foreclosure on our assets if our operating revenues were insufficient to pay our debt obligations;
- acceleration of our obligations to repay the indebtedness even if we have made all principal and interest payments when due if the debt security contains covenants that require the maintenance of certain financial ratios or reserves and any such covenant is breached without a waiver or renegotiation of that covenant;
- our immediate payment of all principal and accrued interest, if any, if the debt security is payable on demand;
- our inability to obtain additional financing, if necessary, if the debt security contains covenants restricting our ability to obtain additional financing while such security is outstanding; and
- our inability to conduct acquisitions, joint ventures or similar arrangements if the debt security contains covenants restricting such transactions or the funding thereof or requiring prior approval of the debt holders.

We do not currently intend to pay dividends on our common stock in the foreseeable future, and consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock.

We do not anticipate paying any cash dividends to holders of our common stock in the foreseeable future. Consequently, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments. There is no guarantee that shares of our common stock will appreciate in value or even maintain the price at which our stockholders have purchased their shares.

The determination of the offering price for the shares is more arbitrary compared with the pricing of securities for an established operating company.

There is no direct relationship between the offering price and our assets, book value, net worth, or any other economic or financial criteria. Rather, the price of the shares was derived through negotiations with the underwriters after considering various factors including prevailing market conditions, our future prospects and our capital structure. Although these factors were considered, the determination of the offering price is more arbitrary than the pricing of securities for an established operating company. This price does not necessarily accurately reflect the actual value of the shares or the price that may be realized upon disposition of the shares.

If securities industry analysts do not publish research reports on us, or publish unfavorable reports on us, then the market price and market trading volume of our common stock could be negatively affected.

Any trading market for our common stock will be influenced in part by any research reports that securities industry analysts publish about us. We do not currently have and may never obtain research coverage by securities industry analysts. If no securities industry analysts commence coverage of us, the market price and market trading volume of our common stock could be negatively affected. In the event we are covered by analysts, and one or more of such analysts downgrade our securities, or otherwise reports on us unfavorably, or discontinues coverage of us, the market price and market trading volume of our common stock could be negatively affected.

Our controlling stockholder may exert significant influence over our affairs, including the outcome of matters requiring stockholder approval.

Immediately following completion of this offering, we expect the Licensor, our current controlling stockholder, will control a majority of the total voting power of our outstanding common stock. Accordingly, the Licensor will have the ability to control the election of our directors and the outcome of corporate actions requiring stockholder approval, such as: (i) a merger or a sale of our company, (ii) a sale of all or substantially all of our assets, and (iii) amendments to our certificate of incorporation and by-laws. This concentration of voting power and control could have a significant effect in delaying, deferring or preventing an action that might otherwise be beneficial to our other stockholders and be disadvantageous to our stockholders with interests different from the Licensor. Therefore, you should not invest in reliance on your ability to have any control over our company. With the goal of mitigating such control risks, we have decided not to seek exemption as a “controlled company” from the corporate governance rules of _____, and therefore will be bound by the same corporate governance principles as other public companies, including the requirement that a majority of our directors be independent and that we maintain audit, compensation and nominating committees comprised of independent directors. However, our decision not to rely on the “controlled company” exemption could change. Although we do not anticipate changing our decision, for so long as a majority of our outstanding common stock is held by the Licensor (or by any other stockholder or group of stockholders), we could choose to rely on this exemption in the future to avoid complying with certain of _____ corporate governance rules, including the rules that require us to have a board comprised of at least 50% independent directors, to have board nominations either selected, or recommended for the board’s selection, by either a nominating committee comprised solely of independent directors or by a majority of the independent directors and to have officer compensation determined, or recommended to the board for determination, either by a compensation committee comprised solely of independent directors or by a majority of the independent directors. Any decision to rely on the “controlled company” exemption will be disclosed in our annual proxy statement.

As an “emerging growth company” under applicable law, we will be subject to lessened disclosure requirements, which could leave our stockholders without information or rights available to stockholders of other public companies that are not “emerging growth companies.”

For as long as we remain an “emerging growth company” as defined in the JOBS Act, we have elected to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies” including, but not limited to:

- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act;
- reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements; and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

We expect to take advantage of these reporting exemptions until we are no longer an “emerging growth company”. We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier. We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year following the fifth anniversary of the completion of this offering, (2) the last day of the fiscal year in which we have total annual gross revenue of at least \$1.0 billion, (3) the date on which we are deemed to be a large accelerated filer, which is the end of the fiscal year in which the market value of our common stock that is held by non-affiliates exceeds \$700.0 million as of the end of our most recent second fiscal quarter, and (4) the date on which we have issued more than \$1.0 billion in non-convertible debt securities during the prior three-year period.

Because of these lessened regulatory requirements, our stockholders would be left without information or rights available to stockholders of other public companies that are not “emerging growth companies.” In addition, we cannot predict if investors will find our common stock less attractive because we rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may suffer or be more volatile.

Because we have elected to use the extended transition period for complying with new or revised accounting standards for an “emerging growth company” our financial statements may not be comparable to companies that comply with public company effective dates.

We have elected to use the extended transition period for complying with new or revised accounting standards under Section 102(b)(1) of the JOBS Act. This election allows us to delay the adoption of new or revised accounting standards that have different effective dates for public and private companies until those standards apply to private companies. While we are not currently delaying the implementation of any relevant accounting standards, in the future we may avail ourselves of these rights, and as a result of this election, our financial statements may not be comparable to companies that comply with public company effective dates. Because our financial statements may not be comparable to companies that comply with public company effective dates, investors may have difficulty evaluating or comparing our business, performance or prospects in comparison to other public companies, which may have a negative impact on the value and liquidity of our common stock.

Anti-takeover provisions in our charter documents and Delaware law could discourage, delay or prevent a change in control of our company and may affect the trading price of our common stock.

We are a Delaware corporation and the anti-takeover provisions of the Delaware General Corporation Law may discourage, delay or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the person becomes an interested stockholder, even if a change in control would be beneficial to our existing stockholders. In addition, our amended and restated certificate of incorporation and by-laws may discourage, delay or prevent a change in our management or control over us that stockholders may consider favorable. Our amended and restated certificate of incorporation and by-laws will:

- provide for the issuance of “blank check” preferred stock that could be issued by our Board of Directors to thwart a takeover attempt;

- provide that vacancies on our Board of Directors, including newly created directorships, may be filled only by a majority vote of directors then in office;
- provide that stockholders will not be able to take action by written consent, and special meetings of stockholders may only be called by our Chief Executive Officer, our President, our Board of Directors or a majority of our stockholders;
- provide that our stockholders are required to provide advance notice and additional disclosures in order to nominate individuals for election to our Board of Directors or to propose matters that can be acted upon at a stockholders' meeting, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company; and
- do not provide stockholders with the ability to cumulate their votes, which limits the ability of minority stockholders to elect director candidates.

These provisions could also limit the price that investors might be willing to pay in the future for shares of our common stock, thereby depressing the market price of our common stock.

As a result of becoming a public company, we will be obligated to develop and maintain a system of effective internal control over financial reporting. We may not complete our analysis of our internal control over financial reporting in a timely manner, or these internal controls may not be determined to be effective, which may harm investor confidence in our company and, as a result, the value of our common stock.

We will be required, pursuant to Section 404 of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting in the second annual report we file with the SEC. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. However, our auditors will not be required to formally attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 until we are no longer an "emerging growth company" as defined in the JOBS Act, if we take advantage of the exemptions available to us through the JOBS Act. Even after we cease to be an "emerging growth company," our auditors will not be required to formally attest to the effectiveness of our internal control over financial reporting unless we are an accelerated filer or a large accelerated filer (as defined under the Exchange Act).

We are in the very early stages of the costly and challenging process of compiling the system and process documentation necessary to perform the evaluation needed to comply with Section 404. In this regard, we will need to continue to dedicate internal resources, engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. As we transition to the requirements of reporting as a public company, we may need to add additional finance staff. We may not be able to complete our evaluation and testing in a timely fashion. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal controls are effective. We may not be able to remediate any material weaknesses in a timely fashion. If we are unable to complete our evaluation and testing, or if we are unable to assert that our internal control over financial reporting is effective, particularly if we have been unable to remediate any material weaknesses identified, or if our auditors, when required to do so, are unable to express an opinion that our internal controls are effective, investors could lose confidence in the accuracy and completeness of our financial reports, which could harm our stock price.

We will incur increased costs as a result of operating as a public company and our management will be required to devote substantial time to new compliance initiatives and corporate governance practices. Moreover, our ability to comply with all applicable laws, rules and regulations is uncertain given our management's relative inexperience with operating United States public companies.

As a public company, and particularly after we are no longer an "emerging growth company," we will incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the listing requirements of [redacted] and other applicable securities rules and regulations impose various requirements on public companies. Our management and other personnel will need to devote a substantial amount of time to compliance with these requirements. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect that these rules and regulations may make it more difficult and more expensive for us to obtain directors' and officers' liability insurance, which could make it more difficult for us to attract and retain qualified members of our board of directors. Furthermore, new or changing laws, regulations and standards are subject to varying interpretations in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies, which could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We cannot predict or estimate the amount of additional costs we will incur as a public company or the timing of such costs.

Moreover, our executive officers have little experience in operating a United States public company, which makes our ability to comply with applicable laws, rules and regulations uncertain. Our failure to comply with all laws, rules and regulations applicable to United States public companies could subject us or our management to regulatory scrutiny or sanction, which could harm our reputation and stock price.

Our amended and restated certificate of incorporation will provide, subject to limited exceptions, that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for certain stockholder litigation matters, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or stockholders.

Our amended and restated certificate of incorporation will require, to the fullest extent permitted by law, subject to limited exceptions, that derivative actions brought in our name, actions against directors, officers and employees for breach of fiduciary duty and other similar actions may be brought only in the Court of Chancery in the State of Delaware and, if brought outside of Delaware, the stockholder bringing the suit will be deemed to have consented to service of process on such stockholder's counsel in any action brought to enforce the exclusive forum provision. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and consented to the forum provisions in our amended and restated certificate of incorporation.

Notwithstanding the foregoing, Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. In addition, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. As a result, the exclusive forum provision will provide that the Court of Chancery and the federal district court for the District of Delaware will have concurrent

jurisdiction over any action arising under the Securities Act or the rules and regulations thereunder, and the exclusive forum provision will not apply to suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder or any other claim for which the federal courts have exclusive jurisdiction. To the extent the exclusive forum provision restricts the courts in which our stockholders may bring claims arising under the Securities Act and the rules and regulations thereunder, there is uncertainty as to whether a court would enforce such provision. Investors cannot waive compliance with the federal securities laws and the rules and regulations promulgated thereunder.

This exclusive forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, other employees or stockholders, which may discourage lawsuits with respect to such claims. By requiring a stockholder to bring such a claim in the Court of Chancery (or the federal district court for the District of Delaware, in the case of an action under the Securities Act or the rules and regulations thereunder), the exclusive forum provision also may increase the costs to a stockholder of bringing such a claim. Alternatively, if a court were to find the exclusive forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements other than statements of historical fact or relating to present facts or current conditions included in this prospectus are forward-looking statements. Forward-looking statements include, but are not limited to, statements regarding expectations, hopes, beliefs, intentions or strategies regarding the future. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. These statements may include words such as “anticipate,” “estimate,” “expect,” “project,” “plan,” “intend,” “believe,” “may,” “should,” “can have,” “likely” and other words and terms of similar meaning, but the absence of these words does not mean that a statement is not forward-looking.

The forward-looking statements contained in this prospectus are based on our current expectations and beliefs concerning future developments and their potential effects on us. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in “*Risk Factors*.” Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this prospectus may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. Except as required by the federal securities laws, we are under no duty to update any of these forward-looking statements after the date of this prospectus or to conform these statements to actual results or revised expectations.

USE OF PROCEEDS

We estimate that the net proceeds from the sale of the shares of our common stock will be approximately \$ _____ million, based on an assumed public offering price of \$ _____ per share, and after deducting the underwriting discounts and estimated offering expenses payable by us. We intend to use the net proceeds from the offering as follows:

- \$ _____ to obtain regulatory approvals, including completing any product development required to meet regulatory requirements and establishing manufacturing facilities with sufficient capacity for clinical evaluation and commercial scale production of the SGT;
- \$ _____ to market the SGT and establish a distribution network across the APAC Region; and
- \$ _____ for working capital and general corporate purposes.

We expect the net proceeds to be sufficient to enable us to obtain regulatory approvals, including completing the related product development and establishing the related manufacturing facilities, as well as to market the SGT and establish a distribution network across the APAC Region.

This expected use of the net proceeds from this offering represents our intentions based upon our current plans and prevailing business conditions, which could change in the future as our plans and prevailing business conditions evolve. Predicting the cost necessary to develop biosensor devices can be difficult and the amounts and timing of our actual expenditures may vary significantly depending on numerous factors, including the progress of our development, the status of and results from clinical evaluations, any collaborations that we may enter into with third parties and any unforeseen cash needs. As a result, our management will retain broad discretion over the allocation of the net proceeds from this offering.

Pending the use of the net proceeds of this offering, we intend to invest the net proceeds in short-term investment-grade, interest-bearing securities.

We believe that the net proceeds from this offering will allow us to operate for the next 30 months. We do not anticipate generating any revenues for at least 18 months from the date of this offering, if at all, and our revenues will not immediately be sufficient to finance our ongoing operations. In addition, available resources may be consumed more rapidly than currently anticipated, and there can be no assurance that we will be successful in developing the SGT and generating sufficient revenue in the timeframe set forth above, or at all. We may be unable to meet our targets for regulatory approval and market launch, or we may be unable to generate anticipated amounts of revenue from sales of the system. We may also need additional funding for developing new products and services and for additional sales, marketing and promotional activities. Should this occur, we may need to seek additional capital earlier than anticipated. In the event we require additional capital, there can be no assurances that we will be able to raise such capital on acceptable terms, or at all. See *“Management’s Discussion and Analysis of Financial Condition and Results of Operations.”*

DIVIDEND POLICY

Since our inception, we have not paid any dividends on our common stock, and we currently expect that, for the foreseeable future, all earnings (if any) will be retained for the development of our business and no dividends will be declared or paid. In the future, our Board of Directors may decide, at their discretion, whether dividends may be declared and paid, taking into consideration, among other things, our earnings (if any), operating results, financial condition and capital requirements, general business conditions and other pertinent facts, including restrictions imposed by foreign jurisdictions on paying dividends or making other payments to us.

DILUTION

The difference between the public offering price per share of our common stock and our pro forma as adjusted net tangible book value per share after this offering constitutes the dilution to investors in this offering. Net tangible book value per share is determined by dividing our net tangible book value, which is our total tangible assets less total liabilities, by the number of outstanding shares of common stock.

At September 30, 2019, our pro forma net tangible book value was \$ _____, or approximately \$ _____ per share, after giving effect to the mandatory conversion in connection with this offering of our outstanding preferred stock and the convertible notes issued by our majority-owned subsidiary (assuming a public offering price in this offering of \$ _____ and based on \$ _____ of principal and accrued interest outstanding as of _____, 2019).

After giving further effect to the sale of all _____ shares of common stock offered hereby at an assumed public offering price of \$ _____ per share, and after deducting the underwriting discounts and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value at September 30, 2019 would have been approximately \$ _____ or \$ _____ per share, representing an immediate increase in net tangible book value of \$ _____ per share to our existing stockholders and an immediate dilution of \$ _____ per share to new investors.

The following table illustrates the dilution to the new investors on a per-share basis:

Assumed public offering price per share		\$
Pro forma net tangible book value per share before offering	\$	\$
Increase in net tangible book value per share attributable to shares offered hereby	\$	\$
Pro forma as adjusted net tangible book value per share after offering		\$
Dilution in pro forma net tangible book value per share to investors in offering		\$

Each \$1.00 increase (decrease) in the assumed public offering price of \$ _____ per share would increase (decrease) our pro forma as adjusted net tangible book deficit per share to new investors by \$ _____, and would increase (decrease) dilution per share to new investors in this offering by \$ _____, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting the underwriting discounts and estimated offering expenses payable by us. In addition, to the extent any outstanding warrants to purchase shares of our common stock are exercised, new investors would experience further dilution.

If the representative exercises the option to purchase additional shares to cover over-allotments in full, the pro forma as adjusted net tangible book value per share of our common stock after giving effect to this offering would be approximately \$ _____ per share, and the dilution in pro forma as adjusted net tangible book value per share to investors in this offering would be approximately \$ _____ per share of common stock.

The following table summarizes, as of September 30, 2019, after giving effect to the mandatory conversion in connection with this offering of our outstanding preferred stock and the convertible notes issued by our majority-owned subsidiary (assuming a public offering price in this offering of \$ _____ and based on \$ _____ of principal and accrued interest outstanding as of _____, 2019), and assuming the sale of all the shares offered hereby, the differences between the number of shares of our common stock purchased from us, the total cash consideration paid, and the average price per share paid by our existing stockholders and by our new investors purchasing shares in this offering at an assumed public offering price of \$ _____ per share, before deducting the underwriting discounts and estimated offering expenses payable by us:

	Shares Purchased		Total Consideration		Average Price
	Number	Percent	Amount	Percent	Per Share
Existing Stockholders		%	\$	%	\$
New Investors		%		%	\$
Total		100.00%	\$	100.00%	

Each \$1.00 increase (decrease) in the assumed public offering price of \$ _____ per share would increase (decrease) each of the total consideration paid by new investors and total consideration paid by all stockholders by approximately \$ _____ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the underwriting discounts and estimated offering expenses payable by us. Each increase (decrease) of 1,000,000 shares in the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, would increase (decrease) each of the total consideration paid by new investors and total consideration paid by all stockholders by approximately \$ _____ million, assuming that the assumed public offering price remains the same, and after deducting the underwriting discounts and estimated offering expenses payable by us.

If the representative exercises the option to purchase additional shares to cover over-allotments in full, our existing stockholders would own _____ % and our new investors would own _____ % of the total number of shares of our common stock outstanding after this offering.

The above tables and discussion include: (i) 8,510,000 shares of our common stock outstanding as of June 30, 2019; and (ii) the issuance of 2,323,891 shares of our common stock upon the mandatory conversion at the closing of this offering of our outstanding preferred stock and _____ shares of our common stock upon the mandatory conversion at the closing of this offering of the convertible notes issued by our majority-owned subsidiary (assuming a public offering price in this offering of \$ _____ and based on \$ _____ of principal and accrued interest outstanding as of _____, 2019), and exclude:

- 2,250,377 shares issuable upon the exercise of outstanding warrants issued in connection with the placement of our Series A Convertible Preferred Stock, at an exercise price of \$ _____ per share, which warrants are exercisable only during the one-year period commencing on the second anniversary of the closing of this offering;
- 500,000 shares that will become available for future issuance under our 2019 Plan; and
- _____ shares issuable upon the exercise of warrants to be issued to the underwriters upon the closing of this offering.

CAPITALIZATION

The following table sets forth our capitalization as of September 30, 2019:

- on an actual basis;
- on a pro forma basis, after giving effect to the mandatory conversion in connection with this offering of our outstanding preferred stock and the convertible notes issued by our majority-owned subsidiary (assuming a public offering price in this offering of \$ _____ and based on \$ _____ of principal and accrued interest outstanding as of _____, 2019); and
- on a pro forma basis as adjusted basis, after giving further effect to the sale of shares of common stock in this offering at an assumed public offering price of \$ _____ per share, and after deducting the underwriting discounts and estimated offering expenses payable by us.

You should read this table together with the section of this prospectus entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and our financial statements and related notes included elsewhere in this prospectus.

	As of September 30, 2019		
	Actual	Pro Forma	Pro Forma As Adjusted
Stockholders’ equity (deficit):			
Preferred Stock, \$0.01 par value, 2,500,000 shares authorized, 2,176,862 shares issued and outstanding as of September 30, 2019 ⁽¹⁾	\$ 15,873,467	\$	\$
Common Stock, \$0.01 par value, 20,000,000 shares authorized, 8,510,000 shares issued and outstanding as of September 30, 2019	\$ 1,950,001	\$	\$
Ordinary Shares, 1,036,000 shares issued and outstanding to non-controlling interests as of September 30, 2019 ⁽²⁾⁽³⁾⁽⁴⁾	\$ 6,117	\$	\$
Additional paid-in capital	\$ (8,066,014)	\$	\$ (3)
Accumulated deficit	\$ (13,426,591)	\$	\$
Accumulated Other comprehensive income	\$ (212,635)	\$	\$
Total stockholders’ equity (deficit)	(3,887,889)		(4)
Total capitalization	\$ (3,887,889)	\$	\$

(1) These shares automatically convert to shares of our common stock in connection with this offering.

(2) These ordinary shares are issued by our 99%-owned subsidiary, GBS Pty Ltd, to non-controlling interests and remain outstanding following the completion of this offering.

(3) These amounts equal the net proceeds raised in the offering _____, plus the aggregate outstanding principal amount of the convertible notes issued by our 99%-owned subsidiary, GBS Pty Ltd, of \$5,269,556 as of September 30, 2019, minus deferred charges and unamortized debt issuance costs to be written off against share capital in connection with this offering of \$(2,054,524).

(4) These amounts include the automatic conversion of the foregoing convertible notes into _____ shares of common stock at a price per share equal to 85% of the public offering price in this offering (or \$ _____, assuming a public offering price of \$ _____).

The table above assumes no exercise by the representative of the over-allotment option and excludes the following securities:

- 2,250,377 shares issuable upon the exercise of outstanding warrants issued in connection with the placement of our Series A Convertible Preferred Stock, at an exercise price of \$ _____ per share, which warrants are exercisable only during the one-year period commencing on the second anniversary of the closing of this offering;
- 500,000 shares that will become available for future issuance under our 2019 Plan; and
- _____ shares issuable upon the exercise of warrants to be issued to the underwriters upon the closing of this offering.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

Prospective investors should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and the related notes and other financial information included elsewhere in this prospectus. Some of the information contained in this discussion and analysis or set forth elsewhere in this prospectus, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. See "Cautionary Note Regarding Forward-Looking Statements." You should review the "Risk Factors" section of this prospectus for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

On November 5, 2017, we effected a 1-for-90,000 stock split resulting in 9,000,000 outstanding shares of common stock as of such date. On August 8, 2018, we effected a 1-for-0.9167 reverse stock split that resulted in our having 8,250,000 outstanding shares of common stock. On November 24, 2018, we issued a further 260,000 shares of common stock in exchange for the cancellation of \$1,950,000 in debt, resulting in 8,510,000 outstanding shares of common stock as of such date.

On June 27, 2019, the Licensor, our controlling stockholder, transferred a total of 36,600 shares of our common stocks to a total of 122 employees of the Licensor and related companies, and on September 2, 2019, the Licensor transferred a total of 42,000 shares of our common stocks to a total of 140 employees of the Licensor and related companies, in each case pursuant to Regulation S under the Securities Act. Therefore, as at the date of this prospectus, the Licensor owns a total of 8,431,400 common stock of our common stock representing 99.1% of our outstanding common stock.

Overview

We are a biosensor diagnostic technology company with licensed rights to introduce and launch a novel, patent-protected saliva glucose monitoring system (referred to as the "SGT") across the APAC Region. We were formed on December 5, 2016, as a Delaware corporation with headquarters in New York City.

We currently are a 99.1%-owned subsidiary of Life Science Biosensor Diagnostics Pty Ltd (referred to as the "Licensor"), an Australian company that owns the worldwide intellectual property rights to the biosensor platform from University of Newcastle, Australia. The Licensor has licensed to us that technology for us to introduce and launch the platform in the APAC Region. We will commence this process with the SGT.

The consolidated financial statements show a loss of \$5,020,383 from July 1, 2017 through June 30, 2018, a loss of \$(7,336,686) from July 1, 2018 through June 30, 2019 and a loss of \$(757,850) for the three months ended September 30, 2019. We have funded our operations to date with the net proceeds from private placements outside of the United States in the amount of \$16,976,179 of Series A Preferred Stock and \$5,269,556 in aggregate outstanding principal amount of convertible notes issued by our 99%-owned subsidiary GBS Pty Ltd. Net shareholder's equity was \$(3,063,694) as of June 30, 2018, \$(3,977,138) as of June 30, 2019 and \$(3,887,889) as of September 30, 2019.

Critical Accounting Policies

Our consolidated financial statements are prepared using the accrual basis of accounting in accordance with Generally Accepted Accounting Principles in the United States, or "United States GAAP." Our fiscal year ends June 30.

This Management's Discussion and Analysis of Financial Condition and Results of Operations discusses our consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these consolidated financial statements requires making estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported revenues and expenses for the reporting periods. On an ongoing basis, we evaluate such estimates and judgments. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ (perhaps significantly) from these estimates under different assumptions or conditions.

While all the accounting policies impact the consolidated financial statements, certain policies may be viewed to be critical. Our management believes that the accounting policies which involve more significant judgments and estimates used in the preparation of our consolidated financial statements, include revenue recognition, liability related to certain warrants, and contingent liabilities.

Revenue Recognition

We have not generated any revenues to date.

Revenues from product sales would be recognized in accordance with ASC 605-10, “Revenue Recognition”, when delivery has occurred, persuasive evidence of an agreement exists, the vendor’s fee is fixed or determinable, no further obligation exists and collectability is probable. We do not intend to grant a right of return. We will assess whether the fee is fixed or determinable based on the nature of the fee charged for the products delivered, the existing contractual arrangements and the distributor’s consistency of payments. When evaluating collectability, we consider whether we have sufficient history to reliably estimate the distributor’s payment patterns.

If a sales arrangement were to contain multiple elements, such as software and non-software components, we would allocate revenue to each element based on a selling price hierarchy as required according to ASC 605-25, “Multiple-Element Arrangements”, or ASC 605-25. The selling price for a deliverable will be based on its Vendor Specific Objective Evidence, or VSOE, or, if available, third party evidence, or TPE, if VSOE is not available, or estimated selling price, or ESP, if neither VSOE nor TPE is available. The best estimate of selling price is established considering several internal factors including, but not limited to, historical sales, pricing practices and geographies in which we offer our products. The determination of ESP is judgmental.

Revenues from software components in sales arrangements containing multiple elements will be recognized when all criteria outlined in ASC 985-605, “Software Revenue Recognition”, or ASC 985-605, are met (when persuasive evidence of an arrangement exists, delivery of the product has occurred or the services have been rendered, the fee is fixed or determinable and collectability is probable).

For multiple element arrangements within ASC 985-605, revenues will be allocated to the different elements in the arrangement under the “residual method” when VSOE of fair value exists for all undelivered elements and no VSOE exists for the delivered elements. Under the residual method, at the outset of the arrangement with the customer, we will defer revenue for the fair value of its undelivered elements and recognize revenue for the remainder of the arrangement fee attributable to the elements initially delivered in the arrangement when the basic criteria in ASC 985-605 have been met. Any discount in the arrangement will be allocated to the delivered element.

Since VSOE does not exist for undelivered elements, revenues will be recognized as one unit of accounting, on a straight-line basis over the term of the last deliverable based on ASC 605-15 and ASC 985-605.

Liability Related to Certain Warrants

The fair value of the liability for certain warrants previously issued to investors will be calculated after the closing of this offering when the events have occurred to allow a fair value to be determined for these securities.

Fair value for each reporting period will be calculated based on the following assumptions:

- Risk-free interest rate — based on yield rates of non-index linked United States Federal Reserve treasury bonds.
- Expected volatility —based on our actual historical stock price movements together with companies in the same industry over a term that is equivalent to the expected term of the option.
- Expected life — the expected life was based on the expiration date of the warrants.
- Expected dividend yield — we do not expect to pay dividends to our shareholders in the foreseeable future.

Contingencies

We account for our contingent liabilities in accordance with ASC 450 “Contingencies.” A provision is recorded when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. With respect to legal matters, provisions are reviewed and adjusted to reflect the impact of negotiations, estimated settlements, legal rulings, advice of legal counsel and other information and events pertaining to a particular matter. Currently, we are not a party to any litigation that we believe could have a material adverse effect on our business, financial position, results of operations or cash flows.

Extended Transition Period for “Emerging Growth Companies”

We have elected to use the extended transition period for complying with new or revised accounting standards under Section 102(b)(1) of the JOBS Act. This election allows us to delay the adoption of new or revised accounting standards that have different effective dates for public and private companies until those standards apply to private companies. As a result of this election, our financial statements may not be comparable to companies that comply with public company effective dates. Because our financial statements may not be comparable to companies that comply with public company effective dates, investors may have difficulty evaluating or comparing our business, performance or prospects in comparison to other public companies, which may have a negative impact on the value and liquidity of our common stock.

Results of Operations

Revenues

We have not generated any material revenues to date and have not generated any revenues to date from sales of our intended products.

Other income

During the fiscal years ended June 30, 2019 and June 30, 2018, we had no material other income.

For the three months to September 30, 2019, we had other income of \$122,075, compared to other income of \$0 for the three months to September 30, 2018. The other income in the current period directly relate to shared services income from related parties.

General & Administrative Expenses

During the fiscal year ended June 30, 2019, our general and administrative expenses increased by \$256,825, to \$2,209,373, compared to general and administrative expenses of \$1,952,548 for the fiscal year ended June 30, 2018. The main contribution to this increase was IPO related cost of \$282,438, Consultancy cost of \$258,140, Insurance expenses of \$212,355, Travel and accommodation expenses of \$63,121, and reduction of overhead contribution expenses of \$607,647.

For the three months to September 30, 2019, our general and administrative expenses decreased by \$176,575, to \$304,272, compared to general and administrative expenses of \$480,847 for the three months to September 30, 2018. The main contribution to this decrease was the reduction of overhead contribution expenses of \$145,058.

As our operating activities increase, we expect our general and administrative costs will include additional cost in overhead contribution, consultancy and insurance expenses.

Research & Development Expenses

During the fiscal year ended June 30, 2019, our research and development expenses increased by \$654,066, to \$3,179,864, compared to research and development expenses of \$2,525,798 for the for the fiscal year ended June 30, 2018. The increase in the research and development expenses was primarily driven by the stage of research and development where the final research and development milestone was met, and the stage now moves to regulatory approval.

For the three months to September 30, 2019, our research and development expenses decreased by \$882,122, to \$105,181, compared to research and development expenses of \$987,303 for the three months to September 30, 2018. The decrease in the research and development expenses was primarily driven by the stage of research and development, where the final research and development milestone which was met in the previous fiscal year, requiring significant expenditure.

As our operating activities increase, we expect our research and development costs to be replaced by regulatory approval costs. See *"Use of Funds."*

Interest Expenses

During the fiscal year ended June 30, 2019, our interest expense increased by \$210,968, to \$664,840, compared to interest expense of \$453,872 for the for the fiscal year ended June 30, 2018. The increase in interest expense was primarily driven by an increase in the amortization of debt component cost of capital raising cost.

For the three months to September 30, 2019, our interest expense decreased by \$18,418, to \$149,511, compared to interest expense of \$167,929 for the three months to September 30, 2018. The decrease in interest expense was primarily driven by foreign exchange movements.

Audit and Accountancy

During the fiscal year ended June 30, 2019, our audit and accountancy fees increase by \$176,165, to \$281,890 compared to audit and accountancy fees of \$105,725 for the for the fiscal year ended June 30, 2018. The increase in audit and accountancy fees was primarily driven by the need to produce quarterly financial reports.

For the three months to September 30, 2019, our audit and accountancy fees decreased by \$24,417, to \$7,588 compared to audit and accountancy fees of \$32,005 for the three months to September 30, 2018. The decrease in interest expense was primarily driven by foreign exchange movements.

Directors Fees

During the fiscal year ended June 30, 2019, our director fees increased by \$16,337, to \$16,337, compared to director fees of \$0 for the fiscal year ended June 30, 2018. The increase in director fees was primarily due to payments of director fees starting December 2018.

For the three months to September 30, 2019, our director fees increased by \$6,712, to \$6,712, compared to director fees of \$0 for the three months to September 30, 2018. The increase in director fees was primarily due to payments of director fees starting December 2018.

Prospectus & Capital Raising Expenses

During the fiscal year ended June 30, 2019, our prospectus and capital raising expenses increased by \$896,174, to \$896,174, compared to prospectus and capital raising expenses of \$0 for the fiscal year ended June 30, 2018. The increase in prospectus and capital raising expenses expense was primarily due to legal fees incurred to ensure compliance.

For the three months to September 30, 2019, there were no prospectus and capital raising expenses incurred.

Rent Expense

During the fiscal year ended June 30, 2019, our rent expense increased by \$5,942, to \$25,338, compared to rent expense of \$19,396 for the fiscal year ended June 30, 2018. The increase in rent expense was primarily driven by the relocation of the office in November 2017.

For the three months to September 30, 2019, our rent expense increased by \$1,123, to \$7,139, compared to rent expense of \$6,016 for the three months to September 30, 2018. The increase in rent expense was due to an increase in the contract fees.

Employee Benefit Expense

During the fiscal year ended June 30, 2019, our employee benefit expense increased by \$120,749, to \$120,749, compared to employee benefit expense of \$0 for the fiscal year ended June 30, 2018. The increase in employee benefit expense was due to mainly to the Company employing staff, the earliest starting April 2019.

For the three months to September 30, 2019, our employee benefit expense increased by \$306,544, to \$306,544, compared to employee benefit expense of \$0 for the three months to September 30, 2018. The increase in employee benefit expense was due mainly to the Company employing additional staff, the earliest starting April 2019.

Liquidity and Capital Resources

As of September 30, 2019, June 30, 2019 and June 30, 2018, we had \$714,307, \$197,940 and \$418,420, respectively, in cash and cash equivalents.

We have experienced cumulative losses from inception to date, which totaled \$5,332,055 through June 30, 2018, \$12,668,741 through June 30, 2019 and \$13,433,571 through September 30, 2019. We had a stockholders' equity position of (\$3,063,694), (\$3,977,138) and (\$3,887,889) at June 30, 2018, June 30, 2019 and September 30, 2019, respectively. In addition, we have not completed our efforts to establish a source of revenues sufficient to cover our operating costs and expect to continue to generate losses for the foreseeable future. There is no assurance that we will be able to obtain an adequate level of financing needed for our near-term requirements or the product development to ultimately generate sales. Due to these conditions, our ability to continue as a "going concern" depends in part on our ability to raise sufficient capital. See Note 1 to Consolidated Financial Statements for the three months to September 30, 2019.

Since inception, we have financed our operations primarily through funding from our controlling stockholder, along with a private placement of convertible notes of our 99%-owned subsidiary GBS Pty Ltd and a private placement of our Series A Convertible Preferred Stock accompanied by warrants. The convertible notes bear interest at 7% per annum and are mandatorily convertible to common stock at a 15% discount to the price per share in this offering. The Series A Convertible Preferred Stock are mandatorily convertible into common stock at a one-to-one ratio upon completion of this offering. A warrant to purchase one share of our common stock was issued along with each share of Series A Convertible Preferred Stock. Each warrant is exercisable at the price per share in this offering during the one year period commencing on the second anniversary of the completion of this offering, and the underlying common stock must be held at the time of exercise. As of the date of this prospectus, we have raised a total of \$5,269,556 from the sale of convertible notes issued by our majority-owned subsidiary, GBS Pty Ltd, and a total of \$16,976,179 from the sale of our Series A Convertible Preferred Stock.

In addition, should we encounter a scenario whereby sufficient capital is not available, the two shareholders of our controlling stockholder have committed to provide sufficient financial assistance to us as and when it is needed for us to continue our operations until July 2020. This financial assistance includes refraining from seeking repayment of any intercompany loans or balances due from us except to the extent funds become available. We expect that any loans or deferrals of amounts due in connection with this financial assistance will be made on an interest free basis. The two shareholders of our controlling stockholder also have committed to purchase, from time to time, up to \$9,300,000 in shares of our common stock, at a purchase price equal to the greater of the public offering price in this offering and the market price at the time of the investment, in order to allow us to continue to meet the stockholders' equity requirements of _____ until the second anniversary of this offering.

According to our management's estimates, based on our budget and proposed schedules of development, approvals and organization, we believe, although there can be no assurances, that after this offering we will have sufficient capital resources to enable us to continue to implement our business plan and remain in operation for at least 30 months. During this time, we expect to use the net proceeds available to us for the following purposes:

- to obtain regulatory approvals and establish manufacturing capacities necessary for marketing of the SGT;
- to market the SGT and establish a distribution network in the APAC Region; and
- for working capital and general corporate purposes.

We do not anticipate generating any revenues for at least 18 months from the date of this offering, if at all, and our revenues will not immediately be sufficient to finance our ongoing operations. In addition, available resources may be consumed more rapidly than currently anticipated, and there can be no assurance that we will be successful in developing the SGT and generating sufficient revenue in the timeframe set forth above, or at all. We may be unable to meet our targets for regulatory approval and market launch, or we may be unable to generate anticipated amounts of revenue from sales of the system. We may also need additional funding for developing new products and services and for additional sales, marketing and promotional activities. Should this occur, we may need to seek additional capital earlier than anticipated.

In the event we require additional capital, there can be no assurances that we will be able to raise such capital on acceptable terms, or at all. Failure to generate sufficient revenues or raise additional capital through debt or equity financings, or through collaboration agreements, strategic alliances or marketing and distribution arrangements, could have a material adverse effect on our ability to meet our long-term liquidity needs and achieve our intended long-term business plan. Our failure to obtain such funding when needed could create a negative impact on our stock price or could potentially lead to a reduction in our operations or the failure of our company.

Controls and Procedures

We are not currently required to maintain an effective system of internal control over financial reporting as defined by Section 404 of the Sarbanes-Oxley Act. As public company, we will be required to comply with the internal control requirements of the Sarbanes-Oxley Act. In addition, commencing

with our annual report for the fiscal year ending June 30, 2021, we will be required to furnish a report by management on the effectiveness of our internal control over financial reporting. As of the date of this prospectus, we have not completed an assessment of, nor have our auditors tested, our system of internal control over financial reporting.

Off-Balance Sheet Arrangements

We did not have during the period presented, and we do not currently have, any off-balance sheet arrangements as defined under SEC rules.

BUSINESS

Overview

We are a biosensor diagnostic technology company operating in the APAC Region. We were incorporated under the laws of Delaware on December 5, 2016. Our headquarters are located in New York, New York.

Our biosensor technology is licensed from the Licensor, Life Science Biosensor Diagnostics Pty Ltd. This technology is patent protected and described in two granted patents: United States patent 9,766,199 and China patent ZL201380022888, both expiring year 2033. The Licensor is an Australian company that acquired all the intellectual property to the biosensor platform that relates to the life sciences, from the University of Newcastle, Australia, Center for Organic Electronics, or the “COE,” where the biosensor technology was invented and developed. The Licensor currently owns 99.1% of our outstanding common stock and will own a majority of our outstanding common stock immediately after this offering.

Our Business

Our objective is to introduce and launch the Saliva Glucose Biosensor (referred to as the “SGB”), the first of our diagnostic tests that stem from the Biosensor Platform that we license, in the APAC Region.

The SGB uses saliva to measure glucose non-invasively. When the SGB interacts with saliva, an electrochemical reaction is initiated that produces an electrical signal directly correlated to the amount of glucose present in the saliva. This measurement is then converted into a real-time saliva glucose reading by a software app on a smart device or a dedicated smart reader for those that do not possess a compliant and compatible smart device. The reading may then be stored in our proprietary cloud-based digital information system.

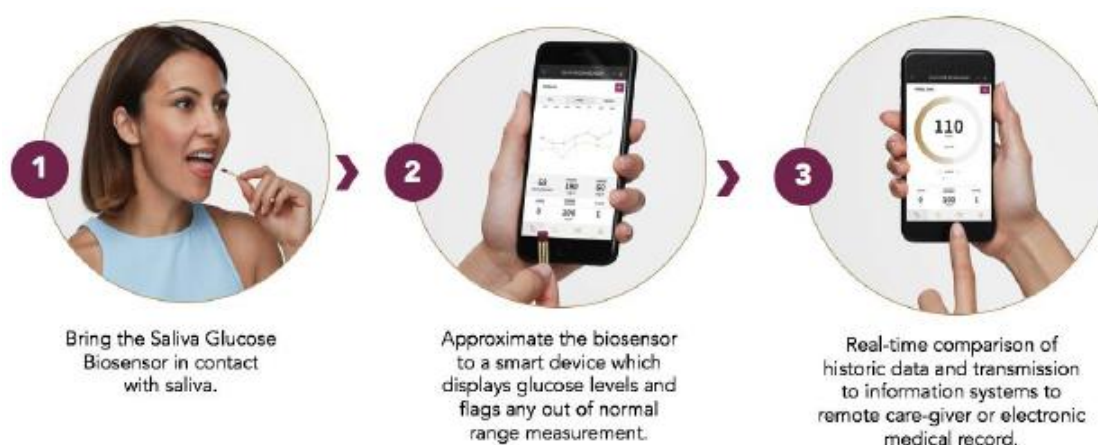


Figure 5: Using the Saliva Glucose Biosensor (for illustration purposes only)

The APAC Region includes over 164 million people living with diabetes, which accounts for 38% of the world’s diabetic population. Rapid urbanization, unhealthy diets and increasingly sedentary lifestyles have resulted in ever increasing rates of obesity and diabetes across the region. The following table shows the countries and territories constituting the APAC Region, where we will introduce, market and launch the biosensor:

Country / Territory
Australia
New Zealand
Japan
Singapore
Malaysia
South Korea
Indonesia
Philippines
Bangladesh
Taiwan
China
Hong Kong
Thailand
Vietnam
Other Asia countries
South Pacific region (18 nations)

Figure 6: The APAC Region

Self-testing blood glucose monitors were introduced to the market in the 1970s and, since then, the method of glucose self-monitoring has not meaningfully changed. The industry remains dominated by invasive methods that ultimately use blood or interstitial fluid to measure glucose. We believe the methodology of the SGB represents a breakthrough in glucose monitoring as it represents the only non-invasive, painless and cost-effective saliva-based method of measuring glucose levels. The biosensor technology has been developed over several decades of university-based scientific research and has been extensively referenced in scientific literature. For more detail on this research, see “—The Saliva Glucose Test.”

The SGB is an organic transistor, which in its structure embeds the glucose oxidase enzyme (referred to as “GOX”). When the single-use SGB interacts with saliva it initiates an electrochemical reaction, producing an electrical signal directly correlated to the amount of glucose present in the saliva. This measurement is then converted into a real-time saliva glucose reading, through the biosensor app installed on a smart device or a dedicated reader.

The patent protected SGB is able to detect glucose in saliva at concentrations between 8 and 200 μM and exhibits linear glucose sensing characteristics at these concentrations, sensing glucose at levels 100 times lower than blood.

In our development of the SGT, we aim to go beyond the innovation of changing the sampling medium from blood to saliva, and further create value for the patient and the payers by decreasing the cost of managing diabetes, improving the outcomes of the disease and providing convenience in testing methodology. This will be achieved by directly transferring the SGB reading from the smart device or dedicated reader to our proprietary digital information system, which is cloud-based to enable every patient the option to create their own medical record where the SGB results will be uploaded.

Our digital information system is intended to be interfaced to an artificial intelligence system and will be able to, at the patient's or authorized carer's direction, disseminate patient data to a remote caregiver, a service for consultation or to any other individual with whom the patient chooses to share his or her glucose level measurements. We believe patients and payers will be able to leverage our digital information system to decrease cost and improve outcomes and convenience.

The SGB drives economic value beyond the revenue stemming from the sale of the SGB units – it also allows for monetization and the creation of separate revenue streams from the patient network and other data that resides within our digital information system, by way of the following:

- *Data usage.* The usage of the data, and the analysis and interpretation of the data, to improve patients' conditions and leveraging this insight to improve patient care.
- *Safe data sharing.* The provision of data sharing services between users/patients, authorized carers and authorized medical practitioners.
- *Data collection.* The collection of anonymized data, its aggregation with other data from multiple sources and multiple health devices and its combination with non-health data.

We plan to leverage this usage, safe sharing and collection of data in the following four revenue-generating channels:

1. *Direct Monetization Channel.* This channel focuses on the development of revenue based on commercial relationships for the use of anonymized and compliant information derived from data generation. These services may include, but will not be limited to:
 - Fee for service, per performed action by pharma, or other commercial partner.
 - Subscription, regular recurring payments for continued access to service.
 - Prescription, value acknowledged by payer reimbursement per active user.
 - Third party coverage, other industry/retail players pay fee for their own customers.
 - Risk sharing/profit sharing, success-based payment models.
 - Advertising, third party ads tailored to demographic data leveraging characteristics unique to channel.
 - Added value for GBSG brand loyalty.
2. *Commercial Adjacencies Channel.* This channel focuses on the development of revenue from data generated through patient engagement and market insights from a clinical and medical perspective. These services may include, but will not be limited to:
 - Medical – Generation of Patient Reported Outcomes, or “PROs.”
 - Data – Market insights, clinical trial recruitment for third parties, e.g., pharmaceutical companies or clinical research organizations.
 - Consumer – e-commerce platform, third party customer care, advertising.

3. *Product and Service Bundles Channel.* This channel focuses on ancillary revenue generated through bespoke service opportunities across the industry, for example, by working with insurers to develop products that integrate the usage of testing as part of their service offering. These services may include, but will not be limited to:
 - Over-the-counter model.
 - Bundle payment model with insurance subsidy.
 - Pay for outcomes model.

4. *Core Operations Synergy Channel.* Through combining the data generation with the use of artificial intelligence, we expect to have a deep insight into our customer base, providing a high level of customer insight. It is expected that this insight will drive a high customer retention levels and generate a considerable number of broader revenue opportunities through direct and specific interaction with our customer base. These opportunities may include, but will not be limited to:
 - Direct access to customers for better experience in customer care.
 - Peer learning and support to decrease customer care resource commitment.
 - Direct market and customer insights (including better understanding of customer journey).
 - More customer data for targeted marketing & marketing impact monitoring.
 - New cost effective, digital marketing channel enabling agile marketing approach.
 - PRO data to support unique marketing claims.
 - Higher engagement, customer loyalty and customer lifetime value.
 - Consumer driven innovation and customer involvement in development.
 - Involvement in testing & refining to develop demand-oriented products rapidly.
 - Easy and fast clinical evaluation recruitment.
 - PRO to support regulatory approval/ market access for platform tests under development.

The SGB has been under continuous development for over six years, first by the University of Newcastle, Australia, then by the Licensor and us. The SGB development program is currently at the validation stage, which is Phase 5 of development of the SGB as illustrated in the diagram in Figure 17 in “Business.” This stage involves implementation of the clinical evidence module, which incorporates the commercial production of the investigative biosensor devices to commence the clinical evaluation of analytical performance of the device and generate the clinical evidence necessary to gain regulatory approval. This stage also involves making the regulatory submissions and obtaining approval, and is the final stage prior to product launch. Accordingly, we have engaged Emergo Global Consulting LLC, a clinical research and regulatory consulting firm specializing in high tech medical device development, and commenced the regulatory approval process in various jurisdictions in the APAC Region. We also have reached an agreement in principle to engage Cambridge Consultants Ltd. as advisors on our commercial scale manufacturing program.

Within the Asia Pacific region, China has the highest number of people with diabetes and we will first seek regulatory approval with the NMPA of China. However, we intend to apply for regulatory approval in each jurisdiction across the APAC Region. Recently, we entered into non-binding memoranda of understanding with two large distributors in China, which express our intent to enter into definitive agreements to collaborate on the manufacture, regulatory approval, and distribution and sale of, and the medical affairs, marketing, and identification of strategic opportunities for, the SGB in China.

The SGB is manufactured using modified reel-to-reel printing technology that was developed at the Australian National Fabrication Facility. See Figure 7 below for a depiction of reel-to-reel printing. This technology allows mass volume printing at a low cost. Previous research published in the journal *Solar Energy Materials and Solar Cells* has shown that the cost of manufacture of printed organic electronic devices (like the SGB) using mass volume printing is \$7.85 per square meter, with an uncertainty of 30%. The size of the printed biosensors is approximately one square centimeter, resulting in a manufacturing cost per biosensor of approximately \$0.001.



Figure 7: Biosensor manufacture at the Australian National Fabrication Facility

We anticipate that the non-invasive nature of saliva-based glucose testing will make patients more amenable to glucose monitoring, with the expected result of increasing the number of times a patient tests per day. The data generated by the SGB, combined with the interface of the smart device or dedicated reader with our digital information system and the artificial intelligence feedback, will allow the patient to achieve better glucose control through a practical understanding of lifestyle factors that affect glucose levels, thereby helping prevent or delay diabetes complications and ultimately personalizing diabetes management. See Figure 8 below.

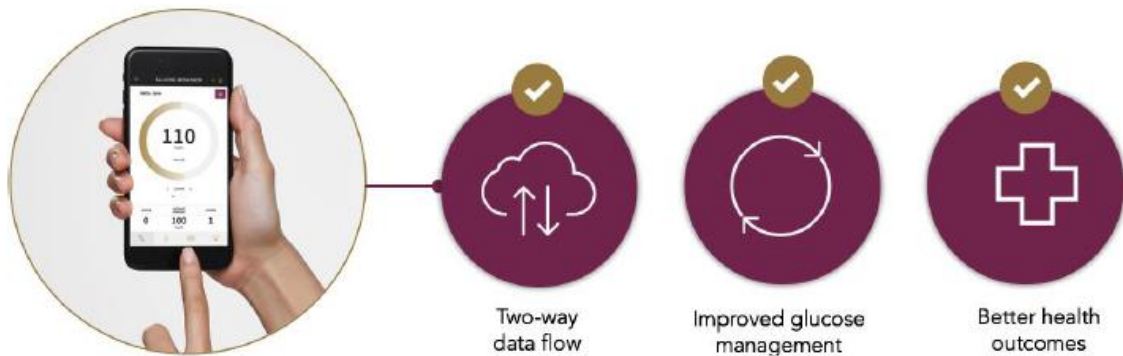


Figure 8: Our digital information system (for illustration purposes only)

The proceeds generated from this offering will accelerate and enhance the establishment of our business across the APAC Region.

The IQ Group Global

The iQ Group Global is a group of companies engineered specifically to facilitate the advancement of bioscience research and development through the efficient deployment and integration of capital resources and customized financial instruments with advanced research development tools that enable the competent translation from a preclinical research and development model in the laboratory to a therapeutic drug in the clinic. The iQ Group Global incorporates four stock exchange listed Australian companies:

- iQnovate (NSX:IQN) is a scientifically driven life science asset management organization. It has strong organic research and development capability. This enables iQnovate to conceptualize, source, validate and commercialize biotechnology assets that have potentially disruptive outcomes, thus advancing human health.
- iQX (NSX:IQX) is a listed investment and funds management company specializing in the life science sector. Its team includes investment managers, physicians and scientists who are committed to eradicating disease through capital investment. iQX Investment Services Pty Ltd, a wholly owned subsidiary, is the holder of the Australian Financial Services License. It is the fund manager for the iQ Series 8 Life Science Fund. The Fund is now closed and invested in the areas of biotechnology innovations.
- FarmaForce (ASX:FFC) is a contract sales organization that provides results-driven pharmaceutical sales and patient support solutions to the Australian healthcare market.
- iQ3Corp (ASX:IQ3) is a boutique life science corporate finance and advisory firm, providing services exclusively to life science companies and advising them on their most critical strategic corporate decisions, including initial public offerings, capital raising, restructurings and recapitalizations, M&A and corporate strategy.
- Clinical Research Corporation, or “CRC,” provides strategic clinical development and medical affairs services to the bioscience industry throughout the entire drug development life cycle.
- iQ Capital is an early stage United States-based investment banking business dedicated to raising capital for the biosciences sector.
- Life Science Biosensor Diagnostics Pty Ltd (referred to as the “Licensor”) is a subsidiary of both iQnovate (81% ownership) and iQX (19% ownership). The Licensor owns the worldwide rights to the Biosensor Platform technology, including the rights licensed to us. The Licensor currently owns 99.1% of our outstanding shares of common stock and will own a majority of our outstanding common stock after this offering.

Our Products

Biosensor Platform Technology

The “Biosensor Platform” on which the SGB is based is a modified Organic Thin Film Transistor, or “OTFT,” architecture. Figure 9 below illustrates the basic OTFT structure that consists of a source (B) and drain electrode (H), a semiconducting layer (C), a gate electrode (E), an optional separation (or dielectric) layer (D) all printed on a substrate material (A) and superimposed by a polyelectrolyte membrane/enzyme layer (F) onto which the analyte (G) is placed. The layered biosensor architecture and fabrication allows the recognition element within the biosensor (G) to be exchanged.

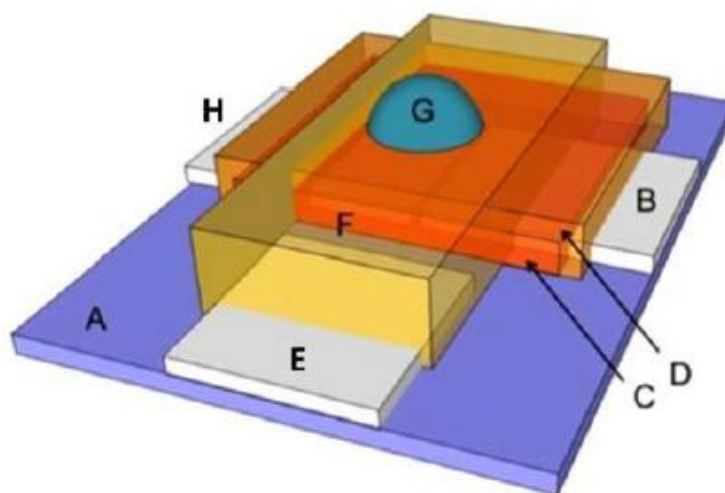


Figure 9: OTFT architecture

Therefore, the GOX element of the biosensor used to detect glucose in the case of the SGB can be substituted with antibodies specific to cancer biomarkers, immunological tests, hormones and other biomarkers.

The Saliva Glucose Test

In our research and development pipeline, the diagnostic test at the most advanced stage is the SGT. It is contemplated and intended that this will be the first test to launch in market. The SGT consists of:

- the SGB – a single use disposable saliva biosensor, and
- software app on a smart device or a dedicated reader that interfaces the SGB with our digital information system.



Figure 10: The Saliva Glucose Test (for illustration purposes only)

The Saliva Glucose Biosensor

The SGB was invented at the COE at the University of Newcastle, Australia. Patents for the SGB technology have been granted in the United States (9,766,199) and China (ZL201380022888). The core innovative characteristic of the SGB is the sensitivity of the glucose biosensor that enables it to detect glucose in saliva at concentrations between 8-200 μM and exhibits linear glucose sensing characteristics at these concentrations, sensing glucose at levels 100 times lower than in blood.



Figure 11: The Saliva Glucose Biosensor Strip Biosensor

The SGB interacts with the glucose in the saliva and initiates an electrochemical reaction, producing an electrical signal directly correlated to the amount of glucose present in the saliva. This measurement is then converted into a real-time saliva glucose reading, through the software app installed on a smart device or a dedicated smart reader. The data may then be transferred to our digital information system coupled with an artificial intelligence system, which will provide the patient with personalized healthcare advice enabling a practical understanding of lifestyle factors that may affect their glucose levels.

The SGB utilizes the GOX enzyme for signal generation. The enzyme acts on glucose, triggering a series of reactions that yields two protons (*i.e.*, electrical current) for each interaction with a substrate molecule. The biosensor therefore produces an electrical current (*i.e.*, signal) that is proportional to the concentration of glucose in the sample. The GOX enzyme is well-suited for monitoring glucose levels and it has been used extensively in commercially available products. Its mode of action, including the direct signal correlation with the amount of glucose, has been reviewed in numerous scientific journal articles, including in *Biosensors and Bioelectronics*, *International Journal of Biochemistry & Cell Biology* and *Journal of Diabetes Science and Technology*. Additional scientific journal articles in *Applied Physics Letters* have described the biophysical characterization of the SGB and further support the claim that its signal directly correlates with the glucose concentration in the sample.

The direct correlation between glucose concentration and sensor signal is independent of the type of sample under examination (*i.e.*, blood or saliva). The use of saliva as a meaningful proxy for estimating blood glucose level is supported by extensive scientific literature that has investigated the physiological glucose concentration in both biological fluids and overwhelmingly reported a strong correlation, including in articles published in independent journals such as the *Journal of Obesity*, the *Journal of International Oral Health*, the *Journal of Clinical and Experimental Dentistry*, the *Journal of Oral Biology and Craniofacial Research*, *Diabetes & Metabolic Syndrome*, the *Journal of Biological Regulators and Homeostatic Agents* and *Diabetologia*, among others. However, a few isolated articles have reported finding no significant correlation, including articles in the *Journal of Clinical and Diagnostic Research* and *Journal of Oral Science*. Overall, we believe there is abundant clinical evidence in independently reviewed scientific literature that saliva can be utilized as a non-invasive alternative to blood to monitor glycemic status in diabetic patients.

The basic OTFT structure (see Figure 12 below) consists of a source and drain electrode on a semiconducting material which is itself separated from a third gate electrode by a thin insulating layer. The COE has pioneered the fabrication of these novel biosensors based on integrating biomolecules, such as enzymes, directly into the architecture of organic transistors; producing electronic devices with both high sensitivity and high specificity for the target analyte. In these biosensors, a molecular recognition element can simply be integrated directly into the device structure, and in the case of the SGB, the recognition element is GOX.

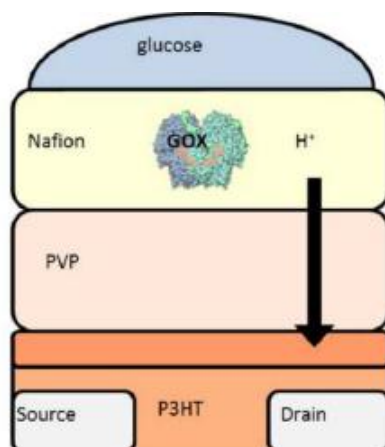


Figure 12: The OTFT Structure

High quality OTFTs have been routinely fabricated at the materials node of the Australian National Fabrication Facility. The COE has pioneered the fabrication of novel biosensors based on integrating biomolecules, such as enzymes, directly into the architecture of organic transistors; producing electronic devices with both high sensitivity and high specificity for the target analyte and in this case, glucose.

The development of an intermediate device that communicates to the smart device has been completed. The intermediate device emulates a glucometer, providing the mechanical and electrical interfaces to receive and power the SGB as well as the required circuitry for accurately reading the amperometric signals. We intend to transfer the responsibilities of the intermediate device to the SGB. A possible route to achieve this technical aim is to leverage near-field-communication, or “NFC,” tags, available off the shelf and routinely used in consumer electronics, to power the SGB and implement the communication protocol. NFC tags are compatible with flexible electronics and widely used in “internet of things” applications in view of their low cost. We believe that NFC tags suitable for integration with the SGB can be purchased for approximately \$0.10 per tag, even at low volumes. The cost of electronic components is well known to significantly reduce as volume increases. Due to the large expected volumes of the SGB, we believe it is reasonable to assume that the cost of suitable NFC tags will be viable and less than \$0.04.

The Licensor owns patents in Australia, China and the United States protecting the following technological claims of the SGB: the architecture of a biofunctional organic thin film transistor device comprising a gate electrode, a dielectric layer, a partially-organic semiconducting layer, a source electrode, a drain electrode, a substrate and an enzyme; the method for producing the organic thin film transistor device; and the method for determining the concentration of a compound in a sample by interpreting the amperometric signals generated by the device. The Chinese and the United States patent belong to the same patent family, originating from the Australian patent. As such, all of the patents relate to identical technology claims.

History and Background of the Saliva Glucose Biosensor

The SGB leverages the decades of history of all-polymer printed OTFTs. Through the research conducted at COE, this OTFT technology has been transformed into a medical device and expected to conform to the highest medical device standards globally. Figure 13 below shows the research and development journey of the biosensor from 1997 to 2018.

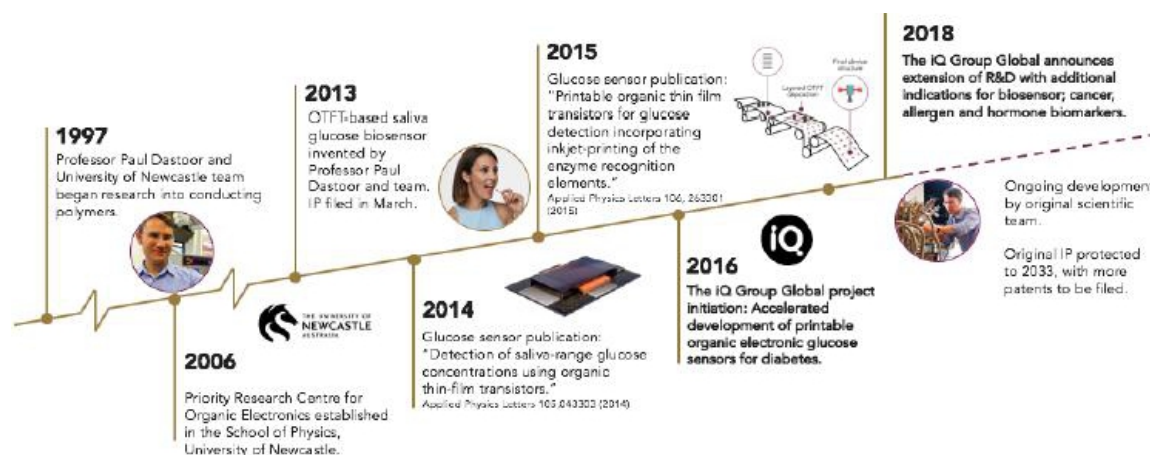


Figure 13: Development history of the Saliva Glucose Biosensor

The SGB is based on a modified OTFT architecture incorporating GOX as the recognition element. It has been demonstrated that the SGB exhibits linear glucose sensing at concentrations of 8-200 μM (micro molar) offering a saliva-based test for diabetic monitoring and diagnosis.

Fundamentals of the biosensor technology have been well-characterized and have deep scientific foundations. Since their invention in 1947, transistors have dominated the mainstream microelectronics industry. Field Effect Transistors, or "*FETs*," are a class of transistor in which the current between a pair of source and drain electrodes separated by a semiconductor is controlled by a voltage applied to a third electrode known as the gate. The gate electrode is separated from the source-drain region by a thin (~ 100 nm) insulating dielectric region and thus is coupled to the semiconductor. By altering the bias voltage applied to the gate region, the source-drain region can be altered from conducting to insulating and thus the device can be turned on or off. Importantly, the presence of a relatively small number of charges on the gate electrode alters the flow of a great many charges between the source and drain electrodes. Accordingly, the FET acts as a switch as well as an amplifier.

The SGB integrates another scientific discovery known as organic electronic polymers. This work, which was conducted in the 1970s, focused on the development of doped polyacetylene. Historically conductive polymers can also be traced back to the early 1960s. Conductive polymers have several advantages over other organic conductors with regard to their processability and hence their use is becoming increasingly widespread. The polymers that show the most promise in this area are based on the polythiophene structure. The flexible nature of these polymers allows them to be processed into almost any desired shape or form, making them attractive for the low-cost production of flexible electronic circuits, such as FETs.

The first demonstrated combination of FETs and organic electronic polymers was in the solid-state OTFT developed in 1986 using polythiophene (an organic electronic polymer) as the semi-conducting layer, with a similar device being reported in 1988. The performance of OTFTs in comparison with conventional silicon-based transistors has been considered encouraging and they have already been used in applications in logic circuits or as the driving elements in active matrix displays. Biosensor fabrication based on organic electronics is also well-established, primarily driven by the appealing features offered by these materials such as flexible and adjustable chemical properties, and room temperature operation.

One of the most attractive features of organic electronics is the potential for flexible low-cost fabrication. A common feature of early OTFTs was the use of silicon as the substrate material, and thus since these hybrid devices are not truly all-polymer-based they do not offer all the advantages with respect to fabrication. In the world of sensors, the vast majority of previous scientific research and subsequent technological implementation of organic sensors has involved electrochemically grown films exhibiting performance levels that are, in most cases, inadequate for real applications. Solution-processed polymers, on the other hand, offer the greatest potential for the fabrication of low-cost electronics since they can be easily processed as liquids, unlike the organic crystals and short chain oligomers which are typically vapor deposited. Combining these unique material properties with low-cost techniques, such as ink-jet or reel-to-reel printing, offers the ability to rapidly produce disposable printed electronic circuits.

The first all-polymer printed OTFT was reported in 1994. OTFTs are an exciting class of devices within the organic electronics field. The prospect of low cost organic electronic modules incorporating OTFTs fabricated at low temperatures using low energy techniques is very attractive. Low temperature solution-based processes, such as ink-jet printing, allow for compatibility with flexible substrates, upon which it would be impossible to fabricate conventional electronics. In addition, conducting polymers can be synthesized in a laboratory without using rare or expensive materials.

Other Tests Based on the Biosensor Platform

As discussed above, the architecture of the Biosensor Platform allows the recognition element of the biosensor to be exchanged. Accordingly, the GOX element used to detect glucose in the case of the SGB can be substituted with antibodies specific to cancer biomarkers, immunological tests, hormones and other biomarkers. The substitute recognition element will generate an electrical current signal that is detected in a manner identical to the SGB. Given the underlying sensing mechanism is unaltered, we believe the technical risk associated with the development of other tests for biomarkers other than glucose is low.

We have commenced the development of a pilot research and development program with the COE at the University of Newcastle to include tumor markers, immunology and hormones, as indicated in Figure 14 below.

BIOSENSOR PLATFORM					
	BIOCHEMISTRY	TUMOR MARKERS	IMMUNOLOGY	HORMONES	NUCLEIC ACIDS
DIAGNOSTIC TEST PORTFOLIO	Clinical Chemistry Tests (i.e. Cholesterol)	Diagnostic and Staging Cancer Markers	<ul style="list-style-type: none"> Allergens Clinical Immunology Tests TORCH HIV, AIDS, HEP A, B & C 	<ul style="list-style-type: none"> Thyroid Adrenal Pituitary Gynecological Andrology 	Personalized Medicine
PILOT DIAGNOSTIC TEST	Saliva Glucose Test	Prostate Specific Antigen (PSA)	Allergens (Peanut Kernel) & Communicable Diseases	Luteinizing Hormone (LH)	

Figure 14: The Biosensor Platform

Following the launch of the SGT, it is intended that the Prostate Specific Antigen test, the Peanut Kernel Allergen test and the Luteinizing Hormone test will launch. The development effort for these biomarkers is presently in the Phase 1 of development as in the diagram in Figure 17 in “—Performance Testing, Current State of Development and Next Steps for the SGB,” which is the definitional stage and encompasses the shortlisting of the best recognition element candidates and identification of the ideal bio-conjugation methods for immobilization on the sensor surface and optimal printing process. In the longer-term, it is contemplated to develop the nucleic acid analytical tests on the Biosensor Platform to be offered as professional point of care tests.

Performance Testing, Current State of Development and Next Steps for the SGB

Preliminary Analytical Performance Testing

The SGB is been designed and developed to meet the ISO 15197:2013 standard and we intend to seek regulatory approval under the specifications of this standard. The parameters assessed during this evaluation are as in Figure 15 below.

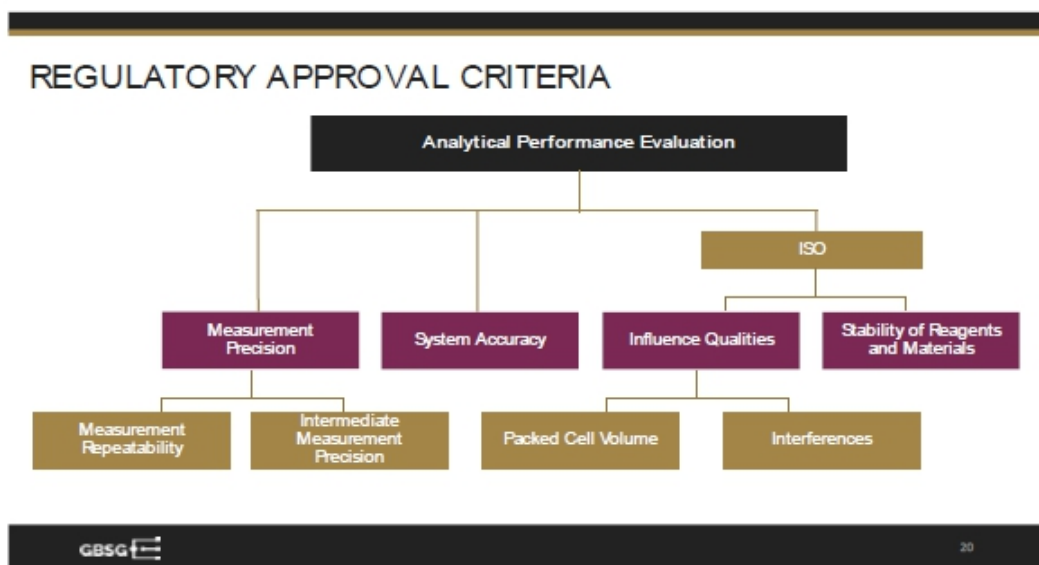


Figure 15: Regulatory approval criteria

The research team at the University of Newcastle, in order to benchmark the performance of the biosensor system, compared it with the partial requirements of the ISO standard ISO 15197:2013 which dictates that at least 95% of results for a given system have to be within $\pm 15 \text{ mg dL}^{-1}$ at glucose concentrations less than 100 mg dL^{-1} and within $\pm 15\%$ at glucose concentrations greater than or equal to 100 mg dL^{-1} .

Precision and system accuracy were assessed by implementing the following standard testing protocol for the measurement of the biosensors.

Artificial saliva was prepared based on the most widely used Fusayama Meyer solution consisting of 11 different glucose concentrations 10, 5, 2, 1, 0.5, 0.2, 0.1, 0.05, 0.02, 0.01 and 0 mM. Then 264 biosensors were tested in groups of 24 replicate devices per concentration and groups of eight devices tested simultaneously.

The objective was to assess the difference between the measured glucose concentration and the actual glucose concentration for each biosensor.

The SGB met the requirements of the ISO standard. A total of 80.6% of devices fell within the ISO standard bounds depicted by the black lines on the graph in Figure 16 below. We believe the 19.4% deviation is attributable purely to residual inconsistency with device fabrication due to non-standardized automation processes. By standardizing the automation of the biosensor fabrication, quality control and characterization procedures, we believe we will eliminate this deviation. We are preparing the devices to be used for the clinical evaluation in a fully automated environment.

It is important to note that the ISO standard references blood glucose monitors rather than salivary glucose monitors so a direct application of the standard here is not entirely practical.

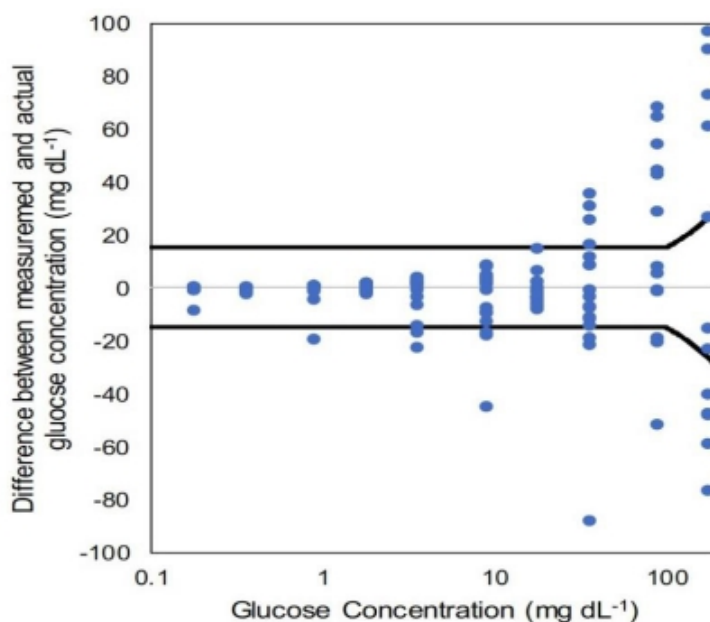


Figure 16: Test results for precision and system accuracy

Current Stage of Development

The SGB has been under continuous development for over six years, first by the University of Newcastle, Australia, then by the Licensor and us. The SGB is at advanced stages of development and is expected to achieve market launch within 18 months following this offering. Below is a development chart that highlights the stage of development of the SGB.

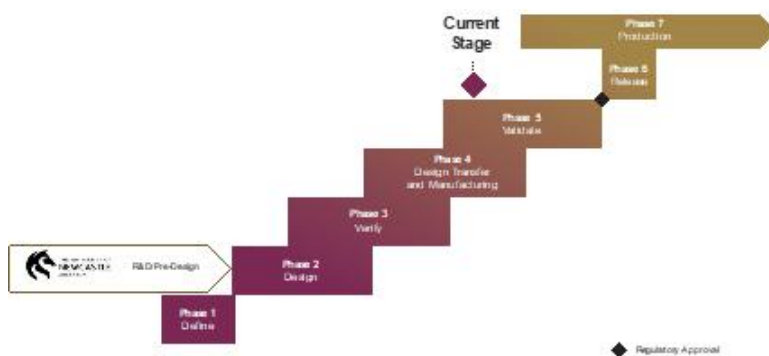


Figure 17: Current stage of development

From a regulatory filing and intended use perspective, the SGB is intended to be used as a point of care self-test, indicated for the management of diabetes and non-adjunctive to blood glucose testing for diabetes treatment decisions. Through the regulatory process we intend to demonstrate that the SGB detects trends and tracks patterns aiding in the detection of episodes of hyperglycaemia and hypoglycaemia, facilitating both acute and long-term therapy adjustments.

We anticipate NMPA approval within 15 months of this offering. This accelerated timeline is due to the non-invasive nature of the device and the availability of a prioritized approval process under the NMPA's Special Approval Procedure of Innovative Medical Devices, which went effective on December 1, 2018 and encourages technical innovation of medical devices and offers an expedited approval process.

We are completing Phase 4 of development as in the diagram above, which is design transfer to manufacturing. We are translating the design into a manufacturable device in preparation of review by the NMPA. More specifically, in this phase we are:

- installing production and test equipment, and commencing qualifications;
- establishing component stock levels in preparation for the validation and clinical production builds;
- approving all components from suppliers as ready for use;
- preparing software for final validation; and
- establishing manufacturing capacity as ready to perform first production.

We also have commenced Phase 5, which is validation. We are testing the completed design as a system and assessing if the product developed meets the user requirements established in Phase 1. We will confirm by examination and provision of objective evidence that the particular requirements for a specific intended use can be consistently fulfilled. We also are implementing the clinical evidence module, which incorporates the commercial production of the investigative biosensor devices to commence the clinical evaluation of analytical performance of the device and generate the clinical evidence necessary to gain regulatory approval. More specifically, in this phase we:

- have completed production and test system validation;
- have completed the design validation using pre-defined test protocols and pass/fail criteria;
- will perform clinical evaluations; and
- will obtain regulatory approvals.

In Phase 6, which is release, we anticipate releasing the product through a Controlled Market Release, or "CMR." All activities conducted during any CMR are aimed at marketing and positioning messages. Production and deployment issues will be monitored, and plans prepared for their resolution or handover. Issues may be handed over to the management team that will take over the ongoing management of the product.

In Phase 7, which is ongoing production, post-market surveillance activities will be undertaken to determine the acceptance of the product in the field and to identify any potential long-term issues that may need to be addressed. Design and process changes will be assessed to determine what development deliverables from previous phases require updating or repeating, i.e. input requirements, verification or validation activities. Phase 7 will last until the product is made obsolete and replaced by a new version as part of our lifecycle management.

Development Strategy

The following chart below shows the anticipated development of our products over the 48 months following the completion of this offering.

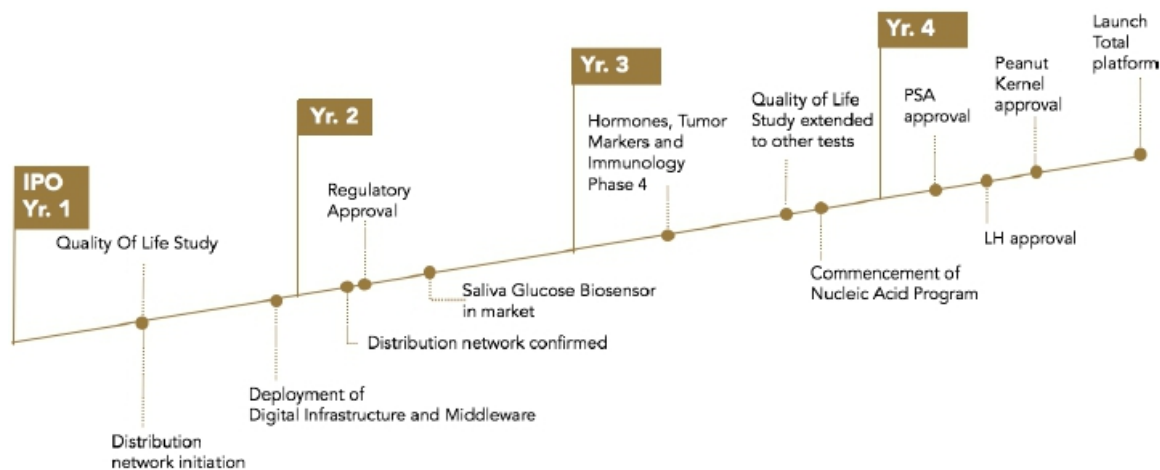


Figure 18: Anticipated development of products

Regulatory Approval

As mentioned above, it is intended that regulatory approval will be achieved within 15 months of this offering. We have engaged Emergo Global Consulting LLC, a clinical research and regulatory consulting firm specializing in high tech medical device development, and commenced the regulatory approval process in China and other jurisdictions in the APAC Region.

Regulatory requirements for submission are dictated by Section 8.3 of the ISO 15197:2013 in most jurisdictions in the APAC Region. Specifically, the standard requires 150 diabetic subjects representing different ages, genders and education levels to be enrolled into the clinical study. The successful completion of any clinical testing for the SGB, or other testing that we may be required to undertake in the future, will be subject to:

- the conduct of performance testing in accordance with regulatory requirements; and
- performing clinical evaluations on our anticipated schedule and consistent with regulatory standards and protocols.

We will be responsible for obtaining requisite regulatory approvals in the jurisdictions of the APAC Region, initially engaging the NMPA in China. We do not yet have the necessary regulatory approvals to put to service the SGB or any other product in the APAC Region.

Manufacturing

The facilities required for the fabrication of these OTFT devices are all in place at the Australian National Fabrication Facility, which we have used for fabrication and testing. The Australian National Fabrication Facility utilizes state-of-the-art cleanroom Class 1000 (ISO Class 6) standards and fabrication facilities, which are international quality standards. These facilities will be extensively used, and we anticipate they can also be used for initial manufacturing and charged under a cost recovery basis.

We have reached an agreement in principle to engage Cambridge Consultants Ltd. as advisors on our commercial scale manufacturing program. Furthermore, we are in discussions to manufacture in Hong Kong where we might be eligible for certain financial incentives offered by the Hong Kong Government. For example, the Hong Kong Government established a \$2 billion re-industrialization funding scheme to subsidize manufacturers to set up smart production lines in Hong Kong and allocating \$2 billion for building manufacturing facilities required by the advanced manufacturing sector in industrial estates.

Inherent in the manufacturing process is a separate calibration process that is batch dependent and ensures analytical performance quality control. Further to this an authenticity validation process verifies that the biosensor is authentic or otherwise flags a device.

Market Penetration and Quality of Life Study

Our market strategy will be to switch users from the current finger-lancing capillary blood test product to our SGT through:

- increasing patient compliance;
- building “share of voice” with key opinion leaders and physicians, through the design and administration of a 20,000-person PRO study;
- developing an early stage website to educate and create market awareness while engaging with future users;
- creating “share of voice” for the SGT in the APAC Region;
- creating market awareness among patients through various promotions; and
- partnering with patient diabetes associations and sponsoring patient support groups across the APAC Region.



Figure 19: Market penetration study

This early strategy is designed for the biosensor to be validated by the physicians and health care professionals through the generation of evidence. We expect that this data will demonstrate that patients will achieve better glycemic control when using the SGT as compared to conventional blood glucose testing.

Distribution

We intend, assuming the completion of development and regulatory approval, to market and distribute the SGT in the APAC Region. This region consists of:

Jurisdiction	Adults with diabetes (20-79) in 1,000s	Jurisdiction	Adults with diabetes (20-79) in 1,000s
Australia	1,133.00	New Caledonia	46.2
Bangladesh	6,926.30	New Zealand	326.1
Brunei Darussalam	41.1	Niue	0.3
Cambodia	246.2	Palau	2.4
China	114,394.80	Papua New Guinea	639.8
Cook Islands	1.5	Philippines	3,721.90
Federated States of Micronesia	6.1	Republic of Korea	3,465.40
Fiji	81.7	Samoa	7.4
French Polynesia	45.4	Singapore	606
Hong Kong	636	Solomon Islands	43
Indonesia	10,276.10	Taiwan	1,958.00
Japan	7,234.20	Thailand	4,208.60
Kiribati	13	Timor L'Este	32.9
Lao People's Democratic Republic	115.2	Tokelau	0.2
Malaysia	3,492.60	Tonga	7.3
Marshall Islands	10.6	Tuvalu	1.8
Mongolia	97.8	Vanuatu	16.2
Myanmar	1,399.00	Vietnam	3,535.70
Nauru	1.5	Total	164,771.30

Figure 20: Full list of countries and territories constituting the APAC Region, with adult diabetic population according to the IDF Diabetes Atlas Eighth Edition 2017

We propose to enter into arrangements with distributors to market and sell the SGB. We have entered into an agreement in principle with a medical affairs commercialization company to drive prelaunch activity with the scope to create awareness and build “share of voice” with local referring physicians, diabetes educators, patient associations, government organizations and general practitioners. We also recently entered into non-binding memoranda of understanding with two large distributors in China, which express our intent to enter into definitive agreements to collaborate on the manufacture, regulatory approval, and distribution and sale of, and the medical affairs, marketing, and identification of strategic opportunities for, the SGB in China.

The ideal distributors in the APAC Region will already be geographical market leaders in the self-testing glucose finger prick tests that will market and sell the product across specific regions. Our commercial strategy for distributor selection and appointment includes:

1. appointment of a global consulting firm to screen the top distributors in each country and the three distributors per province in China;
2. determining selection criteria that include capability, capacity, volume of test strips currently sold and experience in sector;
3. defining the time frame to implement a “switch” strategy for distributors to replace the conventional blood glucose testing devices;
4. appointment of local provincial or regional distributors; and
5. extension of entire Biosensor Platform to distributors by 2024.

Our strategy will depend in part on finding qualified distributors for the marketing and sale of our products. We will depend on these distributors' efforts to market our products. These distributors typically would sell a variety of other, non-competing products and will be expected to devote certain resources to selling the SGB. We expect to devote suitable time and effort to recruiting and retaining qualified third-party distributors and training them in our technology and product offering. We plan to adopt a multiple channel strategy to balance the marketing and sales efforts. Beyond the distribution strategy, there will also be activities in:

1. online and offline sales and marketing;
2. offline medico-marketing activities to include conferences, diabetes association support, promotion and demand creation in hospitals; and
3. compliant E-commerce platform to act as the main distribution channel; and
4. partnerships with distributors, chain pharmacies, local device platforms and insurers.

Deployment of Middleware and Digital Information System

We expect that our technology will make it easier for a patient to monitor their glucose levels. Accordingly, we anticipate having the potential to collect a greater amount of clinical data from a larger population of patients. This creates the potential to provide significant epidemiologic insights into the

disease.

The SGB and our digital information system constitute our healthcare ecosystem, and this becomes a powerful disease management tool to address many of the systemic issues inherent in diabetes management in the APAC Region through:

- the storage and analysis of patient data generated by the SGB;
- the dietary and fitness inputs generated by the biosensor app and the output to the user;
- the connectivity of patients and patient results with health care team or relatives (as per patient requirements);
- reminders and flagging service for patients;
- a medium for pharmaceutical companies to implement patient support programs (as per regulatory restrictions); and
- education services for lifestyle, diet and glucose management.

Beyond the patient, all types of key stakeholders within the health ecosystem have unmet needs which brings digital opportunities to shape the way patients manage the disease enabling further integrations. Our digital information system is being designed to specifications that allow it to connect the patients' healthcare ecosystem, protecting its privacy at all times, leveraging the software app and cloud as a bridge between patient and health care providers, integrating software with hardware, integrating payors and providers.

Hurdles to Product Launch

There are numerous hurdles required before product launch will be possible, as to which there can be no assurances. Those hurdles include, but are not limited to, the following (which are not necessarily set forth in chronological order):

- *Regulatory Approvals.* The research, design, testing, manufacturing, labeling, selling, marketing and distribution of medical devices are subject to extensive regulation by country-specific regulatory authorities, which regulations differ from country to country. We have not yet obtained any regulatory approvals in any jurisdiction. We must obtain all regulatory approvals as will permit the product launch of the SGT as well as any eligible protection of any intellectual property.
- *Clinical Studies.* Although we completed performance testing of the biosensor as described in “—Preliminary Analytical Performance Testing,” to date we have conducted limited trials on the SGB. Further studies and trials will be required prior to and in connection with obtaining all regulatory approvals. These studies and trials will have to be successfully completed to obtain approvals in order to market the SGB.
- *Manufacture and Supply.* We currently have fabrication facilities in place at the Australian National Fabrication Facility and are in discussions with various potential parties for sourcing manufacture to scale facilities across the APAC Region. We also have reached an agreement in principle to engage Cambridge Consultants Ltd. as advisors on our commercial scale manufacturing program.
- *Marketing.* We are looking for and will depend in part on qualified distributors for the marketing and selling of our products. We will depend on these distributors’ efforts to market our products, yet we will be unable to control their efforts completely. We have not yet executed any distribution agreements in this regard. However, we recently entered into non-binding memoranda of understanding with two large distributors in China, which express our intent to enter into definitive agreements to collaborate on the manufacture, regulatory approval, and distribution and sale of, and the medical affairs, marketing, and identification of strategic opportunities for, the SGB in China.
- *Software.* We must conduct software development work to make the biosensor software compatible with existing and potential future smart device platforms. This software work remains to be done.
- *Personnel.* In order to commercialize our SGT, we will need to attract and retain highly skilled managerial, sales, scientific and technical personnel to advance the product beyond its current development stage.
- *Intellectual Property.* While the SGB is patent protected in the United States and China we must remain vigilant to ensure that protection is realized. We will need to assess the eligibility of our intellectual property in the wider jurisdictions of the APAC Region and if possible implement measures to achieve that protection.
- *Experts.* To facilitate completion of the foregoing steps and through a request for proposal global tendering process, we are in the process of engaging consultants, advisors and other experts, including in particular regulatory experts who we have already engaged.
- *Additional Capital.* Although we believe that after this offering we will have sufficient capital resources to enable us to continue to implement our business plan and remain in operation for at least the 30 months, we may require additional capital earlier than anticipated. See “Use of Proceeds” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

The Glucose Monitoring Industry

The Self-Monitoring of Blood Glucose

Self-Monitoring of blood glucose is the main approach for glucose monitoring and has been used for over 40 years. Currently, self-monitoring of blood glucose is conducted periodically by the patient using a blood glucose measuring device. Blood glucometers require pricking a finger with a lancet and applying a drop of blood on the test strip. The test strip is then inserted into the device which provides a reading of glucose level in blood. Test strips are supplied by the glucometer manufacturer and are generally device-specific, although generic test strips are also available.



Figure 21: Invasive finger pricking for self-measurement of blood glucose

There are more than 100 types of blood glucometers currently are commercially available and they differentiate based on size and weight, cost, data storage capacity, test accuracy, blood sample size and screen visibility (users with poor eyesight may prefer larger screens). Some glucometers also include high-tech features such as:

- *Bluetooth.* Some meters have Bluetooth capabilities, allowing data to be transmitted to a smartphone, tablet or computer.
- *USB Port:* Many meters allow users to download data to a computer with a USB cable. Some meters plug directly into a computer’s USB port.

These systems, however, still have shortcomings. In addition to the referenced strain on patients, a recent study of commercial blood glucose sensors has shown that of the 34 systems completely assessed, seven systems did not fulfill the minimal accuracy requirements of the ISO standard.

Continuous Glucose Monitoring

Continuous glucose monitoring is not an alternative to finger prick self-monitoring of blood glucose. Only one system to date has been deemed of equivalent use “as an aid to monitor the effectiveness of diabetes control” or non-adjunctive use. The procedure is invasive and involves the insertion of a glucose biosensor into the subcutaneous tissue layer or the hypodermis. The biosensor, which measures glucose levels in interstitial fluid, is attached to a transmitter that sends signals to either an insulin pump or a portable meter. These devices are generally worn for about one week and require regular calibration through conventional blood glucose detection, about twice a day. While the accuracy of these devices has been an issue, it has improved in recent years. Continuous glucose monitoring can track a patient’s glucose throughout the day and night, notifying the patient of highs and lows so the person can act.

Subcutaneous glucose levels change more slowly than plasma glucose, which can be a restriction to their effectiveness, particularly if glucose levels are changing rapidly. Subcutaneous glucose levels have a time lag compared to blood glucose measurements, and measurements may not always match blood glucose.

Continuous glucose monitoring is commonly used in conjunction with continuous subcutaneous insulin infusion, or “CSII,” which involves a patient wearing an insulin pump and infusion set that infuses insulin into the body. Although pumps are currently manually controlled by the patient, continuous glucose monitoring combined with CSII could potentially be used as part of a closed-loop. CSII is generally restricted to Type 1 diabetics, where the need for ongoing insulin infusion is highest.

Continuous glucose monitoring is mainly used in a limited proportion of diabetics, particularly those concerned about severe, nocturnal hypoglycemia, pregnant women who require meticulous glucose control or those who may not be able to easily administer a self-monitoring test (e.g., those living in remote or hostile environments). However, continuous glucose monitoring is more expensive than traditional self-monitoring of blood glucose and in many cases is not eligible for reimbursement.

Developments in Glucose Monitoring

We believe that there are a limited number of companies developing alternatives to blood-based glucose monitoring. In addition, we believe that a number of universities across the world have a range of saliva-based sensors at very early stages of development.

Emerging approaches to non-invasive glucose monitoring, none of which have reached widespread application, include the following:

- *Optical Transducers.* Optical transducers can potentially detect glucose in blood using light of variable frequencies. Different properties of light are used to interact with glucose molecules. The anterior chamber of the eye and the interstitial fluid are two regions where spectroscopic measurement of the reflected or transmitted light can be captured. Some emerging techniques in optical transducers include Kromoscopy, Photoacoustic spectroscopy, OCT, Occlusion spectroscopy, Polarimetry, Thermal infrared, Fluorescence, Raman spectroscopy, MIR spectroscopy, and NIR spectroscopy. Most of these systems are not suitable for point of care testing.
- *Transdermal Transducers.* Transdermal transducers can be used to measure glucose. In this case, oxygen supply is not a limiting factor and hence the concentration of glucose can potentially be detected with less interference. Some techniques, such as reverse iontophoresis, demonstrate adequate precision for home-based blood glucose monitoring. The shortcoming of such transducer types is their inability to detect hypoglycemia with a sensitivity of 23% for glucose concentrations. Emerging techniques in transdermal transducers include impedance spectroscopy, skin suction blister, sonophoresis and reverse iontophoresis.
- *Use of Wearable Technologies for Diabetes Management.* Several companies are developing wearable devices that are purported to be capable of monitoring glucose and tracking biometrics to monitor health. These devices commonly use the speckle pattern effect, i.e., using changing patterns of scattered light. Some wearable devices also use non-invasive spectrometric process combined with electrical sampling to determine glucose levels in blood using low-cost wavelength specific transmitters and receivers.

Further technologies in development, and their limitations and impediments, include:

- *Lasers:* There are safety concerns with long-term use of lasers on the skin and concerns with lag time between glucose levels in the skin and blood glucose levels.
- *Breath-Based Measurements:* There are concerns that measuring breath does not accurately correlate with blood glucose levels. In addition, there is the potential for contamination. The technology is not suitable for young children.
- *Tear Sample:* There are concerns with lag time between glucose levels in tears and blood glucose levels. Measurements may be affected by the patient’s hydration.
- *Wearable Technology:* There are concerns about the reliability of results due to problems with sweat and body temperature, the usability during sporting activities, particularly water sports. There are also problems with skin irritation. The technology is not suitable or practical for children.
- *Ear Lobe or Canal Sensors:* The devices are indiscreet and impractical. There are problems with ear wax and reliability of the measurements, especially in children.

Importance of Glucose Monitoring

One of the main aims of diabetes monitoring and management is to maintain blood glucose levels within a specified target range. Self-monitoring of blood glucose should be part of a regular management plan for patients with diabetes to enable this. Self-monitoring provides information regarding an individual's dynamic blood glucose profile. This information can help with the appropriate scheduling of food, activity, and medication. It is also required for understanding of the timing of blood glucose variations. Lack of regular self-monitoring predicts hospitalization for diabetes-related complications.

Self-monitoring of blood glucose is an essential tool for people with diabetes who are taking insulin or for those who experience fluctuations in their blood glucose levels, especially hypoglycemia. For patients taking insulin and adjusting their dose, self-monitoring is needed for self-management. For others receiving oral medication, profiling glucose trends and the confirmation of high or low blood glucose can be a useful addendum to successful management.

Self-monitoring of blood glucose aids the management of diabetes by:

- facilitating the development of an individualized blood glucose profile, which can then guide health care professionals in treatment planning for an individualized diabetic regimen;
- giving people with diabetes and their families the ability to make appropriate day-to-day treatment choices in diet and physical activity as well as administration of insulin or other agents;
- improving patients' recognition of hypoglycemia or severe hyperglycemia; and
- enhancing patient education and patient empowerment regarding the effects of lifestyle and pharmaceutical intervention on glyceemic control.

The role of blood glucose control in preventing the development and progression of complications has been proven in both type 1 and type 2 diabetes, with an especially strong relationship between intensive blood glucose control and complications such as neuropathy (affecting limbs) and diabetic retinopathy (leading to blindness).

Over time, glucose measurements are expected to provide the patient and their health care professionals with the information and insights required to determine the best management strategy for diabetes, potentially minimizing the fluctuations in their glucose levels and resulting in better health outcomes.

The role of blood glucose monitoring and control in preventing the development and progression of diabetes complications has been well established. Studies show that those who properly monitored blood glucose levels had better health outcomes (such as reduced complications of diabetes) compared to those who did not.

For a person with diabetes, however, this daily process is not only painful but can be exhausting, disruptive, frustrating, frightening and consuming, which often leads to poor compliance and poor health outcomes. People with diabetes have reported that stigma is a significant concern to them. This causes tension and anxiety and, because the procedure is perceived as inconvenient and difficult, leads to suboptimal monitoring and poor adherence. Many people with diabetes do not test as often as clinically recommended, increasing the risk of complications. The reasons for under-compliant testing include, but are not limited to:

- *Inconvenience.* Patients with single-point finger stick devices must use them several times a day. The patient self-inflicts a painful prick and draws blood to measure blood glucose levels. This process is inconvenient and is often uncomfortable and embarrassing in social situations.
- *Pain.* Although the fingertip provides a good site to obtain a blood sample, it also is densely populated with highly sensitive nerve endings. As a result, lancing and subsequent manipulation of the finger to draw blood and multiple finger sticks can be painful.
- *Risk of Infection.* Breaking the skin and creating a wound may expose a patient to infection.
- *Difficulty of Use.* To obtain a blood sample with single-point finger stick devices, patients generally prick one of their fingertips and squeeze the area to produce the blood sample, with another prick required if insufficient blood volume is first obtained. The blood sample is then placed on a disposable test strip that is inserted into a blood glucose meter. This task can be difficult for patients who have decreased sense of touch and/or clarity of vision, which is not uncommon for diabetics.
- *Medical Waste.* Used needles, lancets and blood strips are medical waste that must be disposed of accordingly.

Diabetes

Types of Diabetes

Diabetes is the condition in which the body does not properly process food for use as energy. Most of the food we eat is turned into glucose, or sugar, for our bodies to use for energy. The pancreas, an organ that lies near the stomach, secretes a hormone called insulin to help glucose get into the cells of our bodies. When a person has diabetes, the body either does not make enough insulin or cannot use its own insulin as well as it should. This causes sugars to build up in blood. Diabetes can cause serious health complications including heart disease, blindness, kidney failure, and lower-extremity amputations. Self-monitoring of blood glucose is an important component of modern therapy for diabetes and is recommended for people with diabetes by their health care professionals in order to achieve normal levels of glycemia. The types of diabetes are as follows:

Type 1 Diabetes

Type 1 diabetes is caused by an auto-immune reaction where the body's defense system attacks the insulin-producing cells located in a person's pancreas. The reason why this occurs is not fully understood. People with Type 1 diabetes produce no insulin. The disease can affect people of any age, but usually occurs in children or young adults. People with this form of diabetes need injections or infusions of insulin every day to control the levels of glucose in their blood. Type 1 diabetes patients constitute approximately 10% of the overall number of patients but are much more extensive users of glucose monitoring systems, as these people with diabetes need to measure their glucose levels over 6 times a day.

When a person has lived with diabetes for many years, a condition known as "Hypoglycemia Unawareness" can occur, affecting approximately 40% of people with Type 1 diabetes. As a result, people with this condition monitor their glucose levels more frequently. It is a major limitation to achieving tight diabetes control and significantly reduces quality of life.

Type 2 Diabetes

Type 2 diabetes accounts for at least 90% of all cases of diabetes. It is characterized by insulin resistance and relative insulin deficiency, either of which may be present at the time that diabetes becomes clinically manifest. The diagnosis of Type 2 diabetes usually occurs after the age of 40 but can occur earlier, especially in populations with high diabetes incidence. Type 2 diabetes can remain undetected for many years and the diagnosis is often made from associated complications or incidentally through an abnormal blood or urine glucose test. It is often, but not always, associated with obesity, which may contribute to insulin resistance and lead to elevated glucose levels. As Type 2 diabetes is a progressive disease, a growing portion of Type 2 diabetes patients use insulin as part of their treatment. Trends such as urbanization, unhealthy diets and reduced physical activity are all contributing lifestyle factors that increase the risk of developing Type 2 diabetes.

Gestational Diabetes

Gestational diabetes is a form of diabetes consisting of high glucose levels during pregnancy. It develops in one in seven pregnancies worldwide and is associated with complications in the period immediately before and after birth. Gestational diabetes usually disappears after pregnancy, but afflicted women and their offspring are at an increased risk of developing Type 2 diabetes later in life. Approximately half of women with a history of gestational diabetes go on to develop Type 2 diabetes within five to ten years after delivery.

Pre-Diabetes

We believe that the SGT also will be able to support patients with pre-diabetes, also called metabolic syndrome. Metabolic syndrome is a combination of medical disorders that increase the risk of developing cardiovascular disease and diabetes. For example, approximately 493 million people in China are understood to have pre-diabetes. This population is typically prescribed with periodic lab-based glucose level testing which requires a doctor visit and typically does not involve the utilization of self-monitoring glucose devices.

An Epidemic Globally and Across the APAC Region

Diabetes Globally

Diabetes is a global epidemic and the disease is growing rapidly. Some key statistics include:

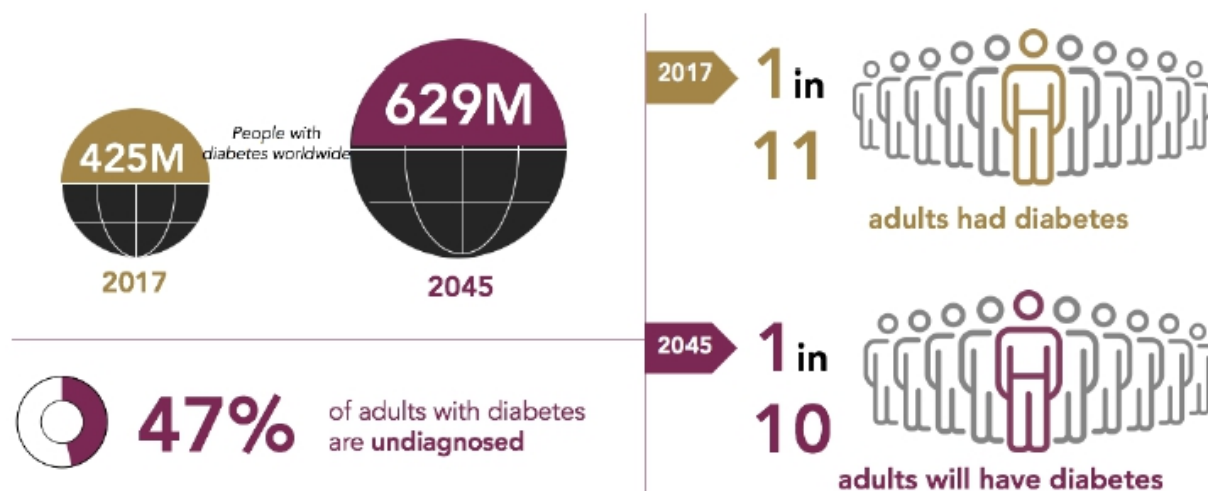


Figure 22: Key statistics of diabetes

Diabetes Across the APAC Region

APAC has the world's largest diabetes population, and it continues to grow at a fearsome pace. Rapidly rising rates of diabetes have been seen in previous studies, and according to the latest data, the APAC Region has more than 164 million people living with diabetes, representing 38% of the world's total people with diabetes.

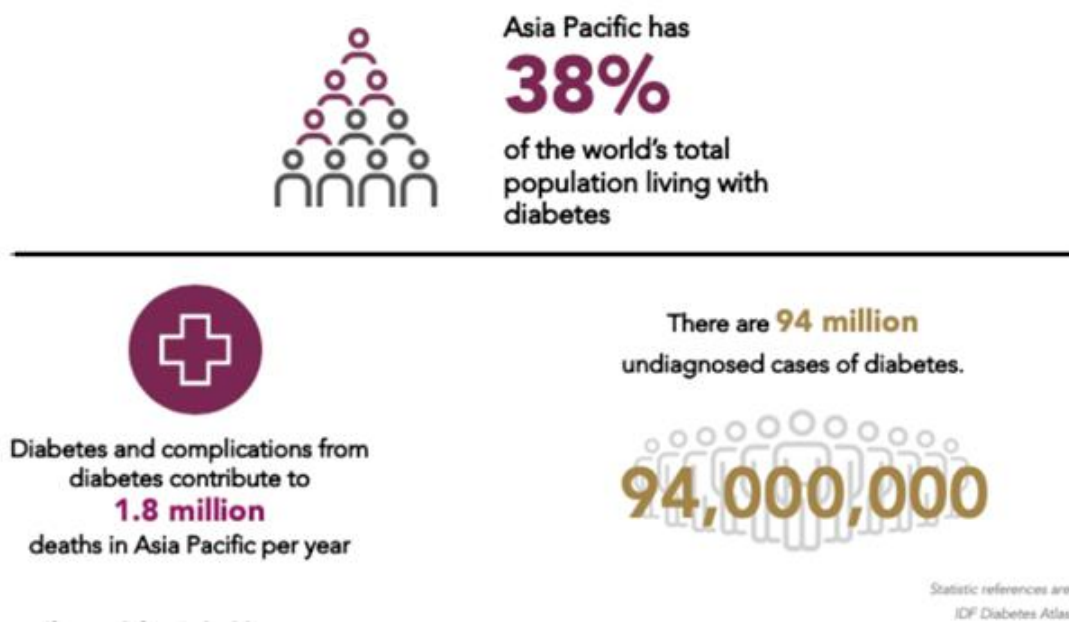


Figure 23: Diabetes Across the APAC Region

A Snapshot of Diabetes in the Main Countries and Territories Across the APAC Region

Australia

Diabetes is one of the biggest challenges facing Australia's health system today. According to Inkwood Research, 280 Australians develop diabetes every day. Around 1.7 million Australians have diabetes. This includes all types of diagnosed diabetes (1.1 million known and registered) as well as silent, undiagnosed type 2 diabetes (up to 500,000 estimated). Australia is ranked 7th highest in the world for prevalence of type 1 diabetes in children aged 0 to 14 years.

According to the Baker IDI Heart & Diabetes Institute, the total annual cost for Australians with type 2 diabetes is up to AUS\$6 billion including healthcare costs, the cost of carers and government subsidies. The average annual healthcare cost per person with diabetes is AUS\$4,025 if there are no associated complications. However, this can rise to as much as AUS\$9,645 in people with complications. For type 1 diabetes, the total annual cost in Australia is AUS\$570 million, with the total average annual cost per person being AUS\$4,669. The average total annual cost is AUS\$3,468 for people without complications; however, this can rise to AUS\$16,698 for people with complications.

New Zealand

Diabetes is the largest and fastest growing health issue in New Zealand. According to the IDF Diabetes Atlas, there are over 330,000 people in New Zealand who have been diagnosed with diabetes (mostly type 2). It is thought there are another 100,000 people who are unaware that they have type 2 diabetes. Diabetes is most common among Māori and Pacific Islanders, who are three times as likely to develop diabetes as other New Zealanders.

Japan

There are 7.2 million people in Japan who suffer from diabetes. The country spent \$16.68 billion on diabetes healthcare in 2017, which was the fifth highest expenditure in the world that year (ages 20 to 79 years).

The number of medical consultations in Japan is considerable, especially for patients with diabetes. According to the Organization for Economic Co-operation and Development, or “*OECD*,” health statistics, on average Japanese individuals have a clinical consultation 12.9 times in a single year, versus the OECD average of 6.6 in 2013. With regard to diabetic care, patients on average have a consultation every 33.7 days whereas guidelines across many countries recommend that patients be followed up every three months.

The average cost per patient for diabetes related care is nearly \$3,800 a year, mostly covered by national health insurance. However, due to the serious aging issue in Japan, the shortage of labor has already become a significant problem, especially in the healthcare sector, and it's being exacerbated by the steady decrease in the overall population. Today, roughly 28% of the population is over the age of 65. By 2040, the Japanese Ministry of Health expects this to reach 35%. This not only means more elderly people in society but dramatically fewer people to take care of them.

Indonesia

With a population of over 264 million, Indonesia is the world's fourth most populated country. Despite relatively low prevalence rate (4.8% including both type 1 and 2 in individuals aged between 20-79), the country is the seventh largest market with 10.3 million diabetic patients in 2017 and expected to grow to 16.7 million by 2045 according the IDF Diabetes Atlas.

Malaysia

Malaysia has 3.4 million people with known diabetes, a prevalence rate of 16.9% which is the highest in Asia. The increasing prevalence of overweight and obese population has contributed to the rise.

The incidence of diabetes in Malaysia has exceeded all previous projections made by the International Diabetes Federation and World Health Organization. From 1996 through to 2011 the rate of growth in the number of patients with diabetes was 80% over the period according to the Ministry of Health Malaysia. If this rate remains unabated by 2020 when Malaysia attains a developed nation status, it is predicted that more than a third of adults above the age of 30 would have developed the disease.

Singapore

The prevalence of diabetes in Singapore (10.5% of total population) is higher than the world's average (8.8% of total population) according to the Ministry of Health, Singapore. The Ministry of Health believes that about a third of diabetics are not aware of their condition.

About 1,200 diabetics undergo amputations every year in Singapore, this is the highest rate of lower limb amputation in the world due to diabetes.

South Korea

More than 3.4 million South Korean adults have diabetes. In addition, nearly a quarter of South Korean adults had prediabetes according to a 2016 report by the Korean Diabetes Association.

Diabetes awareness is a key challenge in South Korea, as 3 out of 10 people with diabetes are not aware of their condition, and 2 of 5 people with diabetes (diagnosed and undiagnosed) are not taking any treatment for their condition, according to the 2016 report. Only 9.4% of individuals with diabetes have a comprehensive management to monitor and manage their conditions.

China

The economic growth of China has driven lifestyle changes in the Chinese population that have had a major impact on the increased incidence of the disease. China accounts for the fastest growing global market segment. China has, by a significant number, the largest number of people with diabetes. In 2017, according to the IDF Diabetes Atlas, China alone had a similar number of people with diabetes as the next three largest diabetes markets combined (India, United States and Brazil). China had 1.3 million deaths due to diabetes in 2015 (26% of total global deaths due to diabetes), with 40.8% of those deaths occurring in people under 60. Diabetes related health expenditure in China was \$51 billion in 2015 alone and is expected to reach \$72 billion by 2040.

The Journal of the American Medical Association identified that out of 99,000 people surveyed in a study, half had pre-diabetes blood glucose levels – abnormally high but not high enough for a diagnosis of diabetes. Approximately 493 million people in China are understood to have pre-diabetes. These findings indicate the enormity of diabetes as a public health problem in China.

A significant portion of the direct costs of diabetes, and its broader economic impact, arises due to associated complications such as heart disease, kidney disease, amputations, cerebral conditions and blindness – over 70% of patients have at least one complication. A recent study using actual electronic insurance claims data (from 2009-2011) in China found that the average direct cost of treatment (\$1,857 per patient) increased significantly with the number of diabetes-related complications up to over \$3,000. The average annual cost per patient with at least one hospitalization (about 20% of patients) in a year (\$6,301 in 2009) was more than four-fold the costs per patient with only outpatient visits.

The Digital Healthcare Industry

Across the APAC Region, many countries and territories are experiencing an aging population combined with healthcare infrastructures that have struggled to keep up with the pace of socioeconomic change. This creates significant opportunity to enhance efficiency through digital innovation.

For example, according to the Boston Consulting Group, China’s digital healthcare market is expected to grow considerably in the next few years, with \$110 billion expected to be invested in 2020, of which \$35 billion is expected to be invested in disease management.

The broad scope of digital health includes categories such as mobile health (mHealth), health information technology, wearable devices, telehealth and telemedicine, and personalized healthcare. Providers and other stakeholders are using digital health in their efforts to:

- reduce inefficiencies;
- improve access;
- reduce cost;
- increase quality; and
- make medicine more personalized for patients.

It is widely believed that patients and consumers can use digital health to better manage and track their health and wellness related activities.

This growth in digital healthcare is expected to be driven in large part by solutions to address current inefficiencies and unmet needs in the APAC Region healthcare systems for diabetes sufferers. The promise of digital health – also termed “connected health” – in this context is to:

- allow for remote diagnosis and monitoring;
- facilitate self-managed care;
- deliver care outside traditional settings, with better access at lower cost; and
- assist chronic disease management to improve population health outcomes.

We believe that the opportunity to unlock substantial savings across the APAC Region’s healthcare value chain is significant. Recently, there appears to have been a significant increase in the use of digital healthcare resources across the APAC Region, such as online patient-doctor communication and consulting services, disease management applications, social networks for medical professionals, and even “internet hospitals” that provide remote diagnostics.

Technology License Agreement

On September 12, 2019, we entered into an Amended and Restated Technology License Agreement (referred to as the “*License Agreement*”) with the Licensor, which was approved by our independent directors. The Licensor currently owns 99.1% of our outstanding common stock and will continue to own a majority of our outstanding common stock immediately after this offering.

The License Agreement sets forth our contractual rights and responsibilities relating to the Licensed Products in the APAC Region. The “*Licensed Products*” are products consisting of a biosensor strip and smart device application or dedicated reader device that use the biosensor technology owned by the Licensor relating to measuring, or otherwise determining, the amount or concentration of glucose, and the existence of biological markers of cancer, allergy/immunology and hormones, in a bodily fluid. The Licensed Products only include products that are supplied by an Authorized Supplier. An “*Authorized Supplier*” includes us, the Licensor, any of our affiliates or any affiliates of the Licensor, or any third party manufacturer and/or reseller that the Licensor has expressly identified or approved in advance in writing for the purpose of quality control for the supply of Licensed Products to us. We do not currently intend to manufacture the Licensed Products in-house. As we believe it is common practice in our industry, we intend to outsource manufacturing to an unrelated third party. Outsourced manufacturing has commenced at the Australian National Fabrication Facility, which has Class 1000, ISO Class 6 cleanroom facilities and has been approved by the Licensor. We intend to continue to use this facility to manufacture the SGB batches to be used for regulatory evaluation.

- The Licensor granted to us an exclusive license to the Licensor’s proprietary rights to the biosensor technology used in the Licensed Products, solely in the APAC Region and solely to:
 - act as the authorized party for the purpose of prosecuting the application of, and obtaining any, regulatory approval for the Licensed Product, including being authorized to prosecute the approval for an investigational device required for the purpose of carrying out clinical studies;
 - manufacture, promote, market, import, offer, sell and distribute the Licensed Products;
 - provide reasonable customer support services on the use of the Licensed Products to end users of, and health care practitioners referring end users to, the Licensed Products;
 - use the Licensed Products only for the purposes identified and permitted pursuant to regulatory approval; and
 - collect data acquired from the Licensed Products.

The geographic scope limitation for the exclusive license was the result of negotiation between us and the Licensor. We believe that the Licensor sought a limited geographic scope in order to facilitate commercialization of the biosensor technology by minimizing the required financing and regulatory hurdles to launch the Licensed Products. However, we also believe the APAC Region is the most suitable region for the distribution model we plan to implement for the reasons discussed in “*Business—Diabetes—An Epidemic Globally and Across the APAC Region.*” As of the date of this prospectus, we have been informed by the Licensor that it has not granted other licenses with different or overlapping scopes, although it may grant licenses covering other geographic areas in the future.

The license is non-transferable, non-assignable and non-sub-licensable, except that the Licensor will in good faith consider any request by us for any sub-license. We may not exploit or seek to exploit any rights in respect of the Licensed Product outside of the APAC Region through any means, including digitally or online where the end user is not physically resident in the APAC Region. We must do all things necessary in turn to ensure that any distributors of Licensed Products in the APAC Region do not exploit or seek to exploit any rights in respect of the Licensed Product outside of the distributor’s territorial boundary.

- The Licensor may require any change to any Licensed Product by any Authorized Supplier and may make any change to any sales or promotional literature made available by the Licensor, provided that such changes do not affect any regulatory approvals obtained by us.
- We must (i) manufacture, promote, market, import, offer, sell, distribute and supply the Licensed Products in accordance with certain distribution requirements set forth in the License Agreement, including delivering licensed products without inclusion of any other product, only as supplied by an Authorized Supplier; (ii) monitor and exercise all reasonable vigilance and meet all regulatory requirements in respect of quality control, sample control, distribution quality and control and any adverse events in respect of the Licensed Products; and (iii) file for, prosecute the application for, and obtain a marketing approval for each of the Licensed Products and all legal permits necessary for promoting, marketing, offering or selling each Licensed Product.

- Commencing after the receipt of regulatory approval in a jurisdiction, we will pay the Licensor a Minimum Royalty with respect to such jurisdiction for each year, in four equal quarterly installments. The Minimum Royalty will be 13% of the projected net sales in such jurisdiction for each such year. The projected net sales will be an amount mutually agreed between us and the Licensor for the first such year. For each ensuing year after the first year, the projected net sales will be the number of Licensed Products sold in the prior year, as adjusted for the expected market growth and, for each year through the tenth year, as increased by up to an additional 7%. In the event of a dispute between us and the Licensor regarding the determination of the expected market growth or the additional growth percentage, the License Agreement provides for resolution by an independent third party. At the end of each quarter, if the quarterly installment of the Minimum Royalty is less than the Actual Royalty (equal to 13% of the actual net sales of Licensed Products for such quarter) in such jurisdiction, we will pay Licensor the difference between the quarterly installment of the Minimum Royalty and the Actual Royalty. The royalty fee rate will be reduced from 13% to 3% upon the expiration of the patent portfolio covered by the License Agreement.

- We will promptly upon adding an individual as a new end user, obtain and record as much of the anonymized demographic information of such end user as may be lawfully and reasonably collected; continuously cause all data acquired from the Licensed Products to be automatically transmitted in real time, anonymously; and retain all of the anonymized demographic information and any data acquired from the Licensed Product in a single anonymized database. We will, on behalf of the Licensor, establish and continuously maintain the database containing this anonymized information. While the anonymized data will be owned by the Licensor, we will own during the term of the License Agreement the personally identifiable data, including health data, collected by us. In addition, the Licensor will provide us with certain of the data acquired from the Licensed Products.

The demographic information and personally identifiable information will be used, following patient consent, as a disease management tool to offer patients value-added services, *i.e.*, personalized education services for lifestyle, diet and glucose management. These services will be in accordance with the applicable local medical codes and regulatory environment. The use of such consensual information will be in accordance with privacy laws of the relevant countries and territories in the APAC Region.

- As between us and the Licensor, the Licensor solely owns all right title and interest to, among other items of intellectual property, the biosensor technology (including any improvements we make to the biosensor technology), the anonymized demographic information and data acquired from the Licensed Products and any other technology of the Licensor, and all derivations based on, and all proprietary rights in, the foregoing. The Licensor will have the right to decide whether to protect or enforce, and the right to control any action relating to the protection and enforcement of, any of the foregoing intellectual property or proprietary rights. However, if the Licensor does not protect or enforce the foregoing intellectual property or proprietary rights, we will have the right to do so in the APAC Region at our own cost and expense.
- The parties generally agree to keep confidential, subject to customary exceptions, all confidential information of the other party.
- The parties made certain customary representations and warranties and agreed to certain customary limitations of liability. Except with respect to the Licensor's ownership of the intellectual property rights in the licensed property and the non-infringement by our exercise of those rights, the Licensor provided no, and disclaimed all, representations, warranties or covenants relating to the licensed intellectual property or any other matters under the License Agreement and in particular disclaims any fitness of the property for any purpose.
- The parties undertook certain indemnity obligations:
 - We agreed to indemnify the Licensor and its agents and affiliates for any claims related to: (i) any manufacturing (to the extent that we are an Authorized Supplier or in control of an Authorized Supplier), promotion, marketing, import, representation, offer, sale, resale, distribution, or supply of any Licensed Product or any commercial unit or violation of the License Agreement, (ii) any activities of performance of, or any claims by, or any non-conformance or conduct of, any of our personnel, (iii) any collection, storage, processing, transmission, disclosure including unauthorized disclosure, or use of any of the data collected, including any data or security breach, or interference with any database, or any failure to comply with any provision of the License Agreement or any applicable law related to any data or information including, without limitation, any failure to obtain all required consents and approvals for collection, storage, processing, transmission, disclosure, and use of any data as provided or contemplated under this Agreement, (iv) any direct or indirect infringement or violation of any proprietary rights of any third party resulting from, in connection with, or related to any of our activities or the activities of our personnel, and/or (v) any negligence or willful misconduct or violation of any applicable law by us or any of personnel (regardless of any contributory or comparative negligence of any indemnified party, but not for any damages to the extent resulting from such contributory or comparative negligence of any indemnified party).
 - The Licensor agreed to indemnify us and our agents and affiliates from any claims related to : (i) any third party claim that the exercise by us of our rights under the License Agreement in respect of the Licensed Product is in violation of their property or rights, and (ii) any Licensed Product regulatory or quality recall or any consumer or user claims or liability in relation to Licensed Product (regardless of any contributory or comparative negligence of any indemnified party, but not for any damages to the extent resulting from such contributory or comparative negligence of any indemnified party).

- There is no set expiration date for the License Agreement. However, the exclusivity of the license granted under the License Agreement runs until the expiration of the patent portfolio covered by the License Agreement, which is currently until 2033. We expect that the patent portfolio will be extended as new patents are created throughout product development, thereby extending the term of the License Agreement. For instance, we expect to seek additional patents in connection with the development of the Prostate Specific Antigen test, the Peanut Kernel Allergen test and the Luteinizing Hormone test.
 - The License Agreement may be terminated by us in the event of a material breach by the Licensor, if the Licensor does not cure the breach within 30 days after receiving notice of the breach; or in the event the Licensor discontinues its business operations or in the case of certain events related to insolvency or bankruptcy. The License Agreement also may be terminated by us after July 3, 2029 upon 180 days' prior written notice.
 - The License Agreement may not be terminated by the Licensor unless we permanently discontinue our business operations in relation to the Licensed Products, or if we dissolve or cease to exist.

After the expiration of the exclusivity period under the License Agreement, we may continue to market and sell the Licensed Products. We believe the non-invasive nature of our product will establish us as a significant participant in the glucose testing market in the APAC Region. Therefore, by the time the patents expire, and by the time the exclusivity period under the License Agreement expires, we expect to hold a meaningful share in the market, and brand awareness that will ensure we continue to operate successfully. No assurance can be given that there will not be significant direct competition in the APAC Region following the expiration of patent protection.

- In the event that the Licensor develops intellectual property using a printable organic thin film transistor for the detection or measurement of indicators other than glucose, and the existence of biological markers of cancer, allergy/ immunology and hormones, and is seeking to license the use of the new indicator intellectual property in the APAC Region the Licensor must notify us in writing of the terms of the proposed new license. We will have thirty days from the date of provision by the Licensor of a license agreement in relation to the new indicator intellectual property to exercise our right to enter into the license agreement. The Licensor may not enter into a license agreement with another party for the new indicator intellectual property cover the APAC Region, unless the economic terms of such license are no more favorable to such party than the economic terms of the last license agreement offered to us.

The preceding summary and all other references to the License Agreement in this prospectus is qualified by reference to the complete text of the License Agreement, which are filed as exhibits to the registration statement of which this prospectus is a part. You are encouraged to read the License Agreement in its entirety. See “*Risk Factors*.”

Intellectual Property

Our business depends on the proprietary biosensor technologies licensed by us from the Licensor. The Licensor has secured and continues to pursue intellectual property rights related to this technology in China, the United States and other countries. LBSD has developed a patent portfolio that includes the following patents:

Official Number	Status	Jurisdiction
9,766,199	Granted	United States
ZL201380022888	Granted	China
AU2016/050555	Filed	Australia

The original patent application, which claims a priority date of March 2012, has been granted in the United States (9,766,199) and China (ZL201380022888). A second international patent application (PCT/AU2016/050555) claiming iterations to the device design has been filed with a priority date of June 2016 and will soon enter national phase in certain jurisdictions, and further patent applications are in preparation. The patents protect the following technological claims of the SGB: the architecture of a biofunctional organic thin film transistor device comprising a gate electrode, a dielectric layer, a partially-organic semiconducting layer, a source electrode, a drain electrode, a substrate and an enzyme; the method for producing the organic thin film transistor device; and the method for determining the concentration of a compound in a sample by interpreting the amperometric signals generated by the device. The Chinese and the United States patent belong to the same patent family, originating from the Australian patent. As such, all of the patents relate to identical technology claims.

We believe that the Licensor intends to aggressively prosecute these patent applications and file further applications, as appropriate, to protect the proprietary biosensor technologies, including improvements thereon, in the United States as well as in the APAC Region, and to take any necessary action to maintain and enforce its patent and other intellectual property rights. There can be no assurance, however, that the Licensor will take such actions, and under the License Agreement, we have no right to compel them to do so. If the Licensor elects not to protect or enforce its intellectual property rights, we would be permitted take action to protect or enforce these rights in the APAC Region, but any such action would be at our cost and expense.

We intend to vigorously protect our intellectual property rights in any technologies owned by us through patents and copyrights, as available through registration in the United States and internationally. We also will rely upon trade secrets, know-how, and continuing technological innovation to develop and maintain our competitive position. We intend to protect any of our proprietary rights through a variety of methods, including confidentiality agreements and/or proprietary information agreements with suppliers, employees, consultants, independent contractors and others entities who may have access to proprietary information. We will generally require employees to assign patents and other intellectual property to us as a condition of employment with us. All of our consulting agreements will pre-emptively assign to us all new and improved intellectual property that arise during the term of the agreement. In addition, we may license additional technologies from the Licensor or third parties. Prior to any further acquisition or licensing of technology from a third party, we will evaluate the existing proprietary rights, our ability to obtain and protect these rights, and the likelihood or possibility of infringement upon competing rights of others.

The issuance of a patent does not ensure that it is valid or enforceable. The term of individual patents depends upon the legal term of the patents in the countries in which they are obtained. In most countries in which we file, the patent term is 20 years from the earliest date of filing a non-provisional patent application. In the United States, a patent's term may be shortened if a patent is terminally disclaimed over another patent or as a result of delays in patent prosecution by the patentee, and a patent's term may be lengthened by patent term adjustment, which compensates a patentee for administrative delays by the United States Patent and Trademark Office in granting a patent.

We conduct our business using the licensed trademark “Glucose Biosensor” and our logo, as well as domain names incorporating either or both of these trademarks. Our trademarks are not registered. We own the domain name *glucosebiosensor.com*.

Competition

The medical device industry is highly competitive, subject to rapid change and significantly affected by new product introductions and other activities of industry participants. We face potential competition from major medical device companies worldwide, many of which have longer, more established operating histories, and significantly greater financial, technical, marketing, sales, distribution, and other resources. Our overall competitive position is dependent upon a number of factors, including product performance and reliability, connectivity, manufacturing cost, and customer support.

The glucose monitoring industry currently is dominated by blood glucometers that require pricking a finger with a lancet and applying a drop of blood on a test strip. Our major competitors for glucose testing solutions include Bayer, Abbott, and Roche. If approved, we believe that the SGT will compete favorably with our competitors' products in terms of:

- *Safety, ease of use and utility:* Unlike our competitors' products, the SGT is non-invasive. It provides a simple, pain-free method for testing glucose levels, and avoids the risk of infection that accompanies blood glucose monitoring systems that require a finger prick.
- *Cost:* Based on our knowledge of the glucose monitoring industry, and our projections of the cost of manufacturing the SGB as discussed elsewhere in this prospectus, we believe the cost of testing using the SGT will be comparable to the cost of testing using currently commercialized glucose monitoring systems.
- *Data collection and analysis:* We anticipate that the non-invasive nature of saliva-based glucose testing will make patients more amenable to glucose monitoring, thus increasing the number of times a patient tests per day. With more data, we expect our digital information system to provide more valuable analysis than our competitors could produce. Furthermore, we are not aware of any competitor that currently offers a comparable information system.

For more information, see “—*The Glucose Monitoring Industry*” above.

Government Regulation

We operate in a highly regulated industry. Our present and future business has been, and will continue to be, subject to a variety of laws throughout APAC regarding quality, safety and efficacy, and governing, among other things, clinical evaluations, marketing authorization, commercial sales and distribution of our products.

Across the APAC Region, various regulatory bodies monitor and supervise the administration of pharmaceutical products, as well as medical devices and equipment. Their primary responsibilities include evaluating, registering and approving new drugs, generic drugs and imported drugs; approving and issuing permits for the manufacture, export and import of pharmaceutical products and medical appliances; approving the establishment of enterprises for pharmaceutical manufacture and distribution; formulating administrative rules and policies concerning the supervision and administration of food, cosmetics and pharmaceuticals; and handling significant accidents involving these products. See “*Business — Product Development — Next Steps*” for a discussion of the regulatory approval process.

We also will be subject to numerous post-marketing regulatory requirements, which may include labeling regulations and medical device reporting regulations, and which may require us to report to different regulatory agencies if our device causes or contributes to a death or serious injury, or malfunctions in a way that would likely cause or contribute to a death or serious injury. We may be subject to further regulations in the areas of import and export restrictions and tariff regulations, duties and tax requirements. In addition, these regulatory requirements may change in the future.

Employees

In the past, we have utilized for our benefit certain employees of the Licensor, our controlling stockholder. We have not incurred or accrued any financial or other obligations other than certain shared corporate overhead as required in connection with this utilization. We have reimbursed the Licensor for any costs the Licensor incurs on our behalf.

Recently, in anticipation of product commercialization, we have expanded our team. We currently have nine full time employees and two part-time employees. We also rely on the services of contractors, collaborators and consultants. We have assembled an outstanding team of 14 people, including our 11 employees, our scientific advisory board and personnel at the University of Newcastle through a collaboration with the institution, to execute on our mission to create next generation non-invasive diagnostic tools to help patients suffering with diabetes. From time to time, we also contract for various administrative and other services from our controlling stockholder, the Licensor, as required. Our employees, including our management, have extensive experience in the research, development and commercialization of life science assets and are leaders in their respective fields.

Our team, including our employees, contractors and collaborators, comprises multiple cross-functional units, including project management, technical engineering, global supply chain and quality assurance management, legal and compliance, regulatory affairs, medical affairs, design verification, clinical, marketing, system engineering and architect, human resources and finance. We believe our team collectively possesses industry leading capabilities and positions us to build a strong life science company focused on developing next generation non-invasive diagnostic tools for the tens of millions of diabetes patients worldwide.

Facilities

We lease approximately 30 square meters of office space at our headquarters in New York, NY under a monthly lease and approximately 1,000 square meters office space in Sydney, Australia under a sublease. We believe that we will need additional space in New York subsequent to the capital raise to facilitate our planned expansion.

Legal Proceedings

We are currently not a party to any pending legal proceeding, nor is our property the subject of a pending legal proceeding, that we believe is not ordinary routine litigation incidental to our business or otherwise material to the financial condition of our business.

Periodic Reporting and Audited Financial Statements

We are registering the securities offered by this prospectus under the Securities Exchange Act of 1934, as amended, and will have reporting obligations, including the requirement to file annual and quarterly reports with the SEC, following this offering. In accordance with the requirements of the Securities Exchange Act of 1934, our annual reports will contain financial statements audited and reported on by an independent registered public accounting firm.

MANAGEMENT

All directors hold office for one-year terms until the election and qualification of their successors. Officers are appointed by our Board of Directors and serve at the discretion of our Board of Directors, subject to applicable employment agreements. The following table sets forth information regarding our executive officers and the members of Board of Directors as of the date of this prospectus.

Name	Age	Position(s)
Dr. George Symmalis	55	Chairman of the Board
Harry Simeonidis	51	President and Director
Spiro Sakiris	57	Chief Financial Officer
Dr. Jean-Claude Becker	69	Director
Victoria Gavrilenko	37	Director
Dr. Yong-Jiang Hei	57	Director
Jonathan S. Hurd	48	Director
Leon Kempler	67	Director
Dr. George Margelis	58	Director
Dr. Tom Parmakellis	51	Director
Prof. Jonathan Sessler	63	Director

Executive Officers

Harry Simeonidis

Mr. Simeonidis has been our President and a member of our Board of Directors since September 2017. Mr. Simeonidis has more than 25 years of experience in senior management roles in healthcare, pharmaceutical and life sciences businesses across the APAC Region. Since March 2017, he has been the General Manager of FarmaForce Limited, an Australian company listed on the Australian Stock Exchange. See “—*Potential Conflicts of Interest*” below. FarmaForce is a contract sales organization serving the Australian pharmaceutical industry. FarmaForce is majority-owned by iQnovate Limited, which owns a majority of the Licensor. iQnovate Limited is an Australian life sciences organization that provides intellectual property asset management services and scientific advice to the biopharmaceutical industry. From April 2015 to March 2017, Mr. Simeonidis operated a private consulting firm, offering services predominantly to clients from the healthcare sector in Australia. From 2013 to April 2015, Mr. Simeonidis was General Manager of Surgery, Asia Pacific, at GE Healthcare. From 2003 to 2012, Mr. Simeonidis was the CEO for Australia and New Zealand at GE Healthcare.

We believe Mr. Simeonidis is well-qualified to serve on our Board of Directors due to his extensive experience in the Asia Pacific healthcare industry and his widespread relationships in the healthcare and medical device communities.

Spiro Sakiris, B.Bus, Dip Law, CA

Mr. Sakiris has been our Chief Financial Officer since April 2019. He is a member of the Institute of Chartered Accounts of Australia & New Zealand. He also has served as the Special Projects Lead at The iQ Group Global since January 2018, and as a registered Series 28 principal with IQ Capital (USA) LLC, a registered broker-dealer with FINRA, since November 2016. Mr. Sakiris will devote substantially all his business time to our operations, and we expect that he will provide services to The iQ Group Global and IQ Capital (USA) LLC only if they do not interfere with his responsibilities to us. From 2013 to December 2017, Mr. Sakiris served as Chief Financial Officer and Chief Operating Officer for listed entities at The iQ Group Global. He worked at Economos Chartered Accountants from 1986 to 2013, which included 23 years as a partner where he was instrumental in the development of the firm's practice. During his 32 years of experience, Mr. Sakiris has been involved in advising businesses in the areas of accounting and taxation, business advisory, initial public offerings and capital raising, business risks identification and management and business systems designs across many industries, including the application of IFRS and U.S. GAAP for the life science industry. Mr. Sakiris is also well versed in dealings with companies based in overseas jurisdictions such as Asia, Europe and the United States. He is also a registered company auditor experienced in United States reporting under Public Company Accounting Oversight Board in the United States and a registered tax agent in Australia.

Board of Directors

Our business is managed under the direction of our Board of Directors. Our Board of Directors currently consists of Messrs. Hurd, Kempler and Simeonidis, Ms. Gavrilenko, Drs. Becker, Hei, Margelis, Parmakellis and Syrmalis, and Prof. Sessler.

George Syrmalis, M.D., Ph.D., FACNP, MAAPP

Dr. Syrmalis has been our Chairman of the Board since November 2019. He previously served as a member of our scientific advisory board from September 2017 until November 2019. Dr. Syrmalis is trained in Nuclear Medicine-radiation immunology and is a fellow of the College of Nuclear Physicians and the Academy of Pharmaceutical Physicians. He established iQnovate, part of The iQ Group Global, in 2011. Since 2007, he has held the following roles: Chief Executive Officer and Chairman of The iQ Group Global, since March 2010; Head Medical Affairs of the Oncology Pipeline of Sanofi Aventis, a French multinational pharmaceutical company headquartered in Paris, from January 2010 to January 2011; Executive Director of Innogenetics Solvay Pharma, a pharmaceutical and diagnostics company headquartered in Belgium, from January 2009 to January 2010; and Executive medical director of UCB Biopharma (Union Chimique Belge), a multinational biopharmaceutical company headquartered in Belgium, from January 2007 to January 2009. Previously, from 1995 to 2005, Dr. Syrmalis founded and led, as Chief Executive Officer and Chairman, The Bionuclear Group SA, which was a biotechnology company specializing in developing radiolabeled antibody therapeutics. His interests and experience lie in translational medicine, clinical trials, biomarkers and strategy to commercialize novel biologic entities in the areas of oncology, epilepsy and autoimmune diseases.

We believe Dr. Syrmalis is well-qualified to serve as our Chairman of the Board due to his extensive entrepreneurial experience in the healthcare and life science sector.

Jean-Claude Becker, M.D.

Dr. Becker has been a member of our Board of Directors since September 2018. Dr. Becker previously served as our Chief Operating Officer and Executive Vice President from September 2018 until November 2019. He is a Rheumatologist and researcher with expertise in developing and positioning innovative products in autoimmune diseases. Since 2011, Dr. Becker has been an independent consultant in the pharmaceutical and biomedical industries. Prior to his work as a consultant, Dr. Becker was Group Director Global Clinical Research in Immunology at Bristol-Myers Squibb for 12 years, where he led the clinical development of Abatacept, leading to advancements in treating Rheumatoid Arthritis and Lupus. Dr. Becker has significant experience conceiving and designing clinical development strategies for biologics and drugs that treat autoimmune diseases such as Rheumatoid Arthritis and Lupus. He also has successfully conducted clinical evaluations toward obtaining regulatory approvals, as well as projects to position and profile biologics/drugs with post-approval studies to achieve marketing and commercial objectives. He has collaborated on and led projects in global markets including North America, Europe and Asia, specifically Japan, Korea, Taiwan and China as well as Australia. Prior to his work at Bristol-Myers Squibb, Dr. Becker held senior research positions at other large pharmaceutical companies, including Sandoz and Pfizer as well as smaller biotechnology firms, such as Genetics Institute, Inc. and Texas Biotech. His experience encompasses biologics to small molecules and ranges from early clinical development to medical affairs with marketing and international setup. Prior to joining the pharmaceutical industry, he worked as a consultant in Rheumatology and was a senior lecturer in Immunology at Hospital Universities in Paris. Dr. Becker received his M.D. from, and specialized in Rheumatology at, the Paris VI University in France. He has been widely published in scientific publications and medical journals and has reported at numerous international medical congresses over the last 25 years.

We believe Dr. Becker is well-qualified to serve on our Board of Directors due to his extensive experience in developing healthcare products for global markets, his accomplishments in pertinent scientific fields and his widespread relationships in the healthcare and medical device communities.

Victoria Gavrilenko

Ms. Gavrilenko has been a member of our Board of Directors since July 2018. She also has served as our Operations Manager since July 2018. From July 2016 until August 2018, Ms. Gavrilenko was the Office Manager at the New York City offices of IQ Capital, which is an affiliate of ours. iQ Capital, a member of The iQ Group Global, is an investment banking business at its initial development stage. It is dedicated to the healthcare sector with services including mergers and acquisitions, equity and debt advisory and strategic advisory. From July 2014 until June 2016, Ms. Gavrilenko was a real estate agent at Centric New York, a boutique agency. From 2010 to 2013 she was an executive assistant to the Chief Executive Officer at John Carris Investments, LLC, a boutique investment banking firm providing financial advisory services. From 2007 to 2009, Ms. Gavrilenko was an executive assistant and contractor liaison at Southern California Steel Inc., a steel fabricator.

We believe Ms. Gavrilenko is well-qualified to serve on our Board of Directors due to her operational experience.

Yong-Jiang Hei, M.D.

Dr. Hei has been a member of our Board of Directors since April 2018. Dr. Hei is a physician executive who has led development strategy and portfolio management for products in the field of oncology. He has expertise and hands-on experience in clinical strategy, clinical trial design and conduct, and regulatory filings, and track record of building and leading cross-functional project teams. His work experience spans more than 20 years in the pharmaceutical and biotech industry, covering United States and foreign companies, from large pharmaceutical companies such as Roche, Novartis, and Amgen to small biotech firms like Ambrx and Zai Lab. Since August 2018, Dr. Hei has been the Chief Medical Officer of Zai Lab in Shanghai, China. Zai Lab is a biopharmaceutical company dedicated to discovering, developing and commercializing innovative medicines. Previously, from March 2018 to July 2018, Dr. Hei was the Corporate Vice President and Chief Medical Officer of Qilu Pharmaceuticals in Shanghai, China. Qilu Pharmaceuticals develops, manufactures, and markets generic drugs and active pharmaceutical ingredients (APIs). It was founded in 1958 and is based in Jinan, Shandong Province with multiple manufacturing sites in China. From November 2015 to February 2018, Dr. Hei joined Ambrx as the chief medical officer. Ambrx is a San Diego based biotech company backed by a financial consortium including made up of several prominent Chinese firms including Shanghai Fosun Pharmaceutical, one of China's largest drug makers, WuXi PharmaTech, the world's largest drug contract research organization; and China Everbright, an investment firm controlled by the Chinese government. From July 2012 to February 2015, Dr. Hei established the clinical/medical group and served as the medical head for Amgen China, at the end of which time Dr. Hei returned to Amgen headquarters to serve as an executive medical director leading the Vectibix program until October 2015. Dr. Hei's experience includes pharmaceutical product development, portfolio management, and corporate strategy; clinical trial design and execution, including global phase III trials and companion diagnostics; and regulatory filings with United States and foreign health authorities.

We believe Dr. Hei is well-qualified to serve on our Board of Directors due to his extensive experience in developing healthcare products, executing clinical evaluations and obtaining regulatory approvals, and his widespread relationships in the healthcare and medical device communities.

Jonathan S. Hurd

Mr. Hurd has been a member of our Board of Directors since April 2018. He previously served as our Chairman of the Board from August 2018 to November 2019. Mr. Hurd has expertise in broker-dealer and investment advisory regulations and is well versed in FINRA and SEC rules and regulations. Mr. Hurd has served as Founder and CEO at Asgard Regulatory Group, or "Asgard," since founding the firm in 2008. Asgard provides broker-dealer and investment adviser compliance consulting services to clients both domestically and abroad. Prior to starting Asgard, Mr. Hurd was the Chief Compliance Officer for several financial institutions. His experience involved full-service broker-dealers, investment advisory firms, bank-broker-dealers and mortgage-backed securities. Mr. Hurd also served on the Board of Directors for many of these companies. Prior to working at these financial institutions, Mr. Hurd was a Supervisor of Examiners at FINRA, previously NASD, in the New York District Office. While with FINRA, he supervised routine examinations of FINRA member firms, and conducted large-scale enforcement cases jointly with the Justice Department and Federal Bureau of Investigations. Mr. Hurd also assisted the District Office with its ongoing training of new examiners. In addition, from 2005 to 2011, Mr. Hurd was a Senior Adjunct Professor in the Townsend School of Business at Dowling College, where he instructed MBA students in matters relating to the United States securities markets and financial institutions. He was responsible for introducing students to the subjects of financial derivatives, foreign stock exchange, hedge transactions and risk management. Mr. Hurd is also a Certified Anti-Money Laundering Specialist (CAMS) and holds the Series 7, 24, 27, 53, 55, 63, 66, 79 and 99 licenses as well as his NYS Life and Health Insurance licenses.

We believe Mr. Hurd is well-qualified to serve on our Board of Directors due to his substantial experience in corporate finance, his expertise in the regulation and functioning of securities markets and his widespread relationships in the financial industry.

Leon Kempler, AM

Mr. Kempler has been a member of our Board of Directors since October 2019. His business career involved large scale projects in the IT, communication and software industry involving large tier one companies in Australia. For more than five years, he has owned and managed a portfolio of investment companies that invest in property and the stock market. He also holds several honorary roles, including: Chairman of the advisory council of the National Science and Technology Centre – Questacon since 2003; National Chairman of the Australia-Israel Chamber of Commerce since 1987; and Director of Wonderment Walk Victoria, International. In 1998, Mr. Kempler received a Medal of the Order of Australia from the Governor General for his tireless efforts and contribution for furthering Australia-Israel bi-lateral trade and relations. In 2018, Mr. Kempler was awarded the Member of the Order of Australia, or "AM," from the Governor General for his significant services to the community through contributions to national cultural institutions, charitable, education and children's medical foundations. Mr. Kempler holds an Honorary Doctorate of Science from Deakin University and fellowships from Monash University, Technion Institute of Science and the Hebrew University of Jerusalem.

We believe that Mr. Kempler is well-qualified to serve on our Board of Directors due to his extensive experience as a business leader and his reputation in the Asia Pacific business community.

George Margelis, M.D.

Dr. Margelis has been a member of our Board of Directors since June 2019. He is a medical practitioner who has been deeply involved in technology for the last 30 years. In 2019, he was appointed independent chair of the Aged Care Industry Information Technology Council in Australia. Since November 2013, he also has been a board member and the medical advisor of Multicultural Care, an aged care provider in Sydney. In June 2013, he was appointed an Adjunct Associate Professor at the University of Western Sydney with the TeleHealth Research & Innovation Laboratory. From July 2013 to August 2018, he

served as a member of Ignition Labs, a start-up incubator in the health space, where he acted as a mentor and adviser to selected start-ups, assisting them in developing their initial products and taking a small initial investment. From 2005 to 2011, he was Health Industry Lead ANZ at Intel, and then General Manager Asia-Pacific at Intel-GE Innovations as it spun off in 2011. In 2014, he returned to Intel serving as its Health & Life Sciences Lead until 2016. During this time he also acted as senior adviser to HIMSS, the international peak body for health technology, and as Asia Pacific chair of the Continua Alliance, an industry consortium for developing interoperability standards for health technology products that was later renamed the Personal Connected Health Alliance. From 2002 to 2005, he was Chief Information Officer of Macquarie Health Corporation, a private hospital group, and also managed an innovative software development team at Macquarie that produced a number of online health applications. In 2014 he was appointed to the IT in Aged Care Hall of Fame for his work in the use of technology in aged care. Dr. Margelis originally trained as an optometrist with a Master's degree from the University of New South Wales, Australia and later graduated from the University of Sydney with a Bachelor of Medicine and Bachelor of Surgery.

We believe that Dr. Margelis is well-qualified to serve on our Board of Directors due to his medical expertise and his extensive experience with information technology systems in the healthcare sector.

Tom Parmakellis, M.D.

Dr. Parmakellis has been a member of our Board of Directors since July 2019. He has been a Family Physician since 1994 and a Cosmetic Physician since 1996. Dr. Parmakellis started his early career at the Prince of Wales Hospital in Sydney. He has a wealth of experience gained over the last 25 years as a medical practitioner, including 10 years as a rural medical practitioner where timely diagnosis and point of care testing is of essence. Dr. Parmakellis has a wealth of business experience running and organizing both his family practice and cosmetic practice. He also has business interests and experience in negotiating exclusive distribution rights for internationally recognized medical lasers into the Australian market. Dr. Parmakellis introduced Laser Hair removal into the Australian market in 1996 and founded Lookfresh Cosmestic Medicine in 2009. In September 2017, Dr. Parmakellis founded SkinLift Ultherapy which offers Ultherapy, a non-surgical face lift. Dr. Parmakellis holds a MBBS from the University of Sydney. Dr. Parmakellis is a fellow of the Royal Australian College of General Practitioners (FRACGP) and a fellow of the Cosmetic Physicians College Australasia (FCPCA). He also trains and educates Australian Registered Medical Practitioners in the Cosmetic Medical Field.

We believe that Dr. Parmakellis is well-qualified to serve on our Board of Directors due to his medical expertise and his extensive experience in providing medical services.

Jonathan Sessler, Ph.D.

Prof. Sessler has been a member of the Board of Directors since November 2019. As a chemistry scientist, Prof. Sessler is well known for his ground-breaking work on expanded porphyrins and their applications to biology and medicine. Obtaining a Bachelor of Science in Chemistry with Highest Honors from The University of California, Berkeley, Prof. Sessler went on to complete his Ph.D. in Organic Chemistry at Stanford University in 1982. Since 1984, Prof. Sessler has been a Professor of Chemistry at The University of Texas Austin, one of the world's leading basic and applied research facilities, and currently holds The Doherty-Welch Chair. He has received many awards and recognitions throughout his career. In 1991 he co-founded Pharmacyclics, a pharmaceutical research company previously listed on Nasdaq.

We believe that Prof. Sessler is well qualified to serve on our Board of Directors due to his expertise in chemistry and experience with public companies.

Scientific Advisory Board

We have assembled a scientific advisory board with expertise in biology for medical applications. The members of our scientific advisory board have made significant scientific contributions in their individual fields. Members of our scientific advisory board provide strategic advice to us in fields pertinent to the SGT and applicable technology and perform such other services as may be mutually determined by us and the scientific advisory board member. Our scientific advisory board will meet on an as-needed basis, based on our need for advice in their fields of expertise from time to time. We have not entered into agreements with the members of our scientific advisory board, and they are under no obligation to devote any specific amount of time or effort to our business. We have not established any compensation arrangements for the members of our scientific advisory committee.

Paul Dastoor, Ph.D.
Professor in Physics

Dr. Dastoor is a Professor in Physics in the School of Mathematical and Physical Sciences and the director of the Centre for Organic Electronics at the University of Newcastle in Australia. He received his B.A. degree in Natural Sciences from the University of Cambridge in 1990 and his Ph.D. in Surface Physics, also from the University of Cambridge, in 1995.

After completing his doctorate, he joined the Surface Chemistry Department at British Steel in 1994 before taking up his present appointment at the University of Newcastle in 1995. He was an EPSRC Visiting Research Fellow at Fitzwilliam College, Cambridge, UK in 2002 and a Centre for the Central Laboratory Research Councils Visiting Research Fellow at the Daresbury Laboratory, Cheshire, UK from 2004 to 2005.

His expertise covers surface analysis, electron spectroscopy, thin film growth, organic electronics, organosilane chemistry, polymer films, atom beam optics and microscopy and medical devices. His research can be grouped in three main areas: (1) Helium Atom Microscopy, (2) Polymer Adsorption on Metal Surfaces and (3) Organic Electronic Devices. Helium Atom Microscopy Atomic scattering from surfaces has matured into a unique analytical technique for the study of formation of thin film structures.

Family Relationships

There are no family relationships between any of our directors or executive officers.

Potential Conflicts of Interest

Certain of our officers are not required to commit their full time to our affairs, which could create a conflict of interest when allocating their time between our operations and their other commitments. In addition, certain of our officers have fiduciary obligations to other companies engaged in life science business activities, and as a result they may participate in transactions and have obligations that are in conflict or competition with our business.

Mr. Simeonidis will split his business time between his duties as our President and as General Manager of FarmaForce Limited. We expect Mr. Simeonidis will devote 50% of his business time to our operations, and we expect that such amount of time will be sufficient for him to satisfy his responsibilities to us on a timely basis. Other than as to the allocation of his time, we do not believe his duty to FarmaForce Limited presents a conflict of interest, as FarmaForce Limited is a contract sales organization for pharmaceuticals and does not manufacture or distribute medical devices.

As an affiliate of The iQ Group Global, Dr. Syrmalis may have a fiduciary responsibility to present certain business opportunities to the entities comprising the iQ Group Global within their respective lines of business. The lines of business encompassed by The iQ Group Global's activities include providing services to the biotechnology industry. Accordingly, it is possible Dr. Syrmalis may present opportunities to such entities prior to presenting them to us. Furthermore, Dr. Syrmalis is a significant shareholder of iQnovate Limited, which is a member of the iQ Group Global and the parent of the Licensor. However, in order to avoid potential conflicts of interest that may arise as a result of this relationship, any transactions with the Licensor, including any transaction related to the License Agreement, will be approved by the disinterested members of the Audit Committee of the Board of Directors, in accordance with our related party policy.

Director Independence

Our Board of Directors has determined that Mr. Hurd, Dr. Hei, Mr. Kempler, Dr. Margelis, Dr. Parmakellis and Prof. Sessler would each be considered an "independent director" under the NYSE American listing rules, which is defined generally as a person other than an executive officer or employee of ours who does not have a relationship that, in the opinion of our Board of Directors, would interfere with the director's exercise of independent judgment in carrying out the responsibilities of a director. Our independent directors together constitute a majority of our full Board of Directors. Our independent directors will have regularly scheduled meetings at which only independent directors are present.

Board Leadership Structure and Role in Risk Oversight

Our Board of Directors recognizes that one of its key responsibilities is to evaluate and determine its optimal leadership structure so as to provide effective oversight of management. Our amended and restated by-laws and corporate governance guidelines will provide our Board of Directors with flexibility to combine or separate the positions of chairperson of the Board of Directors and Chief Executive Officer.

Although management is responsible for the day to day management of the risks we face, our Board of Directors and its committees will take an active role in overseeing management of our risks and have the ultimate responsibility for the oversight of risk management. The Board of Directors will regularly review information regarding our operational, financial, legal and strategic risks. Specifically, senior management will attend periodic meetings of the Board of Directors, provides presentations on operations including significant risks, and will be available to address any questions or concerns raised by our Board of Directors.

In addition, we expect that committees will assist the Board of Directors in fulfilling its oversight responsibilities regarding risk. The Audit Committee will coordinate the Board of Directors' oversight of our internal control over financial reporting, disclosure controls and procedures, related party transactions and code of conduct and corporate governance guidelines and management will regularly report to the Audit Committee on these areas. The Compensation Committee will assist the Board in fulfilling its oversight responsibilities with respect to the management of risks arising from our compensation policies and programs. When any of the committees receives a report related to material risk oversight, the chairperson of the relevant committee will report on the discussion to the full Board of Directors.

While we have decided not to seek an exemption as a "controlled company" from the corporate governance rules of _____, and therefore will be bound by the same corporate governance principles as other public companies, our decision not to rely on the "controlled company" exemption could change. Although we do not anticipate changing our decision, for so long as a majority of our outstanding common stock is held by the Licensor (or by any other stockholder or group of stockholders), we could choose to rely on this exemption in the future to avoid complying with certain of corporate governance rules, including the rules that require us to have a board comprised of at least 50% independent directors, to have board nominations either selected, or recommended for the board's selection, by either a nominating committee comprised solely of independent directors or by a majority of the independent directors and to have officer compensation determined, or recommended to the board for determination, either by a compensation committee

comprised solely of independent directors or by a majority of the independent directors. Any decision to rely on the “controlled company” exemption will be disclosed in our annual proxy statement.

Board Committees

Prior to the closing of this offering, our Board of Directors will have three standing committees: an Audit Committee, a Compensation Committee and a Nominating Committee. Each of the Audit Committee, Compensation Committee and Nominating Committee will have a written charter, which will be available on our corporate website.

Audit Committee

Prior to the closing of this offering, we will establish an Audit Committee of the Board of Directors, which will consist of Mr. Hurd, Dr. Hei and Dr. Parmakellis, each of whom will be an independent director under the NYSE listing standards applicable to audit committees. Our Audit Committee will oversee our corporate accounting, financial reporting practices and the audits of financial statements. The Audit Committee's duties, which will be specified in the Audit Committee charter, will include, but not be limited to:

- reviewing and discussing with management and the independent auditor the annual audited financial statements, and recommending to the Board of Directors whether the audited financial statements should be included in our Form 10-K;
- discussing with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of our financial statements;
- discussing with management major risk assessment and risk management policies;
- monitoring the independence of the independent auditor;
- verifying the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law;
- reviewing and approving all related-party transactions;
- inquiring and discussing with management our compliance with applicable laws and regulations;
- pre-approving all audit services and permitted non-audit services to be performed by our independent auditor, including the fees and terms of the services to be performed;
- appointing or replacing the independent auditor;
- determining the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work; and
- establishing procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls or reports which raise material issues regarding our financial statements or accounting policies.

Audit Committee Financial Expert

The Board of Directors has determined that Mr. Hurd qualifies as an "audit committee financial expert," as defined under rules and regulations of the SEC. In addition, we must certify to _____ that the committee has, and will continue to have, at least one member who has past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background that results in the individual's financial sophistication. Mr. Hurd also qualifies as financially sophisticated under _____ listing standards.

Compensation Committee

Prior to the closing of this offering, we will establish a Compensation Committee of the Board of Directors which will consist of Dr. Margelis, Dr. Hei and Dr. Parmakellis, each of whom will be an independent director under listing standards applicable to compensation committees. The Compensation Committee's duties, which are specified in our Compensation Committee charter, include, but are not limited to:

- reviewing and approving on an annual basis the corporate goals and objectives relevant to our principal executive officer's compensation, evaluating our principal executive officer's performance in light of such goals and objectives and determining and approving the remuneration (if any) of our principal executive officer based on such evaluation;
- reviewing and approving the compensation of all of our other executive officers;
- reviewing our executive compensation policies and plans;
- implementing and administering our incentive compensation equity-based remuneration plans;
- assisting management in complying with our proxy statement and annual report disclosure requirements;
- approving all special perquisites, special cash payments and other special compensation and benefit arrangements for our executive officers and employees;
- if required, producing a report on executive compensation to be included in our annual proxy statement; and
- reviewing, evaluating and recommending changes, if appropriate, to the remuneration for directors.

The charter will also provide that the Compensation Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser and will be directly responsible for the appointment, compensation and oversight of the work of any such adviser. However, before engaging or receiving advice from a compensation consultant, external legal counsel or any other adviser, the Compensation Committee will consider the independence of each such adviser, including the factors required by and the SEC.

Nominating Committee

Prior to the closing of this offering, we will establish a Nominating Committee of the Board of Directors, which will consist of Mr. Hurd, Dr. Margelis and Dr. Parmakellis, each of whom will be an independent director under listing standards applicable to nominating committees. The Nominating Committee is responsible for overseeing the selection of persons to be nominated to serve on our Board of Directors. The Nominating Committee considers persons identified by its members, management, stockholders, investment bankers and others.

Guidelines for Selecting Director Nominees

The guidelines for selecting nominees, which are specified in the Nominating Committee charter, generally provide that persons to be nominated:

- should have demonstrated notable or significant achievements in business, education or public service;
- should possess the requisite intelligence, education and experience to make a significant contribution to the Board of Directors and bring a range of skills, diverse perspectives and backgrounds to its deliberations; and
- should have the highest ethical standards, a strong sense of professionalism and intense dedication to serving the interests of the stockholders.

The Nominating Committee will consider a number of qualifications relating to management and leadership experience, background and integrity and professionalism in evaluating a person's candidacy for membership on the Board of Directors. The Nominating Committee may require certain skills or attributes, such as financial or accounting experience, to meet specific board needs that arise from time to time and will also consider the overall experience and makeup of its members to obtain a broad and diverse mix of board members. Though the nominating committee does not have specific guidelines on diversity, it is one of many criteria considered by the nominating committee when evaluating candidates. The Nominating Committee does not distinguish among nominees recommended by stockholders and other persons.

Code of Ethics

Prior to the closing of this offering, we will adopt a written code of business conduct and ethics that will apply to our directors, officers and employees, including our principal executive officer, principal financial officer and principal accounting officer or controller, or persons performing similar functions. The full text of our code of business conduct and ethics will be posted on our corporate website. We intend to disclose future amendments to certain provisions of our code of business conduct and ethics, or waivers of these provisions, on our corporate website or in filings under the Exchange Act.

Limitation of Directors Liability and Indemnification

The Delaware General Corporation Law authorizes corporations to limit or eliminate, subject to certain conditions, the personal liability of directors to corporations and their stockholders for monetary damages for breach of their fiduciary duties. Our amended and restated certificate of incorporation will limit the liability of our directors to the fullest extent permitted by Delaware law.

We propose to purchase director and officer liability insurance to cover liabilities our directors and officers may incur in connection with their services to us, including matters arising under the Securities Act. Our amended and restated certificate of incorporation and by-laws also will provide that we will indemnify our directors and officers to the fullest extent permitted by Delaware law. Our amended and restated by-laws will further provide that we will indemnify any other person whom we have the power to indemnify under Delaware law. In addition, we intend to enter into customary indemnification agreements with each of our officers and directors.

There is no pending litigation or proceeding involving any of our directors, officers, employees or agents in which indemnification will be required or permitted. We are not aware of any threatened litigation or proceedings that may result in a claim for such indemnification.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, executive officers or persons controlling us, we have been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Director Compensation

To date, none of our non-employee directors have been paid any amount as compensation for serving on our Board of Directors. Upon the closing of this offering, our non-employee directors will be entitled to cash fees of \$30,000 (plus \$10,000 for the Chairman of the Board) in cash per year of service on our Board of Directors. Service as a member or chair of any of the committees of the Board do not entitle our non-employee directors to any additional compensation. We may in the future make equity grants to our non-employee directors, although we presently have established a plan or other arrangement to do so. Ms. Gavrilenko, who is an employee of ours, commenced receiving a salary of \$45,000 in cash per year for her services as our Operations Manager in July 2018. Ms. Gavrilenko also is eligible to receive benefits available generally to our employees.

The following table sets forth compensation paid to each director who is not a named executive officer (as described below) and who served during the year ended June 30, 2019.

Name	Fees Earned or Paid in Cash (\$)	All Other Compensation (\$)	Total (\$)
Victoria Gavrilenko	—	45,000(1)	45,000

(1) Consists of salary paid to Ms. Gavrilenko for her services as our Operations Manager.

EXECUTIVE COMPENSATION

During the period from our inception to June 30, 2018, the end of our most recently completed fiscal year, we did not pay any compensation to our executive officers. However, certain of our executive officers commenced receiving compensation from us during our fiscal year ending June 30, 2019.

We have decided not to seek an exemption as a “controlled company” from the corporate governance rules of _____, and accordingly compensation of our executive officers will be determined by a compensation committee comprised solely of independent directors. However, for so long as a majority of our outstanding common stock is held by the Licensor (or by any other stockholder or group of stockholders), our decision not to rely on the “controlled company” exemption could change, in which case the compensation of our executive officers might not be subject to approval by our independent directors.

Summary Compensation Table

The following table sets forth information regarding compensation awarded to, earned by or paid to our named executive officers during the fiscal year ended June 30, 2019. Our named executive officers for such fiscal year were Harry Simeonidis, our President, Dr. Jean-Claude Becker, our former Chief Operating Officer and Executive Vice President and a current member of our Board of Directors, and Spiro Sakiris, our Chief Financial Officer.

Name and Principal Position	Salary (\$)	All Other Compensation (\$)	Total (\$)
Harry Simeonidis <i>President</i>	—	17,890(1)(2)	17,890
Dr. Jean-Claude Becker <i>Former Chief Operating Officer and Executive Vice President</i>	120,833	—	120,833(3)
Spiro Sakiris <i>Chief Financial Officer</i>	34,587	5,897(1)(4)	40,484

- (1) Includes contributions that are mandatory in Australia to a retirement fund, known in Australia as a superannuation fund, for each of Mr. Simeonidis (\$1,552) and Mr. Sakiris (\$3,512), currently at the rate of 9.5% of salary and wages.
- (2) Includes director fees paid to Mr. Simeonidis (\$16,338). Commencing on July 1, 2019, Mr. Simeonidis began earning an annual salary of \$102,000, in addition to annual directors’ fees of \$30,000.
- (3) Amounts paid to Dr. Becker are invoiced as consultant fees and are grouped in general and administrative expenses in our consolidated financial statements included elsewhere in this prospectus.
- (4) Includes monthly automobile allowances totaling (\$2,385) paid to Mr. Sakiris.

Employment and Related Agreements

During the fiscal year ended June 30, 2019, we entered into an employment agreement with each of Messrs. Simeonidis and Sakiris. Mr. Simeonidis’ and Mr. Sakiris’ employment agreements provide for them to serve as President and Chief Financial Officer, respectively, of our majority-owned subsidiary, and in accordance with their agreements, we require them to serve as our President and Chief Financial Officer, respectively, without any additional compensation.

Dr. Becker served as our Chief Operating Officer pursuant to an offer letter from us, until his employment with us ended in November 2019. Dr. Becker continues to serve on our Board of Directors.

Messrs. Simeonidis and Sakiris

Under his employment agreement with GBS Pty Ltd, which became effective on July 1, 2019, Mr. Simeonidis receives an annual salary of \$102,000. The annual salary paid by us to Mr. Simeonidis represents 50% of his total salary, the other 50% of which is paid by FarnaForce Limited. Under his employment agreement with GBS Pty Ltd, which became effective on April 30, 2019, Mr. Sakiris receives an annual salary of \$225,000. To the extent Mr. Sakiris provides services to The iQ Group Global or IQ Capital (USA) LLC, we will be reimbursed by the applicable entity for a proportionate share of Mr. Sakiris’ salary and related overhead costs.

In addition, each of Mr. Simeonidis and Mr. Sakiris is eligible to receive an annual bonus of up to 20% of his gross base salary, of which 50% will be based on meeting company objectives and the remainder will be based on meeting mutually agreed employee objections or as otherwise determined by the company. We also make certain contributions that are mandatory in Australia to a retirement fund for each of Mr. Simeonidis and Mr. Sakiris, known in Australia as a superannuation fund, currently at the rate of 9.5% of salary and wages, and will provide an annual automobile allowance to Mr. Sakiris of \$15,517.

Mr. Simeonidis also receives annual directors’ fees of \$30,000.

Each employment agreement is terminable by either our subsidiary or by the executive upon one months’ notice. However, we may terminate either executive without notice if he engages in serious or willful misconduct, is seriously negligent in the performance of his duties, commits a serious or persistent breach of his employment agreement, brings our company into disrepute or is convicted of a criminal offense.

Each employment agreement contains provisions protecting our confidential information and intellectual property. Each employment agreement also contains provisions restricting each executive’s ability to compete with us during his employment and for a period of up to six months thereafter in a specified geographic region. The non-compete provisions will generally impose restrictions on inducing our employees to leave our employment or soliciting clients of our company. Pursuant to each employment agreement, each executive must devote all of his time, attention and skill to the performance of his duties, and neither executive may engage in any other business outside The iQ Group Global without our prior written consent.

Dr. Becker

Under his offer letter with us, until the expiration of his employment, Dr. Becker received an annual salary of \$150,000. The offer letter contains provisions that continue to protect our confidential information and intellectual property.

Superannuation Fund

As required by Australian law, we contribute to standard defined contribution superannuation funds on behalf of all our Australian employees at an amount required by law, currently 9.50% of each such employee's salary. Superannuation is a compulsory savings program 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 are retired. We permit employees to choose an approved and registered superannuation fund into which the contributions are paid.

2019 Equity Incentive Plan

Prior to the closing of this offering, we intend to adopt the 2019 Plan, which will become effective as of the date we complete this offering. The 2019 Plan will be approved by our controlling stockholder.

The purpose of the 2019 Plan is to enable us to offer our employees, officers, directors and consultants whose past, present and/or potential future contributions to us have been, are, or will be important to our success, an opportunity to acquire a proprietary interest in us. The various types of incentive awards that may be provided under the plan are intended to enable us to respond to changes in compensation practices, tax laws, accounting regulations and the size and diversity of our business.

Administration

The 2019 Plan is administered by the Board of Directors or by a committee of the Board. In this summary, references to the "committee" are to the committee administering the plan or, if no such committee is designated, the Board of Directors. The committee will be comprised solely of "non-employee" directors, as defined in Rule 16b-3 under the Exchange Act, as amended. Upon the closing of this offering, the 2019 Plan will be administered by the Compensation Committee. Subject to the provisions of the plan, the committee determines, among other things, the persons to whom from time to time awards may be granted, the specific type of awards to be granted, the number of shares subject to each award, share prices, any restrictions or limitations on the awards, and any vesting, exchange, surrender, cancellation, acceleration, termination, exercise or forfeiture provisions related to the awards.

Stock Subject to the 2019 Plan

Assuming the 2019 Plan Proposal is approved, 500,000 shares of our common stock will be available for issuance under the 2019 Plan. Shares of stock subject to other awards that are forfeited or terminated will be available for future award grants under the 2019 Plan. If a holder pays the exercise price of a stock option by surrendering any previously owned shares of common stock or arranges to have the appropriate number of shares otherwise issuable upon exercise withheld to cover the exercise price or tax withholding liability associated with the stock option exercise, the shares surrendered by the holder or withheld by us will not be available for future award grants under the plan.

Under the 2019 Plan, in the event of a change in the number of shares of our common stock as a result of a dividend on shares of common stock payable in shares of common stock, common stock forward split or reverse split or other extraordinary or unusual event that results in a change in the shares of common stock as a whole, the committee shall determine whether such change equitably requires an adjustment in the terms of any award in order to prevent dilution or enlargement of the benefits available under the plan or the aggregate number of shares reserved for issuance under the plan.

Eligibility

We may grant awards under the 2019 Plan to employees, officers, directors, and consultants of us or our subsidiaries or affiliates who are deemed to have rendered, or to be able to render, significant services to us or our subsidiaries or affiliates and who are deemed to have contributed, or to have the potential to contribute, to our success. An incentive stock option may be granted under the plan only to a person who, at the time of the grant, is an employee of ours or our subsidiaries. Based on the current number of employees and consultants of ours and on the current size of the Board of Directors, we estimate that approximately 16 individuals are eligible for awards under the 2019 Plan.

Types of Awards

Options. The 2019 Plan provides both for “incentive” stock options as defined in Section 422 of the Internal Revenue Code of 1986, as amended, or the “Code,” and for options not qualifying as incentive options, both of which may be granted with any other stock based award under the plan. The committee determines the exercise price per share of common stock purchasable under an incentive or non-qualified stock option, which may not be less than 100% of the fair market value on the day of the grant or, if greater, the par value of a share of common stock. However, the exercise price of an incentive stock option granted to a person possessing more than 10% of the total combined voting power of all classes of our stock may not be less than 110% of the fair market value on the date of grant. The aggregate fair market value of all shares of common stock with respect to which incentive stock options are exercisable by a participant for the first time during any calendar year (under all of our plans), measured at the date of the grant, may not exceed \$100,000.

An incentive stock option may only be granted within 10 years from the effective date of the 2019 Plan. An incentive stock option may only be exercised within ten years from the date of the grant, or within five years in the case of an incentive stock option granted to a person who, at the time of the grant, owns common stock possessing more than 10% of the total combined voting power of all classes of our stock.

Subject to any limitations or conditions the committee may impose, stock options may be exercised, in whole or in part, at any time during the term of the stock option by giving written notice of exercise to us specifying the number of shares of common stock to be purchased. The notice must be accompanied by payment in full of the purchase price, either in cash or, if provided in the agreement, in our securities or in a combination of the two.

Generally, stock options granted under the plan may not be transferred other than by will or by the laws of descent and distribution and all stock options are exercisable, during the holder’s lifetime, only by the holder, or in the event of legal incapacity or incompetency, the holder’s guardian or legal representative. However, a holder, with the approval of the committee, may transfer a non-qualified stock option by gift to a family member of the holder or by domestic relations order to a family member of the holder or may transfer a non-qualified stock option to an entity in which more than 50% of the voting interests are owned by family members of the holder or the holder.

Generally, if the holder is an employee, no stock options granted under the plan may be exercised by the holder unless he or she is employed by us or one of our subsidiaries or affiliates at the time of the exercise and has been so employed continuously from the time the stock options were granted. However, in the event the holder's employment is terminated due to disability or normal retirement, the holder may still exercise his or her vested stock options for a period of 12 months, or such other greater or lesser period as the committee may determine, from the date of termination or until the expiration of the stated term of the stock option, whichever period is shorter. Similarly, should a holder die while employed by us or one of our subsidiaries or affiliates, his or her legal representative or legatee under his or her will may exercise the decedent holder's vested stock options for a period of 12 months from the date of his or her death, or such other greater or lesser period as the Board or committee may determine, or until the expiration of the stated term of the stock option, whichever period is shorter. If the holder's employment is terminated for any reason other than death, disability or normal retirement, the stock option will automatically terminate, except that if the holder's employment is terminated by us without cause, then the portion of any stock option that is vested on the date of termination may be exercised for the lesser of three months after termination of employment, or such other greater or lesser period as the committee may determine but not beyond the balance of the stock option's term.

Stock Appreciation Rights. Under the 2019 Plan, we may grant stock appreciation rights to participants who have been, or are being, granted stock options under the plan as a means of allowing the participants to exercise their stock options without the need to pay the exercise price in cash, or we may grant them alone and unrelated to an option. In conjunction with non-qualified stock options, stock appreciation rights may be granted either at or after the time of the grant of the non-qualified stock options. In conjunction with incentive stock options, stock appreciation rights may be granted only at the time of the grant of the incentive stock options. A stock appreciation right entitles the holder to receive a number of shares of common stock having a fair market value equal to the excess fair market value of one share of common stock over the exercise price of the related stock option, multiplied by the number of shares subject to the stock appreciation rights. The granting of a stock appreciation right in tandem with a stock option will not affect the number of shares of common stock available for awards under the plan. In such event, the number of shares available for awards under the plan will, however, be reduced by the number of shares of common stock acquirable upon exercise of the stock option to which the stock appreciation right relates.

Restricted Stock and Restricted Stock Units. Under the 2019 Plan, we may award shares of restricted stock and restricted stock units. Restricted stock units are the right to receive at a future date shares of common stock, or an amount in cash or other consideration determined by the committee to be of equal value as of such settlement date, in accordance with the terms of such grant. The committee determines the persons to whom grants of restricted stock or restricted stock units are made, the number of shares to be awarded, the price (if any) to be paid for the restricted stock or restricted stock units by the person receiving the stock from us, the time or times within which awards of restricted stock or restricted stock units may be subject to forfeiture, the vesting schedule and rights to acceleration thereof, and all other terms and conditions of the awards. Restrictions or conditions could also include, but are not limited to, the attainment of performance goals.

The 2019 Plan requires that all shares of restricted stock awarded to the holder remain in our physical custody until the restrictions have terminated and all vesting requirements with respect to the restricted stock have been fulfilled. We will retain custody of all dividends and distributions made or declared with respect to the restricted stock during the restriction period. A breach of any restriction regarding the restricted stock will cause a forfeiture of the restricted stock and any retained dividends and distributions. Except for the foregoing restrictions, the holder will, even during the restriction period, have all of the rights of a stockholder, including the right to vote the shares.

A holder of restricted stock units will have no rights of a stockholder with respect to shares subject to any restricted stock unit award unless and until the shares are delivered in settlement of the award, except to the extent the committee provides for the right to receive dividend equivalents.

Other Stock-Based Awards. Under the 2019 Plan, we may grant other stock-based awards, subject to limitations under applicable law that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, shares of common stock, as deemed consistent with the purposes of the plan. These other stock-based awards may be in the form of purchase rights, shares of common stock awarded that are not subject to any restrictions or conditions, convertible or exchangeable debentures or other rights convertible into shares of common stock and awards valued by reference to the value of securities of, or the performance of, one of us or one of our subsidiaries. These other stock-based awards may include performance shares or options, whose award is tied to specific performance criteria. These other stock-based awards may be awarded either alone, in addition to, or in tandem with any other awards under the 2019 Plan or any of our other plans.

Accelerated Vesting and Exercisability

If any one person, or more than one person acting as a group, acquires the ownership of our stock that, together with the stock held by such person or group, constitutes more than 50% of the total fair market value or combined voting power of our stock, and the Board of Directors does not authorize or otherwise approve such acquisition, then the vesting periods of any and all stock options and other awards granted and outstanding under the 2019 Plan shall be accelerated and all such stock options and awards will immediately and entirely vest, and the respective holders thereof will have the immediate right to purchase and/or receive any and all common stock subject to such stock options and awards on the terms set forth in the plan and the respective agreements respecting such stock options and awards, and all performance goals will be deemed achieved at 100% of target levels. An increase in the percentage of stock owned by any one person, or persons acting as a group, as a result of a transaction in which we acquire our stock in exchange for property is not treated as an acquisition of stock.

In the event of an acquisition by any one person, or more than one person acting as a group, together with acquisitions during the 12-month period ending on the date of the most recent acquisition by such person or persons, of assets from us that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of our assets immediately before such acquisition or acquisitions, or if any one person, or more than one person acting as a group, acquires the ownership of our stock that, together with the stock held by such person or group, constitutes more than 50% of the total fair market value or combined voting power of our stock, which has been approved by the Board of Directors, the committee may (i) accelerate the vesting of any and all stock options and other awards granted and outstanding under the 2019 Plan, (ii) require a holder of any award granted under the plan to relinquish such award to us upon the tender by us to the holder of cash in an amount equal to the repurchase value of such award, and/or (iii) terminate all incomplete performance periods in respect of awards in effect on the date the acquisition occurs, determine the extent to which performance goals have been met based upon such information then available as it deems relevant and cause to be paid all or the applicable portion of the award based upon the committee's determination. For this purpose, gross fair market value means the value of our assets, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

Notwithstanding any provisions of the 2019 Plan or any award granted thereunder to the contrary, no acceleration shall occur with respect to any award to the extent such acceleration would cause the plan or an award granted thereunder to fail to comply with Section 409A of the Code.

Other Limitations

The committee may not modify or amend any outstanding option or stock appreciation right to reduce the exercise price of such option or stock appreciation right, as applicable, below the exercise price as of the date of grant of such option or stock appreciation right. In addition, no option or stock appreciation right with a lower exercise price may be granted in exchange for, or in connection with, the cancellation or surrender of an option or stock appreciation right or other award with a higher exercise price. Non-employee directors may not be granted any awards covering more than 20,000 shares of common stock in any calendar year.

Withholding Taxes

When an award is first included in the gross income of the holder for federal income tax purposes, the holder will be required to make arrangements regarding the payment of all federal, state and local withholding tax requirements, including by settlement of such amount in shares of our common stock. Our obligations under the 2019 Plan are contingent on such arrangements being made.

Term and Amendments

Unless terminated by the Board, the 2019 Plan shall continue to remain effective until no further awards may be granted and all awards granted under the plan are no longer outstanding. Notwithstanding the foregoing, grants of incentive stock options may be made only until ten years from the initial effective date of the plan. The Board may at any time, and from time to time, amend the plan or any award agreement, but no amendment will be made that would impair the rights of a holder under any agreement entered into pursuant to the plan without the holder's consent.

PRINCIPAL STOCKHOLDERS

The following table sets forth information regarding the beneficial ownership of our common stock as of the date of this prospectus by:

- each person known by us to be the beneficial owner of more than 5% of our outstanding shares of common stock;
- each of our named executive officers and directors; and
- all our executive officers and directors as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to the securities. Except as otherwise indicated, each person or entity named in the table has sole voting and investment power with respect to all shares of our capital shown as beneficially owned, subject to applicable community property laws.

In computing the number and percentage of shares beneficially owned by a person, shares that may be acquired by such person within 60 days of the date of this prospectus are counted as outstanding, although such shares are not counted as outstanding for computing the percentage ownership of any other person. The percentage of shares beneficially owned before the offering is computed on the basis of 8,510,000 shares of our common stock outstanding immediately prior to the date of this prospectus. The percentage of shares beneficially owned after the offering assumes the representative does not exercise the option to purchase additional shares to cover over-allotments, but assumes the automatic conversion at the closing of this offering of our Series A Convertible Preferred Stock into 2,323,891 shares of common stock and the automatic conversion at the closing of this offering of the convertible notes issued by our majority-owned subsidiary into _____ shares of common stock (assuming a public offering price in this offering of \$ _____ and based on \$ _____ of principal and accrued interest outstanding as of _____, 2019). Unless otherwise indicated, the address of each person listed below is c/o GBS Inc., 733 Third Ave, 15th Floor, New York, New York 10017.

Name of Beneficial Owner	Shares of Common Stock Beneficially Owned	Percent of Common Stock Beneficially Owned Prior to Offering	Percent of Common Stock Beneficially Owned After to Offering
<i>Executive officers and directors:</i>			
Dr. George Syrmalis	7,600(1)	*	*
Harry Simeonidis	600	*	*
Spiro Sakiris	3,300(2)	*	*
Dr. Jean-Claude Becker	0	0%	0%
Dr. Yong-Jiang Hei	0	0%	0%
Jonathan S. Hurd	0	0%	0%
Victoria Gavrilenko	0	0%	0%
Leon Kempler	0	0%	0%
Dr. George Margelis	0	0%	0%
Dr. Tom Parmakellis	0	0%	0%
Prof. Jonathan Sessler	0	0%	0%
All Executive Officers and Directors as a group (11 persons)	3,900	*	*
<i>Five percent holders:</i>			
Life Science Biosensor Diagnostics Pty Ltd ⁽³⁾	8,431,400	99.1%	%

* Less than 1% of outstanding shares.

- (1) Dr. Syrmalis owns (i) 600 shares of our common stock and (ii) Series A Convertible Preferred Stock that will convert into 7,000 shares of our common stock upon completion of this offering. The number of shares of common stock beneficially owned by Dr. Syrmalis does not include 7,000 shares of our common stock that will be issuable during the one-year period commencing on the second anniversary of the consummation of this offering upon the exercise of warrants held by Dr. Syrmalis. Dr. Syrmalis disclaims beneficial ownership over the common stock owned by the Licensor, as described in footnote 3 below.
- (2) Mr. Sakiris owns (i) 300 shares of our common stock and (ii) Series A Convertible Preferred Stock that will convert into 3,000 shares of our common stock upon completion of this offering. The number of shares of common stock beneficially owned by Mr. Sakiris does not include 3,000 shares of our common stock that will be issuable during the one-year period commencing on the second anniversary of the consummation of this offering upon the exercise of warrants held by Mr. Sakiris.
- (3) Life Science Biosensor Diagnostics Pty Ltd, which is referred to in this prospectus as the “Licensor,” is an Australian company that is 81% owned by iQnovate Limited, which is a public Australian company that is 24% beneficially owned by Dr. George Syrmalis, our Chairman of the Board. The remainder of the outstanding shares of iQnovate Limited are publicly-owned and traded on the National Stock Exchange of Australia. In addition, Dr. Syrmalis is the Chief Executive Officer and one of three members of the Board of Directors of iQnovate Limited, along with Con Tsigounis and Peter Simpson. Dr. Syrmalis and Messrs. Tsigounis and Simpson may be deemed to share voting and dispositive power with respect to the shares of our common stock held by the Licensor. Notwithstanding the foregoing, Dr. Syrmalis and Messrs. Tsigounis and Simpson disclaim beneficial ownership over the common stock owned by the Licensor. Dr. Syrmalis is an Australian citizen and resident having an address at Level 9, 85 Castlereagh Street, Sydney NSW 2000.

As of the date hereof, we have sold to various investors a total of 2,323,891 shares of Series A Convertible Preferred Stock, including 3,000 shares to Spiro Sakiris, our Chief Financial Officer, which will automatically convert into 2,323,891 shares of our common stock upon listing. As of the date hereof, there are outstanding warrants to purchase 2,250,377 shares of our common stock issued in connection with the Series A Convertible Preferred Stock, including warrants to purchase 3,000 shares held by Mr. Sakiris, having an exercise price equal to 100% of the public offering price in this offering, which warrants are exercisable only during the one-year period commencing on the second anniversary of the closing of this offering.

On November 24, 2018, we issued 260,000 shares of common stock in exchange for the cancellation of \$1,950,000 in debt held by the Licensor, by issuing a further 260,000 in shares of common stock to the Licensor.

Related Party Policy

Our code of ethics will require that we avoid, wherever possible, all related party transactions that could result in actual or potential conflicts of interests, except under guidelines approved by the Board of Directors. Related party transactions are defined under SEC rules as transactions in which (1) the aggregate amount involved will or may be expected to exceed the lesser of \$120,000 or one percent of the average of our total assets for the last two completed fiscal years, (2) we or any of our subsidiaries is a participant, and (3) any (a) executive officer, director or nominee for election as a director, (b) greater than 5% beneficial owner of our shares of common stock, or (c) immediate family member, of the persons referred to in clauses (a) and (b), has or will have a direct or indirect material interest (other than solely as a result of being a director or a less than 10% beneficial owner of another entity). A conflict of interest situation can arise when a person takes actions or has interests that may make it difficult to perform his or her work objectively and effectively. Conflicts of interest may also arise if a person, or a member of his or her family, receives improper personal benefits as a result of his or her position.

All future and ongoing related party transactions (as defined under SEC rules) will require prior review and approval by the Audit Committee, which will have access, at our expense, to our attorneys or independent legal counsel. We will not enter into any such transaction without the approval of the Audit Committee. The Audit Committee will consider all relevant factors when determining whether to approve a related party transaction, including whether the related party transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the related party's interest in the transaction.

No director may participate in the approval of any transaction in which he is a related party, but that director is required to provide the other members of the board with all material information concerning the transaction. Additionally, we require each of our directors and executive officers to complete a directors' and officers' questionnaire that elicits information about related party transactions.

These procedures are intended to determine whether any such related party transaction impairs the independence of a director or presents a conflict of interest on the part of a director, employee or officer.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following discussion is a summary of the material United States federal income tax considerations applicable to Non-U.S. Holders (as defined below) of the purchase, ownership and disposition of our common stock issued pursuant to this offering, but does not purport to be a complete analysis of all potential tax effects. The effects of other United States federal tax laws, such as estate and gift tax laws, and any applicable state, local or non-United States tax laws are not discussed. This discussion is based on the United States Internal Revenue Code of 1986, as amended, or the Code, Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the United States Internal Revenue Service, or the IRS, in each case in effect as of the date hereof. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect a Non-U.S. Holder of our common stock. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance the IRS will not take, or that a court will not sustain, a contrary position to that discussed below regarding the tax consequences of the purchase, ownership and disposition of our common stock.

This discussion is limited to Non-U.S. Holders that hold our common stock as a “capital asset” within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all United States federal income tax consequences relevant to a Non-U.S. Holder’s particular circumstances, including the impact of the Medicare contribution tax on net investment income or the alternative minimum tax. In addition, it does not address consequences relevant to Non-U.S. Holders subject to special rules, including, without limitation:

- United States expatriates and former citizens or long-term residents of the United States;
- persons holding our common stock as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies, and other financial institutions;
- brokers, dealers or traders in securities;
- “controlled foreign corporations,” “passive foreign investment companies,” and corporations that accumulate earnings to avoid United States federal income tax;
- partnerships or other entities or arrangements treated as partnerships for United States federal income tax purposes (and investors therein);
- tax-exempt organizations or governmental organizations;
- persons deemed to sell our common stock under the constructive sale provisions of the Code;
- persons who hold or receive our common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- tax-qualified retirement plans;
- “qualified foreign pension funds” as defined in Section 897(1)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds;
- persons who own, or are deemed to own, more than 5% of our capital stock (except to the extent specifically set forth below); and
- persons subject to special tax accounting rules as a result of any item of gross income with respect to the stock being taken into account in an applicable financial statement.

If an entity treated as a partnership for United States federal income tax purposes holds our common stock, the tax treatment of a partner in the partnership generally will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships (or other entities treated as a partnership for United States federal income tax purposes) holding our common stock and the partners in such partnerships or other entities should consult their tax advisors regarding the United States federal income tax consequences to them.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE UNITED STATES FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK ARISING UNDER THE UNITED STATES FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR NON-UNITED STATES TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Definition of a Non-U.S. Holder

For purposes of this discussion, a “Non-U.S. Holder” is any beneficial owner of our common stock that is neither a “U.S. person” nor an entity treated as a partnership for United States federal income tax purposes.

A U.S. person is any person that, for United States federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation, or an entity treated as a corporation, created or organized in the United States or under the laws of the United States, any state thereof, or the District of Columbia, or other entity treated as such for United States federal income tax purposes;
- an estate, the income of which is subject to United States federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a United States court and the control of one or more “United States persons” (within the meaning of Section 7701(a)(30) of the Code), or (2) has a valid election in effect to be treated as a United States person for United States federal income tax purposes.

Distributions

As described in the section entitled “Dividend policy,” we do not anticipate declaring or paying dividends to holders of our common stock in the foreseeable future. However, if we do make distributions of cash or property on our common stock, such distributions will constitute dividends for United States federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under United States federal income tax principles. To the extent those distributions exceed our current and accumulated earnings and profits, amounts not treated as dividends for United States federal income tax purposes will constitute a return of capital and will first be applied against and reduce a Non-U.S. Holder’s adjusted tax basis in our common stock, but not below zero. Any excess will be treated as capital gain and will be treated as described below under “—Sales or Other Taxable Dispositions of Common Stock.”

Subject to the discussion below on effectively connected income, backup withholding and foreign accounts, dividends paid to a Non-U.S. Holder of our common stock will be subject to United States federal withholding tax at a rate of 30% of the gross amount of the dividends (or such lower rate specified by an applicable income tax treaty, provided the Non-U.S. Holder timely furnishes a valid IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable documentation) certifying qualification for the lower treaty rate). A Non-U.S. Holder that does not timely furnish the required documentation, but that qualifies for a reduced treaty rate of United States withholding tax, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

If dividends paid to a Non-U.S. Holder are effectively connected with the Non-U.S. Holder’s conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such dividends are attributable), the Non-U.S. Holder will be exempt from the United States federal withholding tax described above. To claim the exemption, the Non-U.S. Holder must timely furnish to the applicable withholding agent a valid IRS Form W-8ECI (or applicable successor form), certifying that the dividends are effectively connected with the Non-U.S. Holder’s conduct of a trade or business within the United States.

Any such effectively connected dividends will be subject to United States federal income tax on a net income basis at the regular graduated rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected dividends, as adjusted for certain items. Non-U.S. Holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

Sales or Other Taxable Dispositions of Common Stock

Subject to the discussion below regarding backup withholding and foreign accounts, a Non-U.S. Holder generally will not be subject to United States federal income tax on any gain realized upon the sale or other taxable disposition of our common stock unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such gain is attributable);
- the Non-U.S. Holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met; or
- our common stock constitutes a United States real property interest, or USRPI, by reason of our status as a United States real property holding corporation, or USRPHC, for United States federal income tax purposes.

Gain described in the first bullet point above generally will be subject to United States federal income tax on a net income basis at the regular graduated rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

Gain described in the second bullet point above will be subject to United States federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on the gain derived from the sale or other disposition, which may be offset by United States source capital losses of the Non-U.S. Holder (even though the individual is not considered a resident of the United States), provided the Non-U.S. Holder has timely filed United States federal income tax returns with respect to such losses.

With respect to the third bullet point above, we believe we currently are not, and do not anticipate becoming, a USRPHC. Generally, a corporation is a USRPHC only if the fair market value of its United States real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in a trade or business. Because the determination of whether we are a USRPHC depends, however, on the fair market value of our USRPIs relative to the fair market value of our non-United States real property interests and our other business assets, there can be no assurance we currently are not a USRPHC or will not become a USRPHC in the future. Even if we are or were to become a USRPHC, gain arising from the sale or other taxable disposition by a Non-U.S. Holder of our common stock will not be subject to United States federal income tax if our common stock is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market, and such Non-U.S. Holder owned, actually and constructively, 5% or less of our common stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the Non-U.S. Holder's holding period.

NON-U.S. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POTENTIALLY APPLICABLE INCOME TAX TREATIES THAT MAY PROVIDE FOR DIFFERENT RULES.

Information Reporting and Backup Withholding

Payments of dividends on our common stock will not be subject to backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know the holder is a United States person and the holder either certifies its non-United States status, such as by furnishing a valid IRS Form W-8BEN, IRS Form W-8BEN-E or IRS Form W-8ECI, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any dividends on our common stock paid to the Non-U.S. Holder, regardless of whether any tax was actually withheld.

In addition, proceeds on the sale or other taxable disposition of our common stock within the United States, or conducted through certain United States-related brokers generally will not be subject to backup withholding or information reporting, if the applicable withholding agent receives the certification described above and does not have actual knowledge or reason to know that such holder is a United States person, or the holder otherwise establishes an exemption. Proceeds of a disposition of our common stock conducted through a non-United States office of a non-United States broker generally will not be subject to backup withholding or information reporting. Non-U.S. holders should consult their tax advisors regarding the application of the information reporting and backup withholding rules to them.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's United States federal income tax liability, provided the required information is timely furnished to the IRS.

Additional Withholding Tax on Payments Made to Foreign Accounts

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such Sections commonly referred to as the Foreign Account Tax Compliance Act, or FATCA) on certain types of payments made to non-United States financial institutions and certain other non-United States entities. Specifically, a 30% withholding tax may be imposed on dividends on, or gross proceeds from the sale or other disposition of, our common stock paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the United States Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States-owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on our common stock, and subject to the recently released proposed Treasury

Regulations described below, will apply to payments of gross proceeds from the sale or other disposition of such stock on or after January 1, 2019. The Treasury Department recently released proposed Treasury Regulations which, if finalized in their present form, would eliminate the federal withholding tax of 30% applicable to the gross proceeds of a sale or other disposition of our common stock. In its preamble to such proposed Treasury Regulations, the Treasury Department stated that taxpayers may generally rely on the proposed Treasury Regulations until final Treasury Regulations are issued.

PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE POTENTIAL APPLICATION OF WITHHOLDING UNDER FATCA TO THEIR INVESTMENT IN OUR COMMON STOCK.

DESCRIPTION OF OUR SECURITIES

The following description summarizes the most important terms of our capital stock, as they are expected to be in effect upon the closing of this offering. We expect to adopt an amended and restated certificate of incorporation and amended and restated by-laws in connection with this offering, and this description summarizes the provisions that are expected to be included in such documents. Because it is only a summary, it does not contain all the information that may be important to you. For a complete description of the matters set forth in “*Description of Securities*,” you should refer to our amended and restated certificate of incorporation and amended and restated by-laws, which are or will be included as exhibits to the registration statement of which this prospectus is a part, and to the applicable provisions of Delaware law.

Our amended and restated certificate of incorporation authorizes us to issue:

- 20,000,000 shares of common stock, par value \$0.01 per share; and
- 2,500,000 shares of preferred stock, par value \$0.01 per share, of which 2,323,891 shares of our Series A Convertible Preferred Stock are issued and are outstanding as of the date hereof pursuant to a private placement prior to the date hereof.

On November 5, 2017, we gave effect by the filing of an amendment to our certificate of incorporation to a one-to-90,000 stock split pursuant to which each outstanding share of common stock was converted into 90,000 shares of common stock. The outstanding preferred stock, convertible notes and warrants exercisable or convertible into common stock have been proportionately adjusted in accordance therewith. In addition, on August 8, 2018 we filed an amendment to our certificate of incorporation to effect a reverse stock split of approximately one to 0.9167 shares that resulted in our having 8,250,000 issued and outstanding shares of common stock. On November 24, 2018, we issued a further 260,000 shares of common stock in exchange for the cancellation of \$1,950,000 in debt, resulting in 8,510,000 issued and outstanding shares of common stock as of such date.

Common Stock

As of the date hereof, we have 8,510,000 shares of common stock issued and outstanding. Upon the closing of this offering, all shares of our Series A Convertible Preferred Stock will automatically convert into 2,323,891 shares of our common stock and all the convertible notes of our subsidiary will automatically convert into shares of our common stock at a price per share equal to 85% of the public offering price in this offering (or \$, assuming a public offering price of \$, for an aggregate of shares based on \$ of principal and accrued interest outstanding as of , 2019). In addition, as of the closing of the offering, 500,000 shares will be reserved for issuance under the 2019 Plan, 2,250,377 shares will be issuable upon exercise of the warrants sold by us with our Series A Convertible Preferred Stock and shares will be issuable upon the exercise of warrants to be issued to the underwriters.

Voting Rights

The holders of our common stock are entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders, including the election of directors, and do not have cumulative voting rights. Accordingly, the holders of a majority of the outstanding shares of common stock entitled to vote in any election of directors can elect all of the directors standing for election, if they so choose, other than any directors that holders of any Preferred Stock we may issue may be entitled to elect.

Dividends

Subject to limitations under Delaware law and preferences that may be applicable to any then outstanding preferred stock, holders of common stock are entitled to receive ratably those dividends, if any, as may be declared by our Board of Directors out of legally available funds.

Liquidation

In the event of any voluntary or involuntary liquidation, dissolution or winding up of our affairs, the holders of our common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of or provision for all of our debts and other liabilities, subject to the prior rights of any Preferred Stock then outstanding.

Rights and Preferences

Holders of common stock have no preemptive or conversion rights or other subscription rights and there are no redemption or sinking funds provisions applicable to the common stock.

Fully Paid and Non-assessable

All outstanding shares of common stock are, and the common stock to be outstanding upon completion of this offering will be, duly authorized, validly issued, fully paid and non-assessable.

Preferred Stock

Immediately prior to the consummation of this offering, all of the outstanding shares of our Series A Convertible Preferred Stock will be converted into 2,323,891 shares of our common stock. Accordingly, our amended and restated certificate of incorporation will delete all references to such shares of Series A Convertible Preferred Stock.

Our Board of Directors currently has the authority, without further action by our stockholders, to issue shares of preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting, or the designation of, such series, any or all of which may be greater than the rights of common stock. The issuance of preferred stock could adversely affect the voting power of holders of common stock and the likelihood that such holders will receive dividend payments and payments upon our liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change in control of our company or other corporate action. Immediately after consummation of this offering, no shares of preferred stock will be outstanding.

Warrants

As of the date hereof, there are outstanding warrants to purchase 2,250,377 shares of our common stock issued in connection with the Series A Convertible Preferred Stock having an exercise price per share equal to 100% of the public offering price in this offering, or \$ per share, which warrants are exercisable only during the one-year period commencing on the second anniversary of the closing of this offering. The warrants are not entitled to any adjustment in the number of shares or the exercise price in the event of any adjustments in the number of outstanding shares of our capital stock for any reason.

In addition, upon the closing of this offering, we will issue to the underwriters warrants to purchase shares of our common stock. See “*Underwriting.*”

Convertible Notes

Our 99%-owned subsidiary, GBS Pty Ltd, has issued convertible notes in the outstanding aggregate principal amount of \$5,269,556, the principal and all accrued interest of which notes will automatically convert into shares of our common stock at a price per share equal to 85% of the public offering price in this offering (or \$, assuming a public offering price of \$, for an aggregate of shares based on \$ of principal and accrued interest outstanding as of , 2019). In the absence of the completion of this offering and such automatic conversion of the notes, the notes mature on December 31, 2019. These notes were issued in a private placement conducted in the first quarter of 2018.

Registration Rights

There are no registration rights held by any party with respect to any of our capital stock.

Anti-Takeover Effects of Provisions of Our Certificate of Incorporation, Our By-laws and Delaware Law

Some provisions of Delaware law, our amended and restated certificate of incorporation and our amended and restated by-laws contain provisions that could make hostile takeovers, including the following transactions, more difficult: an acquisition of us by means of a tender offer; an acquisition of us by means of a proxy contest or otherwise; or the removal of our incumbent officers and directors. As a consequence, they may also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in the composition of our board and management. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in our best interests, including transactions which provide for payment of a premium over the market price for our shares.

These provisions, summarized below, are intended to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our Board of Directors. We believe that the benefits of the increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because negotiation of these proposals could result in an improvement of their terms.

Delaware Anti-Takeover Statute

We are subject to Section 203 of the Delaware General Corporation Law, which prohibits persons deemed to be “interested stockholders” from engaging in a “business combination” with a publicly held Delaware corporation for three years following the date these persons become interested stockholders unless the business combination is, or the transaction in which the person became an interested stockholder was, approved in a prescribed manner or another prescribed exception applies. Generally, an “interested stockholder” is a person who, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation’s voting stock. Generally, a “business combination” includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by the Board of Directors. A Delaware corporation may “opt out” of these provisions with an express provision in its original certificate of incorporation or an express provision in its certificate of incorporation or by-laws resulting from a stockholders’ amendment approved by at least a majority of the outstanding voting shares. We have not opted out of these provisions. As a result, mergers or other takeover or change in control attempts of us may be discouraged or prevented.

Undesignated Preferred Stock

The ability of our Board of Directors, without action by the stockholders, to issue undesignated shares of preferred stock with voting or other rights or preferences as designated by our Board of Directors could impede the success of any attempt to change control of us. These and other provisions may have the effect of deferring hostile takeovers or delaying changes in control or management of our company.

Authorized Common Stock

Our authorized but unissued shares of common stock will be available for future issuance without stockholder approval. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital and corporate acquisitions. The existence of authorized but unissued shares of common stock could render more difficult or discourage an attempt to obtain control of a majority of our common stock by means of a proxy contest, tender offer, merger or otherwise.

Vacancies on the Board

Our amended and restated certificate of incorporation and our amended and restated by-laws will provide that any vacancy occurring on the board of directors, including by reason of removal of a director, and any newly created directorship may be filled only by a majority of the remaining directors in office. This system of appointing directors may discourage a third party from making a tender offer or otherwise attempting to obtain control of our company, because it generally makes it more difficult for stockholders to replace a majority of the directors.

Advance Notice Requirements for Shareholder Proposals and Director Nominations

Our amended and restated by-laws will provide advance notice procedures for stockholders seeking to bring business before our annual meeting of shareholders, or to nominate candidates for election as directors at any meeting of shareholders. Our amended and restated by-laws also will specify certain requirements regarding the form and content of a stockholder’s notice. These provisions may preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our meetings of stockholders.

No Cumulative Voting; No Action Without a Meeting; Special Meeting of Stockholders

Stockholders will not be permitted to cumulate their votes for the election of directors. In addition, stockholders will not be able to take action by written consent, and will only be able to take action at annual or special meetings of our stockholders. Furthermore, special meetings of our stockholders may be called only by Chief Executive Officer, our President, our Board of Directors or a majority of our stockholders.

Exclusive Forum Selection

Our amended and restated certificate of incorporation will require, to the fullest extent permitted by law, subject to limited exceptions, that derivative actions brought in our name, actions against directors, officers and employees for breach of fiduciary duty and other similar actions may be brought only in the Court of Chancery in the State of Delaware and, if brought outside of Delaware, the stockholder bringing the suit will be deemed to have consented to service of process on such stockholder’s counsel in any action brought to enforce the exclusive forum provision. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and consented to the forum provisions in our amended and restated certificate of incorporation.

Notwithstanding the foregoing, Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. In addition, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. As a result, the exclusive forum provision will provide that the Court of Chancery and the federal district court for the District of Delaware will have concurrent jurisdiction over any action arising under the Securities Act or the rules and regulations thereunder, and the exclusive forum provision will not apply to suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder or any other claim for which the federal courts have exclusive jurisdiction. To the extent the exclusive forum provision restricts the courts in which our stockholders may bring claims arising under the Securities Act and the rules and regulations thereunder, there is uncertainty as to whether a court would enforce such provision. Investors cannot waive compliance with the federal securities laws and the rules and regulations promulgated thereunder.

Although we believe this provision benefits our company by providing increased consistency in the application of Delaware law in the types of lawsuits to which it applies, a court may determine that this provision is unenforceable, and to the extent it is enforceable, the provision may have the effect of discouraging lawsuits against our directors and officers and increasing the cost to stockholders of bringing such lawsuits.

Transfer Agent and Registrar

The transfer agent for our common stock is Continental Stock Transfer & Trust Company, 17 Battery Place, New York, New York 10004.

Listing of Common Stock

We have applied to list our common stock on _____ under the symbol “GBSG.” Although we expect our common stock to be listed on _____, there can be no assurance that an active trading market will develop.

SHARES ELIGIBLE FOR FUTURE SALE

Before this offering, there has not been a public market for shares of our common stock. Future sales of substantial amounts of shares of our common stock, including shares issued upon the exercise of outstanding warrants, in the public market after this offering, or the possibility of these sales occurring, could cause the prevailing market price for our common stock to fall or impair our ability to raise equity capital in the future.

After this offering, we will have outstanding _____ shares of common stock. This amount includes: (i) 2,323,891 shares of common stock are issuable upon the completion of this offering by mandatory conversion of outstanding shares of our Series A Convertible Preferred Stock on a one-to-one basis; and (ii) _____ shares of common stock are issuable upon the completion of this offering by mandatory conversion of \$5,269,556 principal amount of notes issued by our 99%-owned subsidiary GBS Pty Ltd at a conversion price per share equal to 85% of the public offering price in this offering. In addition, 2,250,377 shares of common stock will be issuable during the one year period commencing on the second anniversary of the completion of this offering upon exercise of outstanding warrants issued in connection with the Series A Convertible Preferred Stock, and _____ shares will be issuable upon the exercise of warrants to be issued to the underwriters upon the closing of this offering. See “*Underwriting*.”

All of the foregoing shares that will be outstanding after this offering, other than the shares sold in this offering, are or will be upon issuance “restricted securities” as that term is defined in Rule 144 under the Securities Act. These restricted securities are eligible for public sale only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rule 144 under the Securities Act, which are summarized below.

As a result of the lock-up agreements described below, _____ of these securities will be available for sale in the public markets only upon completion of the applicable lock-up period.

Rule 144

In general, under Rule 144 as currently in effect, once we have been subject to public company reporting requirements for at least 90 days, a person who is not deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than our affiliates, upon the expiration of the lock-up agreements described below, is entitled to sell those shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then that person is entitled to sell those shares without complying with any of the requirements of Rule 144.

In general, under Rule 144, as currently in effect, our affiliates or persons selling shares on behalf of our affiliates are entitled to sell upon the expiration of the lock-up agreements described below, within any three-month period beginning 90 days after the date of this prospectus, a number of shares that does not exceed the greater of:

- 1% of the number of shares of common stock then outstanding, which will equal approximately _____ shares immediately after our initial public offering, or
- the average weekly trading volume of the common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

Lock-Up Agreements

We and each of our officers, directors, affiliates and certain existing stockholders aggregating at least _____ of our outstanding shares have agreed, subject to certain exceptions, not to offer, issue, sell, contract to sell, encumber, grant any option for the sale of or otherwise dispose of any shares of our common stock or other securities convertible into or exercisable or exchangeable for shares of our common stock for a period of six months after this offering is completed without the prior written consent of the representative of the underwriters.

The representative of the underwriters may in its sole discretion and at any time without notice release some or all of the shares subject to lock-up agreements prior to the expiration of the lock-up period. When determining whether or not to release shares from the lock-up agreements, the representative will consider, among other factors, the security holder’s reasons for requesting the release, the number of shares for which the release is being requested and market conditions at the time.

Registration Statement on Form S-8 and Registration Rights

As of the date hereof, no awards of any kind have been made under the 2019 Plan. We intend to file a registration statement on Form S-8 under the Securities Act to register shares that may be issued pursuant to the 2019 Plan. The registration statement on Form S-8 is expected to become effective immediately upon filing, and shares covered by the registration statement will then become eligible for sale in the public market upon issuance, subject to the Rule 144 limitations applicable to affiliates, vesting restrictions and any applicable lock-up agreements. For a description of our equity incentive plans, see “*Management—2019 Equity Incentive Plan*.”

In addition, we have granted the underwriters a one-time demand registration right and unlimited “piggyback” registration rights with respect to the shares underlying the warrants to be issued to the underwriters upon the closing of this offering. The piggyback registration right will not be greater than seven years from the effective date of the offering in compliance with FINRA Rule 5110(f)(2)(G)(v). See “*Underwriting*.”

UNDERWRITING

Aegis Capital Corp. is acting as the lead managing underwriter and as representative of the underwriters, or the “*Representative*.” Subject to the terms and conditions of an underwriting agreement between us and the Representative, we have agreed to sell to each underwriter named below, and each underwriter named below has severally agreed to purchase, at the public offering price less the underwriting discounts set forth on the cover page of this prospectus, the number of shares of common stock listed next to its name in the following table:

Name of Underwriter	Number of Shares
Aegis Capital Corp.	
Total	

The underwriters are committed to purchase all the shares of common stock offered by this prospectus if they purchase any shares of common stock. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may be increased, or the offering may be terminated. The underwriters are not obligated to purchase the shares of common stock covered by the underwriters’ option to purchase additional shares of common stock described below. The underwriters are offering the shares of common stock, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer’s certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Over-Allotment Option

We have granted the representative of the underwriters an option exercisable for up to 45 days after the date of the underwriting agreement, to purchase up to _____ shares of common stock at the public offering price listed on the cover page of this prospectus, less underwriting discounts. The underwriters may exercise this option solely to cover over-allotments, if any, made in connection with this offering. To the extent the option is exercised, and the conditions of the underwriting agreement are satisfied, we will be obligated to sell to the underwriters, and the underwriters will be obligated to purchase, these additional shares of common stock.

Discounts and Commissions

We have agreed to pay the underwriters a cash fee equal to 7.0% of the aggregate gross proceeds.

The Representative has advised us that the underwriters propose to offer the shares directly to the public at the public offering price set forth on the cover of this prospectus. In addition, the Representative may offer some of the shares to other securities dealers at such price less a concession of up to \$ _____ per share. After the offering to the public, the offering price and other selling terms may be changed by the Representative without changing the Company’s proceeds from the underwriters’ purchase of the shares.

The following table shows the public offering price, underwriting discounts and proceeds, before expenses, to us. The information assumes either no exercise or full exercise by the underwriters of their over-allotment option. The underwriting discounts are equal to the public offering price per share less the amount per share the underwriters pay us for the shares.

	Per Share	Total	
		Without Over-Allotment Option	With Over-Allotment Option
Public offering price	\$	\$	\$
Underwriting discounts	\$	\$	\$
Proceeds, before expenses, to us	\$	\$	\$

We estimate that the total expenses of the offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding underwriting discounts, will be approximately \$, all of which are payable by us. This figure includes an expense allowance of \$50,000 for accountable expenses and \$200,000 for non-accountable expenses that we have agreed to pay the Representative for reimbursement of its expenses related to this offering. We have paid an advance of \$50,000 to the Representative applicable to the accountable expenses, which will be returned to us to the extent such accountable expenses are not actually incurred in accordance with FINRA Rule 5110(f)(2)(C).

Underwriters' Warrants

As additional compensation to the underwriters, upon consummation of this offering, we will issue to the underwriters or their designees warrants to purchase an aggregate number of shares of our common stock equal to 5.0% of the number of shares of common stock issued in this offering, at an exercise price per share equal to 125% of the initial public offering price, or the "Underwriters' Warrants." The Underwriters' Warrants and the shares of common stock underlying the Underwriters' Warrants have been deemed compensation by FINRA and are, therefore, subject to a 180-day lock-up pursuant to FINRA Rule 5110(g)(1). The Representative or permitted assignees under such rule may not sell, transfer, assign, pledge, or hypothecate the Underwriters' Warrants or the securities underlying the Underwriters' Warrants, nor will the Representative engage in any hedging, short sale, derivative, put, or call transaction that would result in the effective economic disposition of the Underwriters' Warrants or the underlying shares of common stock for a period of 180 days from the effective date of the registration statement. Additionally, the Underwriters' Warrants may not be sold, transferred, assigned, pledged, or hypothecated for a 180-day period following the effective date of the registration statement, except to any underwriter and selected dealer participating in the offering and their bona fide officers or partners. The Underwriters' Warrants will expire on the fifth anniversary of the effective date of the registration statement for this offering. In addition, we have granted the underwriters a one-time demand registration right and unlimited "piggyback" registration rights with respect to the underlying shares. The piggyback registration right will not be greater than seven years from the effective date of the offering in compliance with FINRA Rule 5110(f)(2)(G)(v).

Determination of Offering Price

Before this offering, there has been no public market for our common stock. Accordingly, the public offering price will be negotiated between us and the representative. Among the factors to be considered in these negotiations are:

- the prospects for our company and the industry in which we operate;
- our past and present financial and operating performance;
- financial and operating information and market valuations of publicly traded companies engaged in activities similar to ours;
- the prevailing conditions of United States securities markets at the time of this offering; and
- other factors deemed relevant.

Lock-Up Agreements

We and each of our officers, directors, affiliates and certain existing stockholders aggregating at least of our outstanding shares have agreed, subject to certain exceptions, not to offer, issue, sell, contract to sell, encumber, grant any option for the sale of or otherwise dispose of any shares of our common stock or other securities convertible into or exercisable or exchangeable for shares of our common stock for a period of six months after this offering is completed without the prior written consent of the Representative.

The Representative may in its sole discretion and at any time without notice release some or all of the shares subject to lock-up agreements prior to the expiration of the lock-up period. When determining whether or not to release shares from the lock-up agreements, the representative will consider, among other factors, the security holder's reasons for requesting the release, the number of shares for which the release is being requested and market conditions at the time.

Right of First Refusal

According to the terms of the underwriting agreement, the Representative shall have the right of first refusal for a period of twelve months after the closing of this offering to act as sole book-running manager for all future public equity offerings by us, or any successor to or subsidiary of our company, during such period.

Indemnification

We have agreed to indemnify the underwriters against specified liabilities, including liabilities under the Securities Act, and to contribute to payments the underwriters may be required to make in respect thereof.

Electronic Offer, Sale and Distribution of Shares

A prospectus in electronic format may be made available on a website maintained by the Representative and may also be made available on a website maintained by other underwriters. The underwriters may agree to allocate a number of shares to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the Representative to underwriters that may make Internet distributions on the same basis as other allocations. In connection with the offering, the underwriters or syndicate members may distribute prospectuses electronically. No forms of electronic prospectus other than prospectuses that are printable as Adobe® PDF will be used in connection with this offering.

The underwriters have informed us that they do not expect to confirm sales of shares offered by this prospectus to accounts over which they exercise discretionary authority.

Other than the prospectus in electronic format, the information on any underwriter's website and any information contained in any other website maintained by an underwriter is not part of the prospectus or the registration statement of which this prospectus forms a part, has not been approved and/or endorsed by us or any underwriter in its capacity as underwriter and should not be relied upon by investors.

Price Stabilization, Short Positions and Penalty Bids

In connection with this offering, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of our common stock. Specifically, the underwriters may over-allot in connection with this offering by selling more shares than are set forth on the cover page of this prospectus. This creates a short position in our common stock for its own account. The short position may be either a covered short position or a naked short position. In a covered short position, the number of shares common stock over-allotted by the underwriters is not greater than the number of shares of common stock that they may purchase in the over-allotment option. In a naked short position, the number of shares of common stock involved is greater than the number of shares common stock in the over-allotment option. To close out a short position, the underwriters may elect to exercise all or part of the over-allotment option. The underwriters may also elect to stabilize the price of our common stock or reduce any short position by bidding for, and purchasing, common stock in the open market.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter or dealer repays selling concessions allowed to it for distributing a security in this offering because the underwriter repurchases that security in stabilizing or short covering transactions.

Finally, the underwriters may bid for, and purchase, shares of our common stock in market making transactions, including "passive" market making transactions as described below.

These activities may stabilize or maintain the market price of our common stock at a price that is higher than the price that might otherwise exist in the absence of these activities. The underwriters are not required to engage in these activities, and may discontinue any of these activities at any time without notice.

In connection with this offering, the underwriters and selling group members, if any, or their affiliates may engage in passive market making transactions in our common stock immediately prior to the commencement of sales in this offering, in accordance with Rule 103 of Regulation M under the Exchange Act. Rule 103 generally provides that:

- a passive market maker may not effect transactions or display bids for our common stock in excess of the highest independent bid price by persons who are not passive market makers;
- net purchases by a passive market maker on each day are generally limited to 30% of the passive market maker's average daily trading volume in our common stock during a specified two-month prior period or 200 shares, whichever is greater, and must be discontinued when that limit is reached; and
- passive market making bids must be identified as such.

Certain Relationships

Certain of the underwriters and their affiliates may in the future provide various investment banking, commercial banking and other financial services for us and our affiliates for which they may in the future receive customary fees, however, except for the right of first refusal disclosed in this prospectus, we have no present arrangements with any of the underwriters for any further services.

Offer Restrictions Outside the United States

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Australia

This prospectus is not a disclosure document under Chapter 6D of the Australian Corporations Act, has not been lodged with the Australian Securities and Investments Commission and does not purport to include the information required of a disclosure document under Chapter 6D of the Australian Corporations Act. Accordingly, (i) the offer of the securities under this prospectus is only made to persons to whom it is lawful to offer the securities without disclosure under Chapter 6D of the Australian Corporations Act under one or more exemptions set out in section 708 of the Australian Corporations Act, (ii) this prospectus is made available in Australia only to those persons as set forth in clause (i) above, and (iii) the offeree must be sent a notice stating in substance that by accepting this offer, the offeree represents that the offeree is such a person as set forth in clause (i) above, and, unless permitted under the Australian Corporations Act, agrees not to sell or offer for sale within Australia any of the securities sold to the offeree within 12 months after its transfer to the offeree under this prospectus.

LEGAL MATTERS

The validity of the common stock offered hereby will be passed upon for us by Graubard Miller, New York, New York. Olshan Frome Wolosky LLP, New York, New York, is acting as counsel to the underwriters in this offering.

EXPERTS

Our financial statements appearing elsewhere in this prospectus have been included herein in reliance upon the report of BDO East Coast Partnership, an independent registered public accounting firm, appearing elsewhere herein, and upon the authority of BDO East Coast Partnership as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits and schedules filed therewith. For further information about us and the common stock offered hereby, we refer you to the registration statement and the exhibits and schedules filed therewith. Statements contained in this prospectus regarding the contents of any contract or other document that is filed as an exhibit to the registration statement are not necessarily complete, and each such statement is qualified in all respects by reference to the full text of such contract or other document filed as an exhibit to the registration statement. Upon the completion of this offering, we will be required to file periodic reports, proxy statements, and other information with the SEC pursuant to the Exchange Act. You may read and copy this information at the SEC's Public Reference Room, 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet website that contains reports, proxy statements and other information about issuers, including us, that file electronically with the SEC. The address of this site is www.sec.gov.

INDEX TO FINANCIAL STATEMENTS

**GLUCOSE BIOSENSOR SYSTEMS
(GREATER CHINA) HOLDINGS, INC. AND
SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS
FOR
THE THREE MONTHS ENDED
SEPTEMBER 30, 2019**

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CONSOLIDATED BALANCE SHEETS

	Note	As of	
		September 30, 2019	June 30, 2019
Assets			
Current Assets:			
Cash and cash equivalents	7	\$ 714,307	\$ 197,940
Deferred charges	3	\$ 1,981,669	\$ 1,981,669
Other current assets	5	\$ 366,809	\$ 148,341
Total current assets		\$ 3,062,785	\$ 2,327,950
Intangibles			
Licensing rights, net of accumulated amortization	4	-	-
Total Assets		\$ 3,062,785	\$ 2,327,950
Liabilities and shareholders' equity			
Current liabilities:			
Accounts payable and accrued expenses	6	\$ 1,753,973	\$ 1,173,741
Convertible notes payable	8	\$ 5,196,701	\$ 5,131,347
Total current liabilities		\$ 6,950,674	\$ 6,305,088
Total liabilities		\$ 6,950,674	\$ 6,305,088
Commitments & Contingencies		-	-
Shareholders' Equity			
Common shares (8,510,000 shares issued and outstanding as of 9/30/2019 and 8,510,000 shares issued and outstanding as of 6/30/2019)		\$ 1,950,001	\$ 1,950,001
Preferred shares (2,176,862 shares issued and outstanding as of 9/30/2019 and 2,064,884 shares issued outstanding as of 6/30/2019)		\$ 15,873,467	\$ 15,033,630
Additional paid-in capital		\$ (8,066,014)	\$ (8,076,022)
Accumulated deficit		\$ (13,426,591)	\$ (12,668,741)
Accumulated Other comprehensive income		\$ (212,635)	\$ (216,869)
Total Consolidated Group Equity		\$ (3,881,772)	\$ (3,978,001)
Non-controlling interests ¹		\$ (6,117)	\$ 863
Total Shareholders' (deficit) equity		\$ (3,887,889)	\$ (3,977,138)
Total liabilities and shareholders' equity		\$ 3,062,785	\$ 2,327,950

(1) This relates to 1.04% (June 30, 2019: 1.04%) of the ordinary shares in the subsidiary Glucose Biosensor Systems (Greater China) Pty Ltd owned by non-controlling interest.

These financial statements shall be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF OPERATIONS

	3 Months to September 30, 2019	3 Months to September 30, 2018
Revenue:		
Interest income	\$ 42	\$ 11
Other income:		
Shared services	\$ 122,075	-
Operating expenses:		
Audit & Accountancy Fees	\$ 7,588	\$ 32,005
Director Fees	\$ 6,712	-
Employee Benefit Expense	\$ 306,544	-
General & Administrative Expenses	\$ 304,272	\$ 480,847
Interest Expense	\$ 149,511	\$ 167,929
Rent Expense	\$ 7,139	\$ 6,016
Development & Regulatory Approval Expenses	\$ 105,181	\$ 987,303
Total Operating Expenses	\$ 886,947	\$ 1,674,100
Consolidated Net (Loss)	\$ (764,830)	\$ (1,674,089)
Less: (Loss) attributable to non-controlling interest	\$ (6,980)	\$ (14,181)
Net (Loss) attributable to holding company & subsidiaries	\$ (757,850)	\$ (1,659,908)
Other Comprehensive Income		
Foreign currency translation gain/(loss)	\$ 4,234	\$ (271,958)
Other Comprehensive income for the period	\$ 4,234	\$ (271,958)
Total Comprehensive (loss) for the period	\$ (760,596)	\$ (1,946,047)
Loss per share based on net loss (Note 13):		
Basic and diluted net loss per share attributed to common shareholders of GBS Inc.	\$ (0.09)	\$ (0.18)
Weighted-average number of common shares	8,510,000	9,000,000

These financial statements shall be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE PERIOD FROM July 1, 2019 to September 30, 2019

	GBS Inc Shareholders							Non-controlling Interests		
	Common Shares	Total Subscribed Value	No of Preferred Shares (1)	Total Value	Additional paid-in capital	(Accumulated deficit)	Other comprehensive income	Stockholders' equity	No of Ordinary Shares in GBSGC Pty Ltd	Total Value
Balance at July 1, 2019	8,510,000	\$ 1,950,001	2,064,884	\$ 15,033,630	\$ (8,076,022)	\$ (12,668,741)	\$ (216,869)	\$ (3,978,001)	1,036,000	\$ 863
Subscription to purchase ordinary shares of GBS Inc.	-	-	-	-	\$ 1,102,717	-	-	\$ 1,102,717	-	-
Deemed dividend in accordance with FASB ASC 805 for amounts incurred to parent to procure license	-	-	-	-	\$ (976,308)	-	-	\$ (976,308)	-	-
Issuance of convertible preferred shares and ordinary shares	-	-	111,978	\$ 839,837	-	-	-	\$ 839,837	-	-
Cost of issuance of ordinary shares and convertible preferred shares, the latter that may convert to common shares	-	-	-	-	\$ (116,401)	-	-	\$ (116,401)	-	-
Foreign currency translation loss	-	-	-	-	-	-	\$ 4,234	\$ 4,234	-	-
Net (loss)	-	-	-	-	-	\$ (757,850)	-	\$ (757,850)	-	\$ (6,980)
Balance at September 30, 2019	8,510,000	\$ 1,950,001	2,176,862	\$ 15,873,467	\$ (8,066,014)	\$ (13,426,591)	\$ (212,635)	\$ (3,881,772)	1,036,000	\$ (6,117)

(1) Convertible Preference Shares are convertible at a potential IPO to 1 ordinary share and one option exercisable at the IPO price between 2 – 3 years after the IPO providing the option holder holds the underlying share.

These financial statements shall be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE PERIOD FROM July 1, 2018 to September 30, 2018

	GBS Inc Shareholders								Non-controlling Interests	
	Common Shares	Total Subscribed Value	No of Preferred Shares (1)	Total Value	Additional paid-in capital	(Accumulated deficit)	Other comprehensive income	Stockholders' equity	No of Ordinary Shares in GBSGC Pty Ltd	Total Value
Balance at July 1, 2018	9,000,000	\$ 1	1,222,506	\$ 8,715,794	\$ (8,330,314)	\$ (5,332,055)	\$ 571,105	\$ (4,375,469)	2,036,000	\$ 1,311,775
Return of capital	-	-	(963)	\$ (7,222)	-	-	-	\$ (7,222)	-	-
Foreign currency translation gain/(loss)	-	-	-	-	-	-	\$ (271,958)	\$ (271,958)	-	-
Net (loss)	-	-	-	-	-	\$ (1,659,908)	-	\$ (1,659,908)	-	\$ (14,181)
Balance at September 30, 2018	9,000,000	\$ 1	1,221,543	\$ 8,708,572	\$ (8,330,314)	\$ (6,991,963)	\$ 299,147	\$ (6,314,557)	2,036,000	\$ 1,297,594

(1) Convertible Preference Shares are convertible at a potential IPO to 1 ordinary share and one option exercisable at the IPO price between 2 – 3 years after the IPO providing the option holder holds the underlying share.

These financial statements shall be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	3 Months to September 30, 2019	3 Months to September 30, 2018
Operating Activities:		
Net (Loss)	\$ (764,830)	\$ (1,674,089)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Changes in assets and liabilities:		
Accounts receivables and other assets	\$ (218,468)	\$ (230)
Accounts payable and accrued expenses & deferred charges	\$ 973,184	\$ 1,275,494
Net cash used in operating activities	<u>\$ (10,114)</u>	<u>\$ (398,825)</u>
Investing Activities:		
Net cash provided by investing activities	-	-
Financing Activities:		
Cash received from subscribers for convertible preference shares convertible to common shares	\$ 648,750	-
Cash paid to raise funds by the issuance of shares	\$ (116,402)	\$ (7,223)
Net cash provided by financing activities	<u>\$ 532,348</u>	<u>\$ (7,223)</u>
Total Net Cash (Used) in Operational, Investing & Finance Activities	<u>\$ 522,324</u>	<u>\$ (406,049)</u>
Cash at the beginning of the period	\$ 197,940	\$ 418,420
Exchange Rate Adjustment	\$ (5,868)	\$ (681)
Cash at the end of the period	<u>\$ 714,307</u>	<u>\$ 11,690</u>
Supplemental disclosure of cash flow information		
Interest paid	\$ 85,158	\$ 95,074
Interest income	\$ 42	\$ 11

These financial statements shall be read in conjunction with the accompanying notes.

NOTE 1. GOING CONCERN

The Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 205-40, *Presentation of Financial Statements - Going Concern* (ASC 205-40) requires management to assess an entity’s ability to continue as a going concern within one year of the date of the financial statements are issued. In each reporting period, including interim periods, an entity is required to assess conditions known and reasonably knowable as of the financial statement issuance date to determine whether it is probable an entity will not meet its financial obligations within one year from the financial statement issuance date. Substantial doubt about an entity’s ability to continue as a going concern exists when conditions and events, considered in the aggregate, indicate it is probable the entity will be unable to meet its financial obligations as they become due within one year after the date the financial statements are issued.

The Company is an emerging growth company and has not generated any revenues to date. As such, the Company is subject to all of the risks associated with emerging growth companies. Since inception, the Company has incurred losses and negative cash flows from operating activities. The Company does not expect to generate positive cash flows from operating activities in the near future until such time, if at all, the Company completes the development process of its products, including regulatory approvals, and thereafter, begins to commercialize and achieve substantial acceptance in the marketplace for the first of a series of products in its medical device portfolio.

The Company incurred a net loss of \$757,850 for the three months to September 30, 2019 (Net loss \$1,659,908 for the three months to September 30, 2018). As at September 30, 2019, the Company had an accumulated deficit of \$13,426,591, negative working capital of \$3,887,889, \$6,950,674 in current liabilities of which \$5,196,701 are convertible notes that will convert to equity upon the proposed IPO, and cash of \$714,307 (As at June 30, 2019 the Company had an accumulated deficit of \$12,668,741, negative working capital of \$3,977,138, \$6,305,088 in current liabilities of which \$5,131,347 are convertible notes that will convert to equity upon the proposed IPO, and cash of \$197,940). In the near future, the Company anticipates incurring operating losses and does not expect to experience positive cash flows from operating activities and may continue to incur operating losses until it completes the development of its products and seeks regulatory approvals to market such products. These factors may raise doubt about the Company’s ability to continue as a going concern without sufficient capital. Should the Group encounter a scenario whereby sufficient capital is not available, financial support will be provided by the 81% shareholder in the parent entity, in addition to the 19% shareholder in the parent entity. The Directors believe that such financial support will be received as the Group has received letters of support from both entities, confirming that they will financially support the current as well as future activities and financial obligations of the Group for a period of at least one year from the date of signing of the financial statements.

NOTE 1. GOING CONCERN (CONT.)

The Group's ability to fund its operations is dependent upon management's plans and execution, which include in addition to financial assistance where required from the parent company, raising additional capital, including the Proposed Public Offering (as per subsequent event in Note 11), obtaining regulatory approvals for its products currently under development, commercializing and generating revenues from products currently under development, and continuing to control expenses.

The Group's consolidated financial statements have been prepared on a going concern basis which contemplates the realization of assets and satisfaction of liabilities and commitments in the normal course of business. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities should the Group be unable to continue as a going concern.

NOTE 2. ORGANIZATION AND DESCRIPTION OF THE BUSINESS

During the current quarter, the legal entity name for Glucose Biosensor Systems (Greater China) Holdings Inc. was changed to GBS Inc., and the legal entity name for Glucose Biosensor Systems (Greater China) Inc. was changed to GBS Operations Inc.

Glucose Biosensor Systems Inc. and its wholly owned subsidiary, Glucose Biosensor Systems Operations Inc. are formed under the laws of the state of Delaware, and were formed on December 5, 2016. Glucose Biosensor Systems (Greater China) Pty Ltd ("GBSPL") was formed on August 4, 2016 under the laws of New South Wales, Australia. Glucose Biosensor Systems (APAC) Pty Ltd and Glucose Biosensor (Japan) Pty Ltd were new entities formed in the current quarter under the laws of New South Wales, Australia. These companies (collectively, the "Company") were formed to provide a non-invasive, pain free innovation to make it easier for people to manage diabetes.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Group prepares its consolidated financial statements using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP") and the rules and regulations of the Securities and Exchange Commission ("SEC").

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)Reclassifications

During the quarter, management determined that certain transactions involving the issuance of shares of its subsidiary that occurred during the prior year should have resulted in an adjustment to non-controlling interest (“NCI”) and Additional Paid-in-Capital (“APIC”) to reflect the difference between the fair value of the consideration received and the book value of NCI involving these changes in ownership. As a result, the Company increased its prior year APIC with an offsetting reduction to NCI. Management concluded that this reclassification was not meaningful to the Company’s financial position for the prior year, and as such, this change was recorded in the consolidated balance sheet and statement of shareholder’s equity in the first quarter of FY 2020 as an out-of-period adjustment. The misclassification had no impact on the previously reported consolidated assets, liabilities or total equity or on the consolidated statements of income, comprehensive income, or cash flows

Principles of consolidation

On July 29, 2017, Life Science Biosensor Diagnostics Pty Ltd (the parent entity) transferred to GBS Inc, in a non-reciprocal transfer, its 1,000 shares in Glucose Biosensor Systems (Greater China) Pty Ltd. These shares comprised its 100% ownership of Glucose Biosensor Systems (Greater China) Pty Ltd. As a result, the accompanying consolidated financial statements include the accounts of the following entities, all of which are under common control. All significant intercompany transactions and balances have been eliminated upon consolidation.

A summary of the shares authorized and issued of each company at September 30, 2019 and June 30, 2019 are listed below:

At September 30, 2019

Name of entity	Country of incorporation	Shares authorized	Shares issued (Common)	Par value per share	Shares Issued (Convertible Preference)	Par Value Per Share
GBS Inc.	United States	22,500,000	8,510,000	USD\$0.01	2,176,862	US\$.01
Glucose Biosensor Systems (Greater China) Pty Ltd (2)	Australia	99,800,000	99,800,000	N/A(1)	-	-
GBS Operations Inc. (3)	United States	1,000	100	USD\$0.01	-	-
Glucose Biosensor Systems (APAC) Pty Ltd	Australia	100	100	N/A(1)	-	-
Glucose Biosensor (Japan) Pty Ltd	Australia	100	100	N/A(1)	-	-

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**At June 30, 2019**

Name of entity	Country of incorporation	Shares authorized	Shares issued (Common)	Par value per share	Shares Issued (Convertible Preference)	Par Value Per Share
GBS Inc.	United States	22,500,000	8,510,000	USD\$0.01	2,064,884	US\$.01
Glucose Biosensor Systems (Greater China) Pty Ltd (2)	Australia	99,800,000	99,800,000	N/A(1)	-	-
GBS Operations Inc. (3)	United States	1,000	100	USD\$0.01	-	-

(1) Australia does not have the concept of par value per share.

(2) GBS Inc. holds 98.96% ownership in this Company for September, 2019 and for the June 30, 2019 period.

(3) GBS Inc. holds 100% ownership in this Company for all periods presented.

On October 30, 2017 the authorized capital was increased to 22,000,000 with a par value of \$0.01 each consisting of 20,000,000 shares of common stock and 2,000,000 shares of preferred stock.

On November 5, 2017 the Company conducted a stock split of one to 90,000 resulting in issued common stock of 9,000,000.

On August 8, 2018 a reverse share split occurred whereas the total number of common issued stock has been consolidated from 9,000,000 to 8,250,000.

On November 24, 2018 the company raised a further \$1,950,000 through the allocation of 260,000 common shares to its parent company. This was achieved via extinguishment of the related party debt owing to the parent, with consideration being provided via a conversion from debt to common shares.

On June 18, 2019, the authorized capital was increased to 22,500,000 with a par value of \$0.01 each consisting of 20,000,000 shares of common stock and 2,500,000 shares of preferred stock.

On June 27, 2019, Life Science Biosensor Diagnostics Pty Ltd (the Licensor) , the company's controlling stockholder, transferred a total of 36,600 shares of its common stocks to a total of 122 employees of the Licensor and related companies pursuant to Regulation S under the Securities Act.

On June 28, 2019, Best Legend Industries Limited, one of the non-controlling shareholders in Glucose Biosensor Systems (Greater China) Pty Ltd transferred it's 1,000,000 shares to the Company for consideration of 100,000 Series A Convertible Preference Shares in the Company. As a result of this, the non-controlling interest in Glucose Biosensor Systems (Greater China) Pty Ltd has decreased to 1.04%.

For the three months to September 30, 2019 the Company received cash subscriptions or the subscription agreement of \$839,837 regarding the issuance of Convertible Preference Shares convertible to common shares at the completion of an initial public offering ("IPO"). The Convertible Preference Shares carry the same rights as common shares except the right to vote at general meetings of shareholders. Further particulars are at Note 9.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Equity offering costs

The Group complies with the requirements of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification ASC 340 with regards to offering costs. Prior to the completion of an offering, offering costs will be capitalized as deferred offering costs on the balance sheet. The deferred offering costs will be charged to stockholders’ equity (deficit) upon the completion of an offering or to expense if the offering is not completed. Offering costs amounting to \$1,981,669 were capitalized as of September 30, 2019 (June 30, 2019: \$1,981,669).

Revenue recognition

The Company shall recognize revenues when there is persuasive evidence of an arrangement, delivery has occurred or services are rendered, the sales price is determinable, and collectability is reasonably assured.

Debt issuance cost

Debt issuance costs are being amortized using the effective interest rate method over the term of the loan and the amortization expense is recorded as part of interest expense of the consolidated statements of operations.

Income taxes

In accordance with the provisions of Financial Accounting Standards Board Accounting Standards Codification (“FASB ASC”) 740, Income Taxes, tax positions initially need to be recognized in the consolidated financial statements when it is more likely than not that the positions will be sustained upon examination by taxing authorities. It also provides guidance for de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

As of September 30, 2019, the Group had no uncertain tax positions that qualified for either recognition or disclosure in the consolidated financial statements. Additionally, the Group had no interest and penalties related to income taxes.

The Group accounts for current and deferred income taxes and, when appropriate, deferred tax assets and liabilities are recorded with respect to temporary differences in the accounting treatment of items for financial reporting purposes and for income tax purposes. Where, based on the weight of all available evidence, it is more likely than not that some amount of the recorded deferred tax assets will not be realized, a valuation allowance is established for that amount that, in management’s judgment, is sufficient to reduce the deferred tax asset to an amount that is more likely than not to be realized.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Foreign currency translation

Assets and liabilities of foreign subsidiaries are translated from local (functional) currency to presentation currency (U.S. dollar) at the rate of exchange in effect on the consolidated balance sheets date; income and expenses are translated at the average rate of exchange prevailing during the year. Foreign currency movements resulted in a gain of \$4,234 for the period ended three months to September 30 2019 (three months ended September 30 2018, foreign currency translation loss of \$271,958).

Net Loss Per Share Attributable to Common Stockholders (“EPS”)

The Company calculates earnings per share attributable to common stockholders in accordance with ASC Topic 260, “Earning Per Share.” Basic net income (loss) per share attributable to common stockholders is calculated by dividing net income (loss) attributable to common stockholders by the weighted-average number of common shares outstanding during the period. Diluted net income (loss) per common share is calculated by dividing net income (loss) attributable to common stockholders by weighted-average common shares outstanding during the period plus potentially dilutive common shares, such as stock warrants.

Potentially dilutive common shares shall be calculated in accordance with the treasury stock method, which assumes that proceeds from the exercise of all warrants are used to repurchase common stock at market value. The amount of shares remaining after the proceeds are exhausted represents the potentially dilutive effect of the securities.

The Company has incurred net losses during the quarter ended September 30, 2019 and the conversion of the convertible notes payable or the effect of the completion of the issuance of convertible preference shares in a private placement would be anti-dilutive, and thus is not included in loss per share calculation (see Note 8—Convertible Notes Payable).

Use of estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Recently issued but not yet effective

In February 2016, the FASB issued ASU No. 2016-02, Leases (“ASU 2016-02”). This update requires all leases with a term greater than 12 months to be recognized on the balance sheet through a right-of-use asset and a lease liability and the disclosure of key information pertaining to leasing arrangements. This new guidance is effective for years beginning after December 15, 2019, with early adoption permitted. The Company is reviewing the effect that ASU 2016-02 will have on its financial statements and related disclosures, and the standard will be applied during the Company’s financial year ended June 30, 2020 once it is a public business entity.

NOTE 4. LICENSING RIGHTS

During the quarter the company incurred liabilities in relation to license right procurement costs to Life Science Biosensor Diagnostics Pty Ltd, being \$1,291,308 (FY 2019 \$ nil). In relation to the development and approval process for the Glucose Biosensor Technology. The Company shall pay royalties of sales & milestones payments as defined.

There is no set expiration date for the license. However the exclusivity of the license under granted under the license agreement runs until the expiration of the patent portfolio covered by the agreement which is currently until 2033. No Royalties has been incurred through to September 30, 2019 (June 2019 \$ nil).

NOTE 5. OTHER ASSETS

	As of	
	September 30, 2019	June 30, 2019
Goods & Services Tax Receivable	\$ 4,802	\$ 94,504
Prepayments	\$ 362,007	\$ 53,837
Total	\$ 366,809	\$ 148,341

NOTE 6. ACCOUNTS PAYABLE & ACCRUED EXPENSES

	As of	
	September 30, 2019	June 30, 2019
Accounts Payable	\$ 406,878	\$ 900,132
Accruals	\$ 187,681	\$ 237,536
Amounts payable to Life Science Biosensor Diagnostics Pty Ltd	\$ 1,159,414	\$ 36,073
Total	\$ 1,753,973	\$ 1,173,741

NOTE 7. CASH & CASH EQUIVALENTS

	As of	
	September 30, 2019	June 30, 2019
Cash at Bank	\$ 714,307	\$ 197,940

The Company places its cash and cash equivalents, which may at times be in excess of the Australia Financial Claims Scheme or the United States' Federal Deposit Insurance Corporation insurance limits, with high credit quality financial institutions and attempts to limit the amount of credit exposure with any one institution.

NOTE 8. CONVERTIBLE NOTES PAYABLE

Convertible notes payable consists of the following:

	As of	
	September 30, 2019	June 30, 2019
Convertible Notes Payable	\$ 5,269,556	\$ 5,277,056
Less unamortized debt issuance costs	\$ (72,855)	\$ (145,709)
Debt less unamortized debt issuance costs	\$ 5,196,701	\$ 5,131,347

NOTE 8. CONVERTIBLE NOTES PAYABLE (CONT.)

Investors have subscribed to a Glucose Biosensor Systems (Greater China) Pty Ltd 7% Convertible Note Issue during the periods in the above table. The Notes bear interest at the rate of 7% per annum payable quarterly in arrears. The Notes are unsecured and mature on December 31, 2019.

The Notes also provide that there shall be a 15% discount on the potential IPO Price on the offer document intended to be filed with an approved stock exchange.

NOTE 9. SUBSCRIPTIONS FOR CONVERTIBLE PREFERENCE SHARES OF GLUCOSE BIOSENSOR SYSTEMS (GREATER CHINA) HOLDINGS INC

The Company has issued 2,176,862 convertible preference shares. When this is combined with the potential subsequent conversion of convertible notes payable, existing common stock issued in the company, and maximum raise upon successful completion of the IPO, the Company estimates that a maximum of 15,266,072 common shares in GBS Inc shall be on issue upon the successful completion of the IPO. The 2,176,862 convertible preference shares are represented by \$15,873,467 subscription monies, which have been allocated to total value of preferred shares and 8,510,000 common shares are represented by \$1,950,001 subscription moneys, which have been allocated to total value of common shares.

Each convertible preference share converting to one common share upon the successful completion of the IPO, will have one Loyalty Warrant Entitlement attached. The terms of the Entitlement provide that the holder can exercise one warrant to purchase one common share at the IPO price during years two through to year three following the IPO. At exercise date, the shareholder must hold for each warrant to be exercised, one underlying common share to exercise the option. The warrants are not transferable and apply to the number of shares that were subscribed for. In addition, the warrants do not apply to the convertible note holders.

The Company will continue to maintain its 98.96% (98,764,000 shares) in its subsidiary Glucose Biosensor Systems (Greater China) Pty Ltd.

NOTE 10. RELATED-PARTY TRANSACTIONS

The following transactions occurred with Life Science Glucose Biosensor Diagnostics Pty Ltd during the period July 1, 2019 to September 30, 2019 (2018: during the period July 1, 2018 to September 30, 2018):

The Company incurred a total of \$105,181 (2018: \$987,303) towards the services in connection with development and regulatory approval pathway for the technology.

The Company incurred a total of \$150,661 (2018: \$295,719) towards overhead cost reimbursement which includes salaries, rents and other related overheads directly attributable to the company which are included in General & Administration Expenses.

The Company recognized income of \$122,075 (2018: \$nil) in relation to shared labour reimbursement which includes salaries directly attributable to the company which are included in Shared-services revenue.

During the quarter the Company incurred liabilities in relation to license right procurement costs being \$1,291,308 (FY 2019 \$ nil). In relation to the development and approval process for the Glucose Biosensor Technology. As at September 30, 2019, \$1,159,414 remains payable in relation to the procurement and other costs detailed above.

NOTE 11. SUBSEQUENT EVENTS

The Company has applied to list its common stock on the NYSE American under the symbol "GBSG". The initial public filing of prospectus made on September 18, 2019 with intent to raise \$23m. Although the company expects common stock to be listed on the NYSE American, there can be no assurance that an active trading market will develop.

No other events have arisen in the interval between the quarter ended September 30, 2019 and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors to affect significantly the operations or state of affairs of the Group in future financial years.

NOTE 12. NET OPERATING LOSSES

The Company shall file its income tax returns with the Internal Revenue Service and Australian Taxation Office. The Company has net operating loss carried forward of \$13,426,591 which are derived from its operations in Australia and the US and are available to reduce future taxable income. Such loss carry forwards may be carried forward indefinitely, subject to compliance with tests of continuity and additional rules.

The net operating loss carried forward give rise to a deferred tax asset of approximately \$3,616,000. However, the Company has determined that a valuation allowance of \$3,616,000 against such deferred tax asset is necessary, as it cannot be determined that the carry forwards will be utilized.

NOTE 13. LOSS PER SHARE

	3 Months to September 30, 2019	3 Months to September 30, 2018
Total Loss	\$ (757,850)	\$ (1,659,908)
Basic and diluted net loss per share attributed to common shareholders	\$ (0.09)	\$ (0.18)
Weighted-average number of ordinary shares	8,510,000	9,000,000



Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000
Australia

To the members of Glucose Biosensor Systems (Greater China) Holdings Inc.

Report of Independent Registered Public Accounting Firm

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheet of Glucose Biosensor Systems (Greater China) Holdings Inc. which comprise the consolidated balance sheets as at June 30, 2019 and 2018 and the related consolidated statement of operations, changes in stockholders' equity, and cash flows for the year ended June 30, 2019 and 2018 and the related notes. In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the company and subsidiaries at June 30, 2019 and 2018, and the results of their operations and their cash flows for the year ended June 30, 2019 and 2018 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

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BDO East Coast Partnership

We have served as the Company's auditor since 2017.

BDO

/s/ Tim Aman

Tim Aman
Sydney, Australia
July 25, 2019

CONSOLIDATED BALANCE SHEETS

	Note	As of	
		June 30, 2019	June 30, 2018
Assets			
Current Assets:			
Cash and cash equivalents	7	\$ 197,940	\$ 418,420
Deferred charges	3	\$ 1,981,669	\$ 1,983,123
Other current assets	5	\$ 148,341	\$ 94,380
Total current assets		\$ 2,327,950	\$ 2,495,923
Intangibles			
Licensing rights, net of accumulated amortization	4	-	-
Total Assets		\$ 2,327,950	\$ 2,495,923
Liabilities and shareholders' equity			
Current liabilities:			
Accounts payable and accrued expenses	6	\$ 1,173,741	\$ 719,690
Convertible notes payable	8	\$ 5,131,347	\$ 4,839,927
Total current liabilities		\$ 6,305,088	\$ 5,559,617
Total liabilities		\$ 6,305,088	\$ 5,559,617
Commitments & Contingencies		-	-
Shareholders' Equity			
Common shares (8,510,000 shares issued and outstanding as of 6/30/2019 and 9,000,000 shares issued and outstanding as of 6/30/2018)		\$ 1,950,001	\$ 1
Preferred shares (2,064,884 shares issued and outstanding as of 6/30/2019 and 1,222,506 shares issued outstanding as of 6/30/2018)		\$ 15,033,630	\$ 8,715,794
Additional paid-in capital		\$ (8,713,077)	\$ (8,330,314)
Accumulated deficit		\$ (12,668,741)	\$ (5,332,055)
Accumulated Other comprehensive income		\$ (216,870)	\$ 571,105
Total Consolidated Group Equity		\$ (4,615,057)	\$ (4,375,469)
Non-controlling interests (1)		\$ 637,919	\$ 1,311,775
Total Shareholders' (deficit) equity		\$ (3,977,138)	\$ (3,063,694)
Total liabilities and shareholders' equity		\$ 2,327,950	\$ 2,495,923

(1) This relates to 1.04% (June 30 2018: 2.04%) of the ordinary shares in the subsidiary Glucose Biosensor Systems (Greater China) Pty Ltd owned by non-controlling interest.

These financial statements shall be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF OPERATIONS

	12 Months to June 30, 2019	12 Months to June 30, 2018
Revenue:		
Interest income	\$ 188	\$ 564
Operating expenses:		
Audit & Accountancy Fees	\$ 281,890	\$ 105,725
Director Fees	\$ 16,337	-
Employee Benefit Expense	\$ 120,749	-
General & Administrative Expenses	\$ 2,209,373	\$ 1,952,548
Interest Expense	\$ 664,840	\$ 453,872
Rent Expense	\$ 25,338	\$ 19,396
Development & Regulatory Approval Expenses	\$ 3,179,864	\$ 2,525,798
Prospectus & Capital Raising Expenses	\$ 896,174	-
Total Operating Expenses	\$ 7,394,565	\$ 5,057,339
Consolidated Net (Loss)	\$ (7,394,377)	\$ (5,056,775)
Less: (Loss) attributable to non-controlling interest	\$ (57,691)	\$ (36,392)
Net (Loss) attributable to holding company & subsidiaries	\$ (7,336,686)	\$ (5,020,383)
Other Comprehensive Income		
Foreign currency translation gain/(loss)	(787,975)	\$ 568,388
Other Comprehensive income for the period	(787,975)	\$ 568,388
Total Comprehensive (loss) for the period	(8,124,661)	\$ (4,488,387)
Loss per share based on net loss (Note 13):		
Basic and diluted net loss per share attributed to common shareholders of Glucose Biosensor Systems (Greater China) Holding Inc.	\$ (0.88)	\$ (0.61)
Weighted-average number of shares	8,382,685	8,250,000

Note: The weighted average number of shares used in calculating the basic net loss per share in the comparatives was based upon the retroactive effect of the share consolidation to 8,250,000 on August 8, 2018 as per note 13. This is shown retrospectively in the comparatives.

These financial statements shall be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE PERIOD FROM July 1, 2018 to June 30, 2019

	Glucose Biosensor Systems (Greater China) Holdings Inc Shareholders							Non-controlling Interests		
	Common Shares	Total Subscribed Value	No of Preferred Shares (1)	Total Value	Additional paid-in capital	(Accumulated deficit)	Other comprehensive income	Stockholders' equity	No of Ordinary Shares in GBSGC Pty Ltd	Total Value
Balance at July 1, 2018	9,000,000	\$ 1	1,222,506	\$ 8,715,794	\$ (8,330,314)	\$ (5,332,055)	\$ 571,105	\$ (4,375,469)	2,036,000	\$ 1,311,775
Issuance of common stock	260,000	\$ 1,950,000	-	-	-	-	-	\$ 1,950,000	-	-
Consolidation of the shares due to stock split	(750,000)	-	-	-	-	-	-	-	-	-
Issuance of convertible preferred shares and ordinary shares	-	-	842,378	\$ 6,317,836	-	-	-	\$ 6,317,836	-	-
Cost of issuance of ordinary shares and convertible preferred shares, the latter that may convert to common shares	-	-	-	-	\$ (382,763)	-	-	\$ (382,763)	-	-
Transfer of shares to Glucose Holding Inc	-	-	-	-	-	-	-	-	(1,000,000)	\$ (616,165)
Foreign currency translation loss	-	-	-	-	-	-	\$ (787,975)	\$ (787,975)	-	-
Net (loss)	-	-	-	-	-	\$ (7,336,686)	-	\$ (7,336,686)	-	\$ (57,691)
Balance at June 30, 2019	8,510,000	\$ 1,950,001	2,064,884	\$ 15,033,630	\$ (8,713,077)	\$ (12,668,741)	\$ (216,870)	\$ (4,615,057)	1,036,000	\$ 637,919

(1) Convertible Preference Shares are convertible at a potential IPO to 1 ordinary share and one option exercisable at the IPO price between 2 – 3 years after the IPO providing the option holder holds the underlying share.

(2) Refer to Note 3 for par values.

These financial statements shall be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE PERIOD FROM July 1, 2017 to June 30, 2018

	Glucose Biosensor Systems (Greater China) Holdings Inc Shareholders							Non-controlling Interests		
	Common Shares	Total Subscribed Value	No of Preferred Shares (1)	Total Value	Additional paid-in capital	(Accumulated deficit)	Other comprehensive income	Stockholders' equity	No of Ordinary Shares in GBSGC Pty Ltd	Total Value
Balance at July 1, 2017	100	\$ 1	-	-	\$ (5,603,556)	(311,672)	\$ 2,717	\$ (5,912,510)	-	-
Subscriptions to purchase convertible preference shares of Glucose Biosensor Systems (Greater China) Holdings Inc	-	-	-	-	\$ 6,596,530	-	-	\$ 6,596,530	-	-
Issuance of convertible preferred shares and ordinary shares	-	-	1,222,506	8,715,794	\$ (8,715,794)	-	-	-	2,036,000	\$ 1,403,948
Cost of issuance of ordinary shares and convertible preferred shares, the latter that may convert to common shares	-	-	-	-	\$ (641,483)	-	-	\$ (641,483)	-	\$ (55,781)
Additional Shares allotted due to Stock Split	8,999,900	-	-	-	-	-	-	-	-	-
Foreign currency translation gain	-	-	-	-	-	-	\$ 568,388	\$ 568,388	-	-
Net (loss)	-	-	-	-	-	\$ (5,020,383)	-	\$ (5,020,383)	-	\$ (36,392)
Balance at June 30, 2018	9,000,000	\$ 1	1,222,506	\$ 8,715,794	\$ (8,330,014)	\$ (5,332,055)	\$ 571,105	\$ (4,375,469)	2,036,000	\$ 1,311,775

(1) Convertible Preference Shares are convertible at a potential IPO to 1 ordinary share and one option exercisable at the IPO price between 2 – 3 years after the IPO providing the option holder holds the underlying share.

(2) Refer to Note 3 for par values.

These financial statements shall be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	12 Months to June 30, 2019	12 Months to June 30, 2018
Operating Activities:		
Net (Loss)	\$ (7,394,377)	\$ (5,056,775)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Change in assets and liabilities:		
Accounts payable and accrued expenses & deferred charges	\$ (132,807)	\$ (327,880)
Non-cash related party expenses settled with issuance of common shares	\$ 1,950,000	-
Net cash used in operating activities	<u>\$ (5,577,184)</u>	<u>\$ (5,384,655)</u>
Investing Activities:		
Net cash provided by investing activities	-	-
Financing Activities:		
Cash proceeds from the issuance of convertible notes payable	-	\$ 1,428,463
Cash received from subscribers for convertible preference shares convertible to common shares	\$ 5,701,671	\$ 8,715,794
Cash paid for debt issuance costs	-	\$ (122,864)
Cash paid to raise funds by the issuance of shares	\$ (382,763)	\$ (697,264)
Cash paid for expenditures relating to the issuance of new shares & preparation for listing costs	-	\$ (1,439,234)
Cash paid against liability to procure license	-	\$ (2,706,241)
Net cash provided by financing activities	<u>\$ 5,318,908</u>	<u>\$ 5,178,654</u>
Total Net Cash (Used) in Operational, Investing & Finance Activities	<u>\$ (258,276)</u>	<u>\$ (206,001)</u>
Cash at the beginning of the period	\$ 418,420	\$ 56,033
Exchange Rate Adjustment	\$ 37,796	\$ 568,388
Cash at the end of the period	<u>\$ 197,940</u>	<u>\$ 418,420</u>
Supplemental disclosure of cash flow information		
Interest paid	\$ 371,671	\$ 453,872
Interest income	\$ 188	\$ 564

These financial statements shall be read in conjunction with the accompanying notes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. GOING CONCERN

The Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 205-40, *Presentation of Financial Statements - Going Concern* (ASC 205-40) requires management to assess an entity’s ability to continue as a going concern within one year of the date of the financial statements are issued. In each reporting period, including interim periods, an entity is required to assess conditions known and reasonably knowable as of the financial statement issuance date to determine whether it is probable an entity will not meet its financial obligations within one year from the financial statement issuance date. Substantial doubt about an entity’s ability to continue as a going concern exists when conditions and events, considered in the aggregate, indicate it is probable the entity will be unable to meet its financial obligations as they become due within one year after the date the financial statements are issued.

The Company is an emerging growth company and has not generated any revenues to date. As such, the Company is subject to all of the risks associated with emerging growth companies. Since inception, the Company has incurred losses and negative cash flows from operating activities. The Company does not expect to generate positive cash flows from operating activities in the near future until such time, if at all, the Company completes the development process of its products, including regulatory approvals, and thereafter, begins to commercialize and achieve substantial acceptance in the marketplace for the first of a series of products in its medical device portfolio.

The Company incurred a net loss of \$7,336,686 for the twelve months to June 30, 2019 (Net loss \$5,020,383 for the twelve months to June 30, 2018). As at June 30, 2019, the Company had an accumulated deficit of \$12,668,741, negative working capital of \$3,977,138, \$6,305,088 in current liabilities of which \$5,131,347 are convertible notes that will convert to equity upon the proposed IPO, and cash of \$197,940 (As at June 30, 2018 the Company had an accumulated deficit of \$5,332,055, negative working capital of \$3,063,694, \$5,559,617 in current liabilities of which \$4,839,927 are convertible notes that will convert to equity upon the proposed IPO, and cash of \$418,420). In the near future, the Company anticipates incurring operating losses and does not expect to experience positive cash flows from operating activities and may continue to incur operating losses until it completes the development of its products and seeks regulatory approvals to market such products. These factors may raise doubt about the Company’s ability to continue as a going concern without sufficient capital. Should the Group encounter a scenario whereby sufficient capital is not available, financial support will be provided by the 81% shareholder in the parent entity, in addition to the 19% shareholder in the parent entity. The Directors believe that such financial support will be received as the Group has received letters of support from both entities, confirming that they will financially support the current as well as future activities and financial obligations of the Group for a period of at least one year from the date of signing of the financial statements.

NOTE 1. GOING CONCERN (CONT.)

The Group's ability to fund its operations is dependent upon management's plans and execution, which include in addition to financial assistance where required from the parent company, raising additional capital, including the Proposed Public Offering (as per subsequent event in Note 11), obtaining regulatory approvals for its products currently under development, commercializing and generating revenues from products currently under development, and continuing to control expenses.

The Group's consolidated financial statements have been prepared on a going concern basis which contemplates the realization of assets and satisfaction of liabilities and commitments in the normal course of business. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities should the Group be unable to continue as a going concern.

NOTE 2. ORGANIZATION AND DESCRIPTION OF THE BUSINESS

Glucose Biosensor Systems (Greater China) Holdings, Inc. ("Holdings") and its wholly owned subsidiary, Glucose Biosensor Systems (Greater China), Inc. are formed under the laws of the state of Delaware, and were formed on December 5, 2016. Glucose Biosensor Systems (Greater China) Pty Ltd ("GBSPL") was formed on August 4, 2016 under the laws of New South Wales, Australia. These three companies (collectively, the "Company") were formed to provide a non-invasive, pain free innovation to make it easier for people to manage diabetes.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Group prepares its consolidated financial statements using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP") and the rules and regulations of the Securities and Exchange Commission ("SEC").

Principles of consolidation

On July 29, 2017, Life Science Biosensor Diagnostics Pty Ltd (the parent entity) transferred to Holdings, in a non-reciprocal transfer, its 1,000 shares in Glucose Biosensor Systems (Greater China) Pty Ltd. These shares comprised its 100% ownership of Glucose Biosensor Systems (Greater China) Pty Ltd. As a result, the accompanying consolidated financial statements include the accounts of the following entities, all of which are under common control. All significant intercompany transactions and balances have been eliminated upon consolidation.

A summary of the shares authorized and issued of each company at June 30, 2019 and June 30, 2018 are listed below.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

At June 30, 2018

Name of entity	Country of incorporation	Shares authorized	Shares issued (Common)	Par value per share	Shares Issued (Convertible Preference)	Par Value Per Share
Glucose Biosensor Systems (Greater China) Holdings, Inc.	United States	22,000,000	9,000,000	USD\$0.01	1,222,506	US\$.01
Glucose Biosensor Systems (Greater China) Pty Ltd (2)	Australia	99,800,000	99,800,000	N/A (1)	-	-
Glucose Biosensor Systems (Greater China), Inc. (3)	United States	1,000	100	USD\$0.01	-	-

At June 30, 2019

Name of entity	Country of incorporation	Shares authorized	Shares issued (Common)	Par value per share	Shares Issued (Convertible Preference)	Par Value Per Share
Glucose Biosensor Systems (Greater China) Holdings, Inc.	United States	22,500,000	8,510,000	USD\$0.01	2,064,884	US\$.01
Glucose Biosensor Systems (Greater China) Pty Ltd (2)	Australia	99,800,000	99,800,000	N/A (1)	-	-
Glucose Biosensor Systems (Greater China), Inc. (3)	United States	1,000	100	USD\$0.01	-	-

(1) Australia does not have the concept of par value per share.

(2) Glucose Biosensor Systems (Greater China) Holdings, Inc. holds 97.96% ownership in this Company for the June 30, 2018 and 98.96% for the June 30, 2019 period.

(3) Glucose Biosensor Systems (Greater China) Holdings, Inc. holds 100% ownership in this Company for all periods presented.

On October 30, 2017 the authorized capital was increased to 22,000,000 with a par value of \$0.01 each consisting of 20,000,000 shares of common stock and 2,000,000 shares of preferred stock.

On November 5, 2017 the Company conducted a stock split of one to 90,000 resulting in issued common stock of 9,000,000.

On August 8, 2018 a reverse share split occurred whereas the total number of common issued stock has been consolidated from 9,000,000 to 8,250,000.

On November 24, 2018 the company raised a further \$1,950,000 through the allocation of 260,000 common shares to its parent company. This was achieved via extinguishment of the related party debt owing to the parent, with consideration being provided via a conversion from debt to common shares.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

On June 18, 2019 the authorized capital was increased to 22,500,000 with a par value of \$0.01 each consisting of 20,000,000 shares of common stock and 2,500,000 shares of preferred stock.

On 28 June 2019, Best Legend Industries Limited, one of the non-controlling shareholders in Glucose Biosensor Systems (Greater China) Pty Ltd transferred its 1,000,000 shares to the Company for consideration of 100,000 Series A Convertible Preference Shares in the Company. As a result of this, the non-controlling interest in Glucose Biosensor Systems (Greater China) Pty Ltd has decreased to 1.04%.

On June 27, 2019 Life Science Biosensor Diagnostics Pty Ltd (the Licensor) , the company's controlling stockholder, transferred a total of 36,600 shares of its common stocks to a total of 122 employees of the Licensor and related companies pursuant to Regulation S under the Securities Act. As at June 30, 2019 the Licensor owns a total of 8,473,400 common stock of the company representing 99.6% of the company outstanding common stock.

During the year ended June 30, 2019 the group received subscriptions of \$6,317,836 regarding the issuance of Convertible Preference Shares convertible to common shares at the completion of an initial public offering ("IPO"). The Convertible Preference Shares carry the same rights as common shares except the right to vote at general meetings of shareholders. Further particulars are at Note 9.

Equity offering costs

The Group complies with the requirements of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ASC 340 with regards to offering costs. Prior to the completion of an offering, offering costs will be capitalized as deferred offering costs on the balance sheet. The deferred offering costs will be charged to stockholders' equity (deficit) upon the completion of an offering or to expense if the offering is not completed. Offering costs amounting to \$1,981,669 were capitalized as of June 30, 2019 (June 30, 2018: \$1,983,123). The Company anticipates significant offering costs in connection with the proposed offering.

Revenue recognition

The Company shall recognize revenues when there is persuasive evidence of an arrangement, delivery has occurred or services are rendered, the sales price is determinable, and collectability is reasonably assured.

Debt issuance cost

Debt issuance costs are being amortized using the effective interest rate method over the term of the loan and the amortization expense is recorded as part of interest expense of the consolidated statements of operations.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Income taxes

In accordance with the provisions of Financial Accounting Standards Board Accounting Standards Codification (“FASB ASC”) 740, Income Taxes, tax positions initially need to be recognized in the consolidated financial statements when it is more likely than not that the positions will be sustained upon examination by taxing authorities. It also provides guidance for de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

As of June 30, 2019, the Group had no uncertain tax positions that qualified for either recognition or disclosure in the consolidated financial statements. Additionally, the Group had no interest and penalties related to income taxes.

The Group accounts for current and deferred income taxes and, when appropriate, deferred tax assets and liabilities are recorded with respect to temporary differences in the accounting treatment of items for financial reporting purposes and for income tax purposes. Where, based on the weight of all available evidence, it is more likely than not that some amount of the recorded deferred tax assets will not be realized, a valuation allowance is established for that amount that, in management’s judgment, is sufficient to reduce the deferred tax asset to an amount that is more likely than not to be realized.

Foreign currency translation

Assets and liabilities of foreign subsidiaries are translated from local (functional) currency to presentation currency (U.S. dollar) at the rate of exchange in effect on the consolidated balance sheets date; income and expenses are translated at the average rate of exchange prevailing during the year. Foreign currency movements resulted in a loss of \$787,975 (June 30, 2018 foreign currency translation gain of \$568,388).

Net Loss Per Share Attributable to Common Stockholders (“EPS”)

The Company calculates earnings per share attributable to common stockholders in accordance with ASC Topic 260, “Earning Per Share.” Basic net income (loss) per share attributable to common stockholders is calculated by dividing net income (loss) attributable to common stockholders by the weighted-average number of common shares outstanding during the period. Diluted net income (loss) per common share is calculated by dividing net income (loss) attributable to common stockholders by weighted-average common shares outstanding during the period plus potentially dilutive common shares, such as stock warrants.

Potentially dilutive common shares shall be calculated in accordance with the treasury stock method, which assumes that proceeds from the exercise of all warrants are used to repurchase common stock at market value. The amount of shares remaining after the proceeds are exhausted represents the potentially dilutive effect of the securities.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

The Company has incurred net losses during the period ended 30 June 2019 and the conversion of the convertible notes payable or the effect of the completion of the issuance of convertible preference shares in a private placement would be anti-dilutive, and thus is not included in loss per share calculation (see Note 8—Convertible Notes Payable).

Use of estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Recently adopted accounting pronouncement

In August 2014, the FASB issued ASU 2014-15, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern, which amends FASB ASC 205, Presentation of Financial Statements. This update requires management to assess an entity's ability to continue as a going concern by incorporating and expanding upon certain principles that are currently in U.S. auditing standards. ASU 2014-15 is effective for the Company's annual reporting period ending June 30, 2017. The adoption of FASB ASU 2014-15 did not have a material effect on the Group's consolidated financial statements.

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014 09, Revenue from Contracts with Customers ("ASU 2014 09"), which requires an entity to recognize revenue to depict the transfer of promised good or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU will replace most existing revenue recognition guidance in GAAP, including industry specific guidance, when it becomes effective. This new guidance is effective for years beginning after December 15, 2017. The standard permits the use of either the retrospective or cumulative effect transition method. The adoption of this accounting standard did not have a material effect on current or prior periods.

Recently issued but not yet effective

In February 2016, the FASB issued ASU No. 2016-02, Leases ("ASU 2016-02"). This update requires all leases with a term greater than 12 months to be recognized on the balance sheet through a right-of-use asset and a lease liability and the disclosure of key information pertaining to leasing arrangements. This new guidance is effective for years beginning after December 15, 2019, with early adoption permitted. The Company is evaluating the effect that ASU 2016-02 will have on its financial statements and related disclosures, and the standard will be applied during the Company's financial year ended 30 June 2020.

NOTE 4. LICENSING RIGHTS

During the financial year ended June 30, 2018, the Company paid its liability in relation to outstanding license rights procurement costs to Life Science Biosensor Diagnostics Pty Ltd being \$2,706,241 in relation to the development and approval process technology. The Company shall pay royalties of sales & milestone payments, as defined.

Subsequent to year end on July 3, 2019 the Company entered into an amended and reinstated license agreement. As per the new agreement there is no set expiration date for the license. However, the exclusivity of the license granted under the license agreement runs until the expiration of the patent portfolio covered by the agreement, which is currently until 2033. No royalties have been incurred through June 30, 2019 (June 30, 2018: nil).

NOTE 5. OTHER ASSETS

	As of	
	June 30, 2019	June 30, 2018
Goods & Services Tax Receivable	\$ 94,504	\$ 36,481
Prepayments	\$ 53,837	\$ 45,899
Other	-	\$ 12,000
Total	<u>\$ 148,341</u>	<u>\$ 94,380</u>

NOTE 6. ACCOUNTS PAYABLE & ACCRUED EXPENSES

	As of	
	June 30, 2019	June 30, 2018
Accounts Payable	\$ 900,132	\$ 167,466
Accruals	\$ 237,536	\$ 85,949
Amounts payable to Life Science Biosensor Diagnostics Pty Ltd	\$ 36,073	\$ 466,275
Total	<u>\$ 1,173,741</u>	<u>\$ 719,690</u>

NOTE 7. CASH & CASH EQUIVALENTS

	As of	
	June 30, 2019	June 30, 2018
Cash at Bank	\$ 197,940	\$ 418,420

The Company places its cash and cash equivalents, which may at times be in excess of the Australia Financial Claims Scheme or the United States' Federal Deposit Insurance Corporation insurance limits, with high credit quality financial institutions and attempts to limit the amount of credit exposure with any one institution.

NOTE 8 . CONVERTIBLE NOTES PAYABLE

Convertible notes payable consists of the following:

	As of	
	June 30,2019	June 30, 2018
Convertible Notes Payable	\$ 5,277,056	\$ 5,277,056
Less unamortized debt issuance costs	\$ (145,709)	\$ (437,129)
Debt less unamortized debt issuance costs	\$ 5,131,347	\$ 4,839,927

Investors have subscribed to a Glucose Biosensor Systems (Greater China) Pty Ltd 7% Convertible Note Issue during the periods in the above table. The Notes bear interest at the rate of 7% per annum payable quarterly in arrears. The Notes are unsecured and mature on December 31, 2019.

The Notes also provide that there shall be a 15% discount on the potential IPO Price on the offer document intended to be filed with an approved stock exchange.

NOTE 9. SUBSCRIPTIONS FOR CONVERTIBLE PREFERENCE SHARES OF GLUCOSE BIOSENSOR SYSTEMS (GREATER CHINA) HOLDINGS INC

The Company has issued 2,064,884 convertible preference shares. When this is combined with the potential subsequent conversion of convertible notes payable, existing common stock issued in the company, and maximum raise upon successful completion of the IPO, the Company estimates that a maximum of common 14,972,749 shares in Glucose Biosensor Systems Greater China (Holdings) Inc shall be on issue upon the successful completion of the IPO. The 2,064,884 convertible preference shares are represented by \$15,033,630 subscription moneys, which have been allocated to total value of preferred shares and 8,510,000 common shares are represented by \$1,950,001 subscription moneys, which have been allocated to total value of common shares.

Each convertible preference share converting to one common share upon the successful completion of the IPO, will have one Loyalty Warrant Entitlement attached. The terms of the Entitlement provide that the holder can exercise one warrant to purchase one common share at the IPO price during years two through to year three following the IPO. At exercise date, the shareholder must hold for each warrant to be exercised, one underlying common share to exercise the option. The warrants are not transferable and apply to the number of shares that were subscribed for. In addition, the warrants do not apply to the convertible note holders.

The Company will continue to maintain its 98.96% (98,764,000 shares) in its subsidiary Glucose Biosensor Systems (Greater China) Pty Ltd.

NOTE 10. RELATED-PARTY TRANSACTIONS

The following transactions occurred with Life Science Glucose Biosensor Diagnostics Pty Ltd during the period July 1, 2018 to June 30, 2019:

The Company incurred a total of \$3,179,864 (2018: \$2,525,798) towards the services in connection with development and regulatory approval pathway for the technology. As disclosed in Note 6, there is a trade creditors liability of \$36,073 (2018: \$466,275) remaining on these transactions as at June 30, 2019.

The Company incurred a total of \$1,213,313 (2018: \$1,820,883) towards overhead cost reimbursement which includes salaries, rents and other related overheads directly attributable to the company which are included in General & Administration Expenses.

Life Science Biosensor Diagnostics Pty Ltd injected an additional \$1,950,000 capital into the company through the issuance of 260,000 common shares bringing its total shareholding to 8,510,000. This was achieved via extinguishment of the related party debt owing to the parent via a conversion from debt to common shares.

NOTE 11. SUBSEQUENT EVENTS

The Company has applied to list its common stock on the NYSE American under the symbol “GBSG”. The initial public filing of prospectus made on July 5, 2019 with intent to raise \$23m. Although the company expects common stock to be listed on the NYSE American, there can be no assurance that an active trading market will develop.

Subsequent to June 30, 2019, the Company has received further cash subscriptions or the subscription agreements of AUD 1,119,780, which will be allotted as additional convertible preference shares prior to IPO.

On July 3, 2019 the Company entered into an amended and reinstated license agreement. As per the new agreement there is no set expiration date for the agreement. However, the exclusivity of the license granted under the license agreement runs until the expiration of the patent portfolio covered by the license agreement, which is currently until 2033.

No other events have arisen in the interval between the end of the financial year ended 30 June 2019 and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors to affect significantly the operations or state of affairs of the Group in future financial years.

NOTE 12. NET OPERATING LOSSES

The Company shall file its income tax returns with the Internal Revenue Service and Australian Taxation Office. The Company has net operating loss carry forwards of \$12,668,741 which are derived from its operations in Australia and the US and are available to reduce future taxable income. Such loss carry forwards may be carried forward indefinitely, subject to compliance with tests of continuity and additional rules.

The net operating loss carried forward give rise to a deferred tax asset of approximately \$3,417,000. However, the Company has determined that a valuation allowance of \$3,417,000 against such deferred tax asset is necessary, as it cannot be determined that the carry forwards will be utilised.

NOTE 13. LOSS PER SHARE

	As of June 30, 2019	As of June 30, 2018
Total Loss	\$ 7,336,686	\$ (5,020,383)
Basic and diluted net loss per share attributed to common shareholders	\$ (0.88)	\$ (0.61)
Weighted-average number of shares (1)	8,382,685	8,250,000

(1) The weighted average number of shares used in calculating the basic net loss per share in the comparatives was based upon the retroactive effect of the share consolidation to 8,250,000 on August 8, 2018. This is shown retrospectively in the comparatives.

On November 24, 2018, there were 260,000 common shares allotted to Life Science Biosensor Diagnostics Pty Ltd for a total of \$1,950,000.



Shares

PROSPECTUS

Common Stock

Dated , 2019

Through and including , 2019 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The estimated expenses payable by us in connection with the offering described in this registration statement (other than the underwriting discounts) will be as follows:

SEC registration fee	\$	2,787.60
FINRA filing fee	\$	
Accounting fees and expenses	\$	
Printing and engraving expenses	\$	
Legal fees and expenses	\$	
Listing fees	\$	
Miscellaneous	\$	(1)
Total	\$	

- (1) This amount represents additional expenses that may be incurred by the registrant in connection with the offering over and above those specifically listed above, including distribution and mailing costs.

Item 14. Indemnification of Directors and Officers.

The Company's amended and restated certificate of incorporation and by-laws will provide that all of its directors and officers shall be entitled to be indemnified by us to the fullest extent permitted by law. The Company's amended and restated by-laws will further provide that it will indemnify any other person whom it has the power to indemnify under section 145 of the Delaware General Corporation Law. In addition, we intend to enter into customary indemnification agreements with each of our directors and officers.

Section 145 of the Delaware General Corporation Law concerning indemnification of officers, directors, employees and agents is set forth below.

"Section 145. Indemnification of officers, directors, employees and agents; insurance.

(a) A corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the person's conduct was unlawful.

(b) A corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

(c) To the extent that a present or former director or officer of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b) of this section, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

(d) Any indemnification under subsections (a) and (b) of this section (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the present or former director, officer, employee or agent is proper in the circumstances because the person has met the applicable standard of conduct set forth in subsections (a) and (b) of this section. Such determination shall be made, with respect to a person who is a director or officer of the corporation at the time of such determination, (1) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (2) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, or (3) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (4) by the stockholders.

(e) Expenses (including attorneys' fees) incurred by an officer or director of the corporation in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the corporation as authorized in this section. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents of the corporation or by persons serving at the request of the corporation as directors, officers, employees or agents of another corporation, partnership, joint venture, trust or other enterprise may be so paid upon such terms and conditions, if any, as the corporation deems appropriate.

(f) The indemnification and advancement of expenses provided by, or granted pursuant to, the other subsections of this section shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office. A right to indemnification or to advancement of expenses arising under a provision of the certificate of incorporation or a bylaw shall not be eliminated or impaired by an amendment to such provision after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought, unless the provision in effect at the time of such act or omission explicitly authorizes such elimination or impairment after such action or omission has occurred.

(g) A corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the corporation would have the power to indemnify such person against such liability under this section.

(h) For purposes of this section, references to "the corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this section with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued.

(i) For purposes of this section, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan; and references to "serving at the request of the corporation" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this section.

(j) The indemnification and advancement of expenses provided by, or granted pursuant to, this section shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

(k) The Court of Chancery is hereby vested with exclusive jurisdiction to hear and determine all actions for advancement of expenses or indemnification brought under this section or under any bylaw, agreement, vote of stockholders or disinterested directors, or otherwise. The Court of Chancery may summarily determine a corporation's obligation to advance expenses (including attorneys' fees)."

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers, and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment of expenses incurred or paid by a director, officer or controlling person in a successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, we will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to the court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

Pursuant to the underwriting agreement filed as Exhibit 1.1 to this Registration Statement, we have agreed to indemnify the underwriters and the underwriters have agreed to indemnify us against certain civil liabilities that may be incurred in connection with this has, including certain liabilities under the Securities Act.

Item 15. Recent Sales of Unregistered Securities.

During the past three years, we sold the following shares of common stock, preferred stock, promissory notes and warrants without registration under the Securities Act:

On November 5, 2017, we effected a forward stock split of one to 90,000 shares, which resulted in our having 9,000,000 issued and outstanding shares of common stock as of such date. On August 8, 2018, we effected a reverse stock split of approximately one to 0.9167 shares, which resulted in our having 8,250,000 issued and outstanding shares of common stock as of such date.

On November 24, 2018, we issued a further 260,000 shares of common stock in exchange for the cancellation of \$1,950,000 in debt held by the Licensor, by issuing a further 260,000 in shares of common stock to the Licensor, resulting in 8,510,000 issued and outstanding shares of common stock as of such.

As of the date hereof, our 99.1%-owned subsidiary, GBS Pty Ltd, has sold to various investors convertible notes in the outstanding aggregate principal amount of \$5,269,556, the principal and interest of which notes will automatically convert at the closing of this offering into shares of common stock at a price per share equal to 85% of the public offering price in this offering. In the absence of the completion of this offering and such automatic conversion of the notes, the notes mature on December 31, 2019. These notes were issued along with ordinary shares of GBS Pty Ltd in a private placement conducted in the first quarter of 2018.

As of the date hereof, we have sold to various investors a total of 2,323,891 shares of Series A Convertible Preferred Stock, including 3,000 shares to Spiros Sakiris, our Chief Financial Officer, which will automatically convert into 2,323,891 shares of our common stock upon listing. As of the date hereof, there are outstanding warrants to purchase 2,250,377 shares of our common stock issued in connection with the Series A Convertible Preferred Stock, including warrants to purchase 3,000 shares held by Mr. Sakiris, having an exercise price of equal to 100% of the public offering price in this offering, which warrants are exercisable only during the one-year period commencing on the second anniversary of the closing of this offering.

In June 2019, the Licensor transferred a total of 36,600 common stocks of our common stock to a total of 122 employees of the Licensor and related companies, and in September 2019, the Licensor transferred a total of 42,000 shares of our common stocks to a total of 140 employees of the Licensor and related companies. Therefore, as at the date hereof, the Licensor owns a total of 8,431,400 shares of our common stock, representing 99.1% of issued common stock.

All of the securities described above were issued pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act and Regulation D promulgated thereunder, as fewer than 35 investors were non-accredited investors, or pursuant to the exemption from registration contained in Regulation S under the Securities Act. The securities transferred by the Licensor to employees of the Licensor and related companies were transferred pursuant to the exemption from registration contained in Regulation S under the Securities Act. No underwriting discounts or commissions were paid with respect to any such sales.

Item 16. Exhibits and Financial Statement Schedules.

(a) The following exhibits are filed as part of this Registration Statement:

<u>Exhibit No.</u>	<u>Description</u>
1.1	Form of Underwriting Agreement.**
1.2	Form of Underwriters' Warrant (to be included in Exhibit 1.1).
3.1	<u>Amended and Restated Certificate of Incorporation.*</u>
3.2	<u>Amended and Restated By-laws.*</u>
4.1	<u>Specimen Common Stock Certificate.*</u>
4.2	<u>Form of Warrant.*</u>
5.1	Opinion of Graubard Miller.**
10.1	<u>2019 Incentive Equity Plan.*</u>
10.2	<u>Amended and Restated License Agreement between the Company and Life Science Biosensor Diagnostics Pty Ltd.*</u>
10.3	<u>Master Services Agreement between the Company and IQ3Corp Limited.*</u>
10.4	<u>Medical Affairs Services Agreement between the Company and Clinical Research Corporation.*</u>
10.5	<u>Form of Employment Agreement between the Company and Mr. Simeonidis.*</u>
10.6	<u>Form of Employment Agreement between the Company and Dr. Becker.*</u>
10.7	<u>Form of Employment Agreement between the Company and Mr. Sakiris.*</u>
10.8	Form of Lock-Up Agreement.**
10.9	<u>Letter of Financial Assistance from iQnovate Limited.*</u>
10.10	<u>Letter of Financial Assistance from iQX Limited.*</u>
10.11	<u>Form of Letter of Equity Support from iQnovate Limited.</u>
10.12	<u>Form of Letter of Equity Support from iQX Limited.</u>
21.1	<u>List of Subsidiaries.*</u>
23.1	<u>Consent of BDO East Coast Partnership.</u>
23.2	Consent of Graubard Miller (to be included in Exhibit 5.1).
24.1	<u>Power of Attorney (included on the signature page of this Registration Statement).</u>

* Previously filed.

** To be filed by amendment.

Item 17. Undertakings.

(b) The undersigned hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(d) The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h)

under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, each registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on the 29th day of November, 2019.

GBS INC.

By: /s/ Harry Simeonidis

Name: Harry Simeonidis

Title: President

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints each Harry Simeonidis and Spiro Sakiris his true and lawful attorney-in-fact, with full power of substitution and resubstitution for him and in his name, place and stead, in any and all capacities to sign any and all amendments including post-effective amendments to this registration statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that said attorney-in-fact or his substitute, each acting alone, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Name</u>	<u>Position</u>	<u>Date</u>
<u>/s/ Harry Simeonidis</u> Harry Simeonidis	President (Principal Executive Officer) and Director	November 29, 2019
<u>/s/ Spiro Sakiris</u> Spiro Sakiris	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	November 29, 2019
<u>/s/ George Syrmalis, M.D.</u> George Syrmalis, M.D.	Chairman of the Board	November 29, 2019
<u>/s/ Jean-Claude Becker, M.D.</u> Jean-Claude Becker, M.D.	Director	November 29, 2019
<u>/s/ Victoria Gavrilenko</u> Victoria Gavrilenko	Director	November 29, 2019
<u>Yon-Jiang Hei, M.D.</u> Yong-Jiang Hei, M.D.	Director	November 29, 2019
<u>/s/ Jonathan Hurd</u> Jonathan Hurd	Director	November 29, 2019
<u>/s/ Leon Kempler</u> Leon Kempler	Director	November 29, 2019
<u>/s/ George Margelis, M.D.</u> George Margelis, M.D.	Director	November 29, 2019
<u>/s/ Tom Parmakellis, M.D.</u> Tom Parmakellis, M.D.	Director	November 29, 2019
<u>/s/ Jonathan Sessler, Ph.D.</u> Jonathan Sessler, Ph.D.	Director	November 29, 2019



Bridging science with business

The Directors
GBS Inc.
708 Third Avenue, 6th Floor
New York, New York 10017

26 November 2019

Dear Directors

Confirmation of Equity Support

In order to support compliance by GBS Inc. (“GBS”) with the stockholders’ equity requirements for continued listing on its principal exchange, commencing upon the completion of GBS’s initial public offering (the “IPO”) and continuing until the second anniversary thereof, GBS shall have the option (the “Option”) to sell to iQnovate Ltd from time to time, and upon exercise of the Option by GBS as set forth in this letter, iQnovate Ltd shall have the obligation to purchase from GBS, its proportionate share of up to \$9,300,000 in shares of GBS common stock, at a purchase price per share equal to the greater of the public offering price in the IPO and the last closing sale price prior to the exercise of the Option. The “proportionate share” shall be the ratio that the number of shares of Life Science Biosensor Diagnostics Pty Ltd (“LSBD”) held by it as of the date of the IPO bears to the aggregate number of shares of LSBD held by it and IQX Ltd as the date of the IPO.

Such purchases shall be made not later than five business days after GBS notifies iQnovate Ltd in writing that it is exercising the Option, which notice shall state (i) that it reasonably expects its stockholders’ equity will be less than the minimum requirement for continued listing on the principal exchange as of the end of the current fiscal quarter, or that its actual stockholders’ equity was less than such amount as of the end of the most recently completed fiscal quarter, (ii) the amount of the deficiency, (iii) the dollar amount as to which the Option is being exercised, and (iv) the purchase price per share. iQnovate Ltd’s obligation to purchase shares of GBS common stock in connection with such notice shall be limited to an amount no greater than its proportionate share of the sum of such deficiency plus 25% of the minimum stockholders’ equity requirement (but in any event shall not exceed, in the aggregate, iQnovate Ltd’s proportionate share of \$9,300,000).

iQnovate Ltd hereby represents and warrants that: (a) it has been advised that the shares of the Company’s common stock issuable upon exercise of the Option (the “Shares”) have not been registered under the Securities Act of 1933, as amended (the “Act”), that the Shares may not be offered or sold, directly or indirectly, unless registered (or exempt from registration) under the Act and the securities laws of all applicable states, and that any certificates representing the Shares will bear a legend to such effect; (b) it is acquiring the Shares for its account for investment purposes only; (c) it has no present intention of selling or otherwise disposing of the Shares in violation of the securities laws; (d) it is an “accredited investor” as defined by Rule 501 of Regulation D promulgated under the Act; (e) it has had both the opportunity to ask questions and receive answers from the officers and directors of the Company and all persons acting on its behalf concerning the terms and conditions of the offer made hereunder; (f) it is familiar with the proposed business, management, financial condition and affairs of the Company; (g) it has full power, authority and legal capacity to execute and deliver this letter and any documents contemplated herein or needed to consummate the transactions contemplated in this letter; and (h) this letter constitutes a legal, valid and binding obligation, and is enforceable against it.

Signed for and behalf of iQnovate Ltd

Dr George Symmalis
CEO & Director

iQNOVATE
ABN 26 149 731 644
Level 7, 222 Clarence Street, Sydney, NSW, 2000
P 02 8239 5400 | F 02 8362 9325 | W iqnovate.com



ERADICATING DISEASE THROUGH CAPITAL
INVESTMENT

The Directors
GBS Inc.
708 Third Avenue, 6th Floor
New York, New York 10017

26 November 2019

Dear Directors

Confirmation of Equity Support

In order to support compliance by GBS Inc. (“GBS”) with the stockholders’ equity requirements for continued listing on its principal exchange, commencing upon the completion of GBS’s initial public offering (the “IPO”) and continuing until the second anniversary thereof, GBS shall have the option (the “Option”) to sell to IQX Ltd from time to time, and upon exercise of the Option by GBS as set forth in this letter, IQX Ltd shall have the obligation to purchase from GBS, its proportionate share of up to \$9,300,000 in shares of GBS common stock, at a purchase price per share equal to the greater of the public offering price in the IPO and the last closing sale price prior to the exercise of the Option. The “proportionate share” shall be the ratio that the number of shares of Life Science Biosensor Diagnostics Pty Ltd (“LSBD”) held by it as of the date of the IPO bears to the aggregate number of shares of LSBD held by it and iQnovate Ltd as the date of the IPO.

Such purchases shall be made not later than five business days after GBS notifies IQX Ltd in writing that it is exercising the Option, which notice shall state (i) that it reasonably expects its stockholders’ equity will be less than the minimum requirement for continued listing on the principal exchange as of the end of the current fiscal quarter, or that its actual stockholders’ equity was less than such amount as of the end of the most recently completed fiscal quarter, (ii) the amount of the deficiency, (iii) the dollar amount as to which the Option is being exercised, and (iv) the purchase price per share. IQX Ltd’s obligation to purchase shares of GBS common stock in connection with such notice shall be limited to an amount no greater than its proportionate share of the sum of such deficiency plus 25% of the minimum stockholders’ equity requirement (but in any event shall not exceed, in the aggregate, IQX Ltd’s proportionate share of \$9,300,000).

IQX Ltd hereby represents and warrants that: (a) it has been advised that the shares of the Company’s common stock issuable upon exercise of the Option (the “Shares”) have not been registered under the Securities Act of 1933, as amended (the “Act”), that the Shares may not be offered or sold, directly or indirectly, unless registered (or exempt from registration) under the Act and the securities laws of all applicable states, and that any certificates representing the Shares will bear a legend to such effect; (b) it is acquiring the Shares for its account for investment purposes only; (c) it has no present intention of selling or otherwise disposing of the Shares in violation of the securities laws; (d) it is an “accredited investor” as defined by Rule 501 of Regulation D promulgated under the Act; (e) it has had both the opportunity to ask questions and receive answers from the officers and directors of the Company and all persons acting on its behalf concerning the terms and conditions of the offer made hereunder; (f) it is familiar with the proposed business, management, financial condition and affairs of the Company; (g) it has full power, authority and legal capacity to execute and deliver this letter and any documents contemplated herein or needed to consummate the transactions contemplated in this letter; and (h) this letter constitutes a legal, valid and binding obligation, and is enforceable against it.

Signed for and behalf of IQX Ltd

Dr George Symalis
CEO & Director

iQX Limited
ABN 51 155 518 380
iqxinvestments.com.au

Level 7
222 Clarence Street
Sydney NSW

Tel: +61 2 8239 5400
Fax: +61 2 8362 9547
info@theiqgroup.com.au





Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000
Australia

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

GBS Inc.

We hereby consent to the use in this Registration Statement on Form S-1 of our report dated July 25, 2019 relating to the audit of the consolidated financial statements of GBS Inc. formally known as Glucose Biosensor Systems (Greater China) Holdings, Inc., appearing in the Prospectus, constituting a part of its Registration Statement, as amended ('File No. 333-232557').

We also consent to the reference to us under the caption 'Experts' in the Prospectus.

BDO East Coast Partnership

A handwritten signature in black ink, appearing to read 'Tim Aman', is written over a solid black horizontal line.

Tim Aman
Partner

Sydney, NSW, Australia
November 29, 2019

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