

Uscom Limited

ACN 091 028 090

OFFER BOOKLET

Non-Renounceable Rights Issue

A 3-for-10 non-renounceable rights issue offer by Uscom Limited ACN 091 028 090 of up to approximately 46,977,118 new fully paid ordinary shares at an issue price of \$0.11 per share to raise up to approximately \$5.17 million (before costs). The rights issue is not underwritten.

Last date for acceptance and payment:

5pm (Sydney time) on Friday, 10 December 2021

This Offer Booklet is an important document and requires your immediate attention. This document and the accompanying Entitlement and Acceptance Form should be read in their entirety. If you are in any doubt about what to do, you should consult your stockbroker, solicitor, accountant or other professional adviser without delay.

Chairman's Letter

26 November 2021

Dear Uscom Shareholders

Chairman's Letter to Shareholders

On behalf of the Board of Directors of Uscom Limited ACN 091 028 090 (ASX:UCM) (**Uscom** or the **Company**), I am pleased to present to you this offer document (**Offer Booklet**) for a non-renounceable rights issue to raise up to approximately \$5.17 million (before costs) (**Rights Issue**).

I ask that you consider this Offer Booklet carefully and in its entirety.

Uscom has created a leading global medical technology company based on the vision of life-saving medical innovations which is now poised for the next stage of growth. The foundations of Uscom can be summarised as follows:

1. Uscom became cash flow positive in the financial year ended 30 June 2021.
2. Uscom is a truly international organisation with 35 full-time employees in Australia, China and Hungary.
3. Uscom's Chinese subsidiary is growing significantly through the distribution network it has established in a number of provinces in China. The potential to grow within the total Chinese market is significant.
4. Uscom's Hungarian operations (based in Budapest) were profitable in the financial year ended 30 June 2021 and continue to be a major driver of the development of Uscom technology and manufacturing, and will spearhead European sales.
5. A distribution network has been developed in China, Europe and the US where there are approximately 100 Uscom trained sales personnel employed by our distributors.
6. Regulatory approvals have been obtained in the major global markets for Uscom products and further approvals are expected shortly for the new products developed by Uscom.

Next stage of Uscom's development

The foundations set out above will allow Uscom to move from being a local "manufacture to order" organisation to a company developing global partnerships to increase the scale and market penetration of its products worldwide.

The directors of Uscom (**Directors**) believe that the Company and its products are on the cusp of significant revenue growth through the maturing of its distribution network.

Use of proceeds raised under the Rights Issue

The funding from the Rights Issue will primarily be used by the Company (and, as necessary, its subsidiaries) to:

1. Manufacture significant numbers of USCOM 1A, BP+ and SpiroSonic devices in preparation for delivery to distributors and end-users; and
2. Support our global distributors, particularly in Europe and China, with marketing, training and other resources, as necessary.


The Rights Issue

Shareholders are being offered the opportunity to subscribe for up to 3 new fully paid shares ordinary shares in the Company (each, a **New Share**) for every 10 existing fully paid ordinary shares in the Company (each, a **Share**) held at 7pm (Sydney time) on the record date of 25 November 2021 (**Record Date**).

The New Shares are being offered to Eligible Shareholders at a price of \$0.11 per New Share (**Issue Price**), representing an approximately 15.3% discount to the closing price on Friday, 19 November 2021, and an approximately 16.67% discount to the volume weighted average price of Shares for the month prior to the announcement of the Rights Issue. An "Eligible Shareholder" is a Shareholder who holds as at 7pm on the Record Date with a registered address (in accordance with the records of the Company's securities registry) in Australia or New Zealand.

Uscom has received confirmation from its 3 largest Shareholders (details of whom are set out in Section 2 below) that they each intend to take up 100% of their Entitlements (defined below). The commitment from these 3 Shareholders (each of which is a "substantial" (i.e. greater than 5%) Shareholder) amounts to approximately \$2.5 million.

On behalf of the Company, I thank you for your continued support and look forward to the Uscom future.

A handwritten signature in black ink, appearing to read 'Rob Phillips', with a stylized, cursive script.

Rob Phillips
Executive Chairman

1. Introduction to the Rights Issue

1.1 Key details & use of funds

As announced on Monday, 22 November 2021, the Company invites all Eligible Shareholders to participate in the Rights Issue on the basis of 3 New Shares for every 10 Shares held at 7pm (Sydney time) on the Record Date at the Issue Price per New Share.

As the Rights Issue is not underwritten, there is a risk that not all New Shares will be issued by the Company and therefore there is no certainty that the full amount of approximately \$5.17 million sought by the Company under the Rights Issue will be raised.

The funds raised under the Rights Issue (assuming that the Company raises the full amount of approximately \$5.17 million sought under the Rights Issue) will be used by the Company for the following purposes and in the following approximate amounts:

#	Purpose	Amount
1.	Develop Chinese manufacturing capacity A pilot manufacturing partnership will be established in China to enable Uscom to maintain its market access during the Chinese local manufacture drive. Once the manufacturing facility is established, it is intended that the manufacture of the Uscom BP+ device will take place in China, again allowing Uscom to better target the massive Chinese market.	\$1.20 million
2.	Support global distribution growth Uscom has global distribution networks across five continents with a more than 100 individual salesforce. Activating and supporting this team is a substantial commitment and requires an expanded staff and infrastructure, with both expansions being expensive.	\$1.25 million
3.	Growth capital-manufacture USCOM, SpiroSonic AIR and BP+ Uscom now has a 140% increase in device regions and requires a significant manufacturing ramp up to ensure there is an adequate stock of our 3 major products. Estimates of costs to manufacture an adequate stock are in the order of \$1m and likely to increase.	\$1.50 million
4.	Working capital and to pay the costs of the Rights Issue Managing the expanded global business divisions will require an increased number of employees, expanded international facilities and specialist advisory personnel. A portion of the funds raised under the Rights Issue will also be used to pay for the Rights Issue.	\$1.22 million

1.2 Additional New Shares

Under the Rights Issue, Eligible Shareholders may also apply for "**Additional New Shares**" (i.e. New Shares in excess of their pro rata entitlement under the Rights Issue (**Entitlement**)). The allocation of Additional New Shares and any scale back will be subject to availability of Additional New Shares and will occur in the Company's absolute discretion¹.

¹ Please note that Additional New Shares will only be allocated to you if there are sufficient New Shares from Eligible Shareholders who do not take up their Entitlement in full or from New Shares that would have been offered to Ineligible Shareholders had they been eligible to participate in the Rights Issue.

1.3 Issue Price

The Issue Price represents a 15.3% discount to the last traded price of Shares on ASX on Friday, 19 November 2021 and, an approximately 16.7% discount to the VWAP of Shares for the month prior to the announcement of the Rights Issue.

1.4 Rights Issue pursuant to section 708AA of the Corporations Act

The Rights Issue is being conducted by the Company in accordance with section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) without the issue of a prospectus or other disclosure document under Chapter 6D of the Corporations Act.

Accordingly, this Offer Booklet is not a prospectus, disclosure document or other offering document under the Corporations Act (or any other Australian or foreign law) and has not been (and will not be) lodged with the Australian Securities and Investments Commission.

The Company is a "disclosing entity" for the purpose of section 111AC of the Corporations Act and as such it is subject to regular reporting and disclosure obligations under section 674 of the Corporations Act and the Listing Rules of ASX Limited (**ASX**) (**Listing Rules**).

These obligations require the Company to notify ASX of information about specified events and matters as they arise for the purpose of ASX making that information available to the securities exchange conducted by ASX.

In particular, the Company is required (subject to certain limited exceptions) to notify ASX immediately once it is or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

For the Company to rely on the disclosure exemption in section 708AA of the Corporations Act, the Company is required to lodge a "cleansing notice" under section 708AA(2)(f) of the Corporations Act. That notice is required to:

- (a) set out any information that has been excluded from a continuous disclosure notice in accordance with the Listing Rules and that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (ii) the rights and liabilities attaching to the New Shares; and
- (b) state the potential effect of the issue of the New Shares on the control of the Company and the consequences of that effect.

The Company lodged the requisite cleansing notice in respect of the Rights Issue with ASX on Monday, 22 November 2021.

Neither ASX nor the Australian Securities & Investments Commission (**ASIC**) take any responsibility for the contents of this Offer Booklet.

1.5 Impact on Company

The pro forma consolidated balance sheet in Section 2.4 illustrates the expected effect of the Rights Issue on the Company's financial position.

1.6 Timetable

The Rights Issue will be conducted in accordance with the following indicative timetable:

Lodgement of Appendix 3B and Cleansing Notice for Rights Issue with ASX	Monday, 22 November 2021
"Ex" Date (i.e. the date on and from which Shares trade on ASX without an Entitlement)	Wednesday, 24 November 2021
Record Date (i.e. the time and date for determining Entitlements)	7pm (Sydney time) on Thursday, 25 November 2021
Despatch of Offer Booklet and Entitlement and Acceptance Form to Eligible Shareholders	Friday, 26 November 2021
Rights Issue Opening Date	9am (Sydney time) on Monday, 29 November 2021
Rights Issue Closing Date	5pm (Sydney time) on Friday, 10 December 2021
Trading in New Shares on ASX on a "deferred settlement basis" begins	Monday, 13 December 2021
Announcement of results of Rights Issue as required by paragraph 2 of Appendix 7A of the Listing Rules	Wednesday, 15 December 2021
Issue of New Shares to successful applicants under the Rights Issue	Thursday, 16 December 2021
Trading in New Shares on ASX on a normal ("T+2") settlement basis begins	Friday, 17 December 2021

Note: This timetable is indicative only and subject to change. The Company reserves the right, subject to the Corporations Act and Listing Rules, to change the dates, including the Closing Date and to accept late Applications under the Rights Issue (either generally, or in particular cases) without notice. Any extension of the Closing Date will have a consequential effect on the anticipated date for the issue of the New Shares. References in the timetable (or elsewhere in this Offer Booklet) to "New Shares" includes a reference to "Additional New Shares" if the context requires.

1.7 Shortfall

Any New Shares offered under the Rights Issue that are not subscribed for by Eligible Shareholders will form part of the shortfall (**Shortfall**). The Directors reserve the right, subject to the Corporations Act and the Listing Rules, to allocate any Shortfall to Eligible Shareholders² that apply for Additional New Shares or otherwise, to place any remaining Shortfall³ at their discretion within 3 months after the Closing Date (and at a price not less than the Issue Price).

² "Related parties" (as that term is defined in section 228 of the Corporations Act) of the Company (and/or any of their "associates" (as that term is defined in sections 10 to 17 of the Corporations Act)) are not eligible to apply for any Additional New Shares.

³ Please also note that the Company will not place any part of any remaining Shortfall to any related parties of the Company (or any of their associates).

2. Details of the Rights Issue

2.1 The Rights Issue

The Company is making a pro rata non-renounceable non-underwritten rights issue offer of New Shares to Eligible Shareholders to subscribe for up to 3 New Shares for every 10 Shares held at 7pm (Sydney time) on the Record Date at the Issue Price. Fractional entitlements to New Shares will be rounded up to the nearest whole New Share.

Your Entitlement to New Shares under the Rights Issue is shown on your Entitlement and Acceptance Form. Details on how to accept your Entitlement (or part of it) are set out in Section 3. This Offer Booklet will be sent to Eligible Shareholders on or about Friday, 26 November 2021 together with a personalised Entitlement and Acceptance Form.

2.2 Size of the Rights Issue

The total number of New Shares that may be issued under the Rights Issue (and any subsequent placement of any Shortfall) will be approximately 46.98 million (noting that the exact number depends on the effect of rounding on individual holdings).

The table below sets out, for illustrative purposes only, the Company's Share capital structure (i.e. before the Rights Issue) together with the impact of the proposed issue of the New Shares under the Rights Issue.

Total number of Shares on issue as at 7pm (Sydney time) on Friday, 19 November 2021	156,590,391
Maximum number of New Shares that may be issued under the Rights Issue	46,977,118
Total number of Shares on issue on completion of the Rights Issue (assuming that the Rights Issue is fully subscribed) ⁴	203,567,509
Number of New Shares that may be issued under the Rights Issue (assuming that the Rights Issue is 50% subscribed for)	23,488,559
Total number of Shares on issue on completion of the Rights Issue (assuming that the Rights Issue is 50% subscribed for)	180,078,950

Note: The figures in the above table (which are subject to the minor effects of rounding) assume that no performance rights (of which there are a total of 1,836,782 on issue) are exercised and/or that the Company does not issue any further Shares in either case before the Record Date.

If the Rights Issue is fully subscribed for, the effect of the Rights Issue will be to increase the number of Shares on issue by approximately 46.98 million and increase the cash held by the Company by approximately \$5.17 million (before costs of the Rights Issue).

If the Rights Issue is 50% subscribed for, the effect of the Rights Issue will be to increase the number of Shares on issue by approximately 23.49 million and increase the cash held by the Company by \$2.58 million (before costs of the Rights issue).

⁴ The precise maximum number of Shares that may be on issue on completion of the Rights Issue is subject to the effects of rounding.

2.3 Use of funds raised under the Rights Issue

The purpose of the Rights Issue is to enable the Company to raise up to a maximum of approximately \$5.17 million (before costs (as to which, see below)).

Assuming that the maximum amount is raised under the Rights Issue, the funds raised are intended to be allocated by the Company as follows:

Allocation of funds raised under the Rights Issue	Amount \$ (maximum)
Develop Chinese manufacturing capacity	\$1.20 million
Support global distribution growth	\$1.25 million
Growth capital-manufacture USCOM, SpiroSonic AIR and BP+	\$1.50 million
General working capital purposes (including the cost of the Rights Issue)	\$1.22 million
<u>Total</u>	<u>\$5.17 million</u>

Note: Eligible Shareholders should note that the estimated expenditures referred to above are subject to modification by the Company depending on the actual amount raised under the Rights Issue.

2.4 Pro forma balance sheet

The following unaudited pro forma balance sheet illustrates the anticipated effect of the Rights Issue on the Company. It has been prepared based on the audited full year financial statements as at 30 June 2021. It is not intended to represent the actual financial position of the Company on completion of the Rights Issue. It is provided as an illustration of the possible effect of the Rights Issue only.

The actual impact of the Rights Issue on the Company's financial position is dependent on a range of factors, a number of which are outside the control of the Company.

The unaudited pro forma balance sheet "as at" 30 June 2021 has been prepared on the basis of the accounting policies normally adopted by the Company and reflects the possible changes to its financial position as detailed below. The pro forma balance sheet has also been prepared subject to the notes listed beneath the balance sheet. As the Rights Issue is not underwritten, there is a risk that not all New Shares will be subscribed for and issued.

The pro forma balance sheet has been prepared to provide Eligible Shareholders with information on the pro forma assets and liabilities of the Company. The pro forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

USCOM LTD CONSOLIDATED PRO FORMA BALANCE SHEET

(As at 30 June 2021)

	2021	2021	2021
	\$	\$	\$
Percentage of \$5.17 million Rights Issue take up		100%	50%
Current assets			
Cash and cash equivalents	1,710,554	6,810,554	4,260,554
Trade and other receivables	404,366	404,366	404,366
Inventories	894,877	894,877	894,877
Tax asset	441,283	441,283	441,283
Total current assets	3,451,080	8,551,080	6,001,080
Non-current assets			
Bank guarantee	83,456	83,456	83,456
Plant and equipment	99,310	99,310	99,310
Intangible assets	469,684	469,684	469,684
Right-of-use assets	1,231,439	1,231,439	1,231,439
Total non-current assets	1,883,889	1,883,889	1,883,889
Total assets	5,334,969	10,434,969	7,884,969
Current liabilities			
Trade and other payables	556,020	556,020	556,020
Provisions	203,765	203,765	203,765
Lease liabilities	189,050	189,050	189,050
Total current liabilities	948,835	948,835	948,835
Non-current liabilities			
Provisions	67,652	67,652	67,652
Lease liabilities	1,240,884	1,240,884	1,240,884
Total non-current liabilities	1,308,536	1,308,536	1,308,536
Total liabilities	2,257,371	2,257,371	2,257,371
Net assets	3,077,598	8,177,598	5,627,598
Equity			
Issued capital	34,665,560	39,765,560	37,215,560
Reserve	3,352,406	3,352,406	3,352,406
Accumulated losses	(34,940,368)	(34,940,368)	(34,940,368)
Total equity	3,077,598	8,177,598	5,627,598

Note: The balance sheet of 30 June 2021 has been extracted from the Company's annual financial statements (for further details of which, please see the Company's annual report given to ASX on 19 August 2021) and shows the effect of the Rights Issue on the Company's financial position based on 100% take up and a 50% take up of Entitlements by Eligible Shareholders.

2.5 No rights trading

The Rights Issue is structured as a "non-renounceable" rights issue. Accordingly, there will be no trading of any rights to subscribe for the New Shares (**Rights**) on ASX and Rights may not be sold or transferred.

2.6 Not underwritten

The Rights Issue is not underwritten. This means that the full amount proposed to be raised by the Company under the Rights Issue may not ultimately be raised by the Company.

Any New Shares not taken up by Eligible Shareholders by the Closing Date will form part of the "Shortfall".

The Directors reserve the right, subject to the Corporations Act and the Listing Rules, to place any Shortfall to:

- (a) Eligible Shareholders⁵ that apply for Additional New Shares (refer to Section 3.4); and/or
- (b) Institutional Investors⁶ within 3 months after the close of the Rights Issue (and at an issue price not less than the Issue Price)⁷.

2.7 No cooling-off rights

Cooling-off rights do not apply to an investment in New Shares under the Rights Issue. This means that you cannot withdraw your application under your personalised Entitlement and Acceptance Form once it has been received by the Company.

⁵ Related parties of the Company (and their associates) are not eligible to apply for Additional New Shares under the Rights Issue.

⁶ An Institutional Investor is an investor to whom the Company may make an offer for issue of New Shares without a prospectus being lodged or other legal formality being satisfied in the relevant jurisdiction.

⁷ Please also note that the Company will not place any part of any remaining Shortfall to any related parties of the Company (or any of their associates).

2.8 Potential effect on control of the Company

Eligible Shareholders who take up their Entitlements in full will not have their proportionate interests in the Company diluted by the Rights Issue.

The following persons are "substantial" Shareholders (i.e. Shareholders who hold 5% or more of the Company's voting securities (i.e. the Shares)):

Name	Number of Shares held (before Rights Issue)	Percent of issued capital (before Rights Issue)
Citicorp ⁸	33,119,538	21.15%
Assoc. Prof Phillips ⁹	32,202,535	20.56%
Jetan ¹⁰	10,180,652	6.50%

Based on the substantial holder notices given to the Company prior to the date of this Offer Booklet, and, other than:

- (a) Citicorp;
- (b) Assoc. Prof Phillips; and
- (c) Jetan,

there are no Shareholders with a "relevant interest" (as that term is defined in section 608(1) of the Corporations Act) in 5% or more of the Shares.

The potential effect of the issue of New Shares under the Rights Issue on the control of the Company is as follows:

- (a) If all Eligible Shareholders take up their Entitlement in full, then the Rights Issue will not have a significant effect on the control of the Company.
- (b) If an Eligible Shareholder does not take up their Entitlement in full, then the proportionate interest of that Eligible Shareholder in the Company will be diluted.
- (c) The proportionate interests of Shareholders with registered addresses outside of Australia or New Zealand (if any), will be diluted because such Shareholders are not eligible to participate in the Rights Issue.

⁸ Mr Xianhui Meng (a non-executive Director) has a "relevant interest" in 32,860,500 of the 33,119,538 Shares held by Citicorp Nominees Pty Ltd (**Citicorp**).

⁹ Assoc. Prof Robert Phillips is an executive Director. Assoc. Prof Phillips holds all of these Shares in his own name. For further detail please see the Appendix 3Y given to ASX by the Company on 27 August 2021.

¹⁰ Of the 10,180,652 Shares held by Jetan, 5,000,000 Shares are held on behalf of the G. R. Plummer Super Fund.

- (d) If each of Citicorp, Assoc. Prof Phillips and Jetan take up their Entitlement in full¹¹, but no other Eligible Shareholder participates in the Rights Issue (and the Directors do not issue any of the Shortfall¹² (or any other new Shares)), the voting power of Citicorp, Professor Phillips and Jetan will increase and the voting power of all other Shareholders will decrease as shown below:

Name	Shares held (before Rights Issue)	Percent of Shares (before Rights Issue)	Shares held after taking-up Entitlement	Percent of Shares (after Rights Issue)
Citicorp	33,119,538	21.15%	43,055,400	24.02%
Assoc. Prof Phillips	32,202,535	20.56%	41,863,296	23.36%
Jetan	10,180,652	6.50%	13,234,848	7.38%
All other Shareholders	81,087,666	51.78%	81,087,666	45.24%

- (e) If each of Citicorp, Assoc. Prof Phillips and Jetan take up their Entitlement in full, and all other Eligible Shareholders subscribe for half (i.e. 50%) of their Entitlement (and the Directors do not issue any of the Shortfall¹³ (or any other new Shares)), the voting power of Citicorp, Professor Phillips and Jetan will increase and the voting power of all other Shareholders will decrease as shown below:

Name	Shares held (before Rights Issue)	Percent of Shares (before Rights Issue)	Shares held after taking-up Entitlement	Percent of Shares (after Rights Issue)
Citicorp	33,119,538	21.15%	43,055,400	22.49%
Assoc. Prof Phillips	32,202,535	20.56%	41,863,296	21.87%
Jetan	10,180,652	6.50%	13,234,848	6.91%
All other existing Shareholders	81,087,666	51.78%	93,250,816	48.72%

¹¹ The Company has received confirmation from Mr Xianhui Meng (who has a relevant interest in 32,860,500 of the 33,119,538 Shares held by Citicorp), Assoc. Prof Phillips and interests associated with Jetan Pty Ltd (**Jetan**) that they each intend to apply for 100% of their Entitlement.

¹² In this (unlikely) scenario, the total number of Shares that would be on issue on completion of the Rights Issue would be approximately 179,241,210 (i.e. approximately 22,650,819 more Shares than is on issue on the date of this Offer Booklet).

¹³ In this scenario, the total number of Shares that would be on issue on completion of the Rights Issue would be approximately 191,404,360 (i.e. approximately 34,813,969 more Shares than is on issue on the date of this Offer Booklet).

- (f) The Directors will not issue any portion of the Shortfall to any Eligible Shareholder or any new investor following completion of the Rights Issue if that issuance would result in that Eligible Shareholder or new investor having a relevant interest in 20% or more of the Shares¹⁴.
- (g) Given the discounted Issue Price, the relatively small number of large Shareholders and the fact that Eligible Shareholders (other than the Directors and other related parties of the Company (and their associates)) are able to apply for Additional New Shares (i.e. such Shareholders are able to apply for New Shares in excess of their Entitlement), the Company does not expect the Rights Issue to have a material effect on the control of the Company.

2.9 Quotation of New Shares

The Company will make an application to ASX for the New Shares issued under the Rights Issue to be quoted on the financial market provided by ASX. If that application is not approved by ASX, the Company will not issue any New Shares and all application monies received will be refunded (without interest) in full to each applicant.

The fact that ASX may quote the New Shares is not to be taken in any way as an indication of the merits of an investment in the Company or of the New Shares. Trading of the New Shares will, subject to ASX approval, occur on or about the date specified in the timetable in Section 1.6 (which is expected to be Friday, 17 December 2021).

2.10 Issue of New Shares

Subject to the New Shares being granted quotation on ASX, the New Shares will be issued in accordance with the timetable in Section 1.6.

It is expected that New Shares will be issued on 16 December 2021, and that updated holding statements for the New Shares will be despatched before the end of December 2021.

2.11 Eligible Shareholders

The Rights Issue is being made to all Shareholders who are, as at 7pm (Sydney time) on the Record Date, registered (in accordance with the records of Boardroom Pty Ltd, the Company's share registry (**Share Registry**)) with a registered address in Australia or New Zealand.

This Offer Booklet and a personalised Entitlement and Acceptance Form will be sent to Eligible Shareholders only.

The offer contained in this Offer Booklet to Eligible Shareholders with a registered address in New Zealand is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares.

The Company reserves the right to reject any Entitlement and Acceptance Form that it believes come from a person who is not an Eligible Shareholder.

¹⁴ Furthermore, the Company will not issue any of the Shortfall to any Eligible Shareholder who already has a relevant interest in excess of 20% of the Shares.

Ineligible Shareholders

As permitted by Listing Rule 7.7.1 and section 9A of the Corporations Act, the Company has decided that it is unreasonable to extend the Rights Issue to any Shareholder with a registered address (as at the Record Date) that is outside of Australia or New Zealand (**Ineligible Shareholder**), having regard to:

- (a) the number of Shareholders with a registered address outside of Australia or New Zealand;
- (b) the number and value of the New Shares those Shareholders would be offered under the Rights Issue; and
- (c) the cost to the Company of complying with applicable legal and regulatory requirements in any such foreign countries.

Accordingly, the Rights Issue is not being extended to, and does not qualify for distribution or sale by or to, and no New Shares will be issued to Shareholders having registered addresses outside Australia or New Zealand.

To the extent that there are any Ineligible Shareholders registered at the Record Date, the Company will send details of the Rights Issue to each Ineligible Shareholder and advise each Ineligible Shareholder that they will not be offered New Shares under the Rights Issue.

2.12 Overseas Shareholders

This Offer Booklet does not, and is not intended to, constitute an offer or an invitation in the United States, to any U.S. person, to any person acting for the account or benefit of a person in the United States, or in any other place or jurisdiction in which, or to any other person to whom, it would not be lawful to make such an offer or invitation.

The distribution of this Offer Booklet in jurisdictions outside of Australia or New Zealand may be restricted by law and persons who come into possession of this Offer booklet should seek advice on and observe any such restrictions. A failure to comply with any such restrictions may constitute a violation of applicable securities laws.

No action has been taken by the Company to register the New Shares or otherwise permit an offering of the New Shares in any jurisdiction other than Australia or New Zealand.

Eligible Shareholders who are resident in Australia or New Zealand who hold Shares on behalf of persons who are resident in jurisdictions outside of Australia or New Zealand are responsible for ensuring that taking up Entitlements under the Rights Issue does not breach any securities law or other applicable regulation in the relevant overseas jurisdiction.

The New Shares have not been and will not be registered under the US Securities Act of 1933 or the securities laws of any State or jurisdiction in the United States and may only be offered, sold or resold in, or to persons in, the United States in accordance with an available exemption from registration.

Any person in the United States or any person that is, or is acting for the account or benefit of, a U.S. person with a holding through a nominee entity may not participate in the Rights Issue and that nominee must not take up any Entitlement or send any materials relating to the Rights Issue to the United States or to any person that is, or is acting for the account or benefit of, a U.S. person.

The Company is not required to determine whether any Eligible Shareholder is acting as a nominee or the identity or residence of any beneficial owners of Shares.

It is the responsibility of each Shareholder to ensure compliance with any laws of a country relevant to their application.

Eligible Shareholders who are nominees, trustees or custodians are advised to seek legal advice in relation to any application they make wish to make.

2.13 Rights and liability attaching to New Shares

The New Shares will, from the date of their issue, rank equally with existing Shares.

Full details of the rights and liabilities attaching to the New Shares (and the Shares) are set out in the Company's constitution, a copy of which is available for inspection at the Company's registered office during normal business hours or on request to the Company Secretary, Mr Brett Crowley, who can be contacted via email at secretary@uscom.com.au

2.14 Costs of the Rights Issue

It is expected that the costs of preparing for and conducting the Rights Issue will be approximately \$25,000 (excluding GST).

2.15 Privacy Act

If you complete an application for New Shares, you will be providing personal information to the Company (either directly or via the Share Registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate payments and corporate communications to you as a Shareholder and carry out general administration.

The personal information provided to the Company may also be used from time to time and disclosed to persons, including persons inspecting the Share register, bidders for your Shares in the context of a proposed takeover or scheme of arrangement, regulatory bodies (including the Australian Taxation Office), authorised securities brokers, print service providers, mail houses and the Share Registry.

You can access, correct and update the personal information that the Company holds about you as a Shareholder at any time. Please contact the Share Registry during business hours if you wish to access, correct and/or update your personal information by calling the relevant contact number included on your personalised Entitlement and Acceptance Form (which form accompanies this Offer Booklet).

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for New Shares, the Company may not be able to accept or process your application.

3. Action required by Shareholders

3.1 Your choices

Your personalised Entitlement and Acceptance Form details the number of New Shares to which you are entitled to subscribe for under the Rights Issue. You may:

- (a) **take up all of your Entitlement** (refer to section 3.2);
- (b) **take up part of your Entitlement** (refer to section 3.3);
- (c) **take up all of your Entitlement and apply for Additional New Shares** (refer to section 3.4); or
- (d) **not take up any of your Entitlement** (refer to section 3.5).

You cannot sell or transfer any of your Entitlement. **That part of your Entitlement not taken up will form part of the Shortfall.** The Company reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date.

3.2 Take up all of your Entitlement

If you wish to take up all of your Entitlement, either:

- (a) complete your personalised Entitlement and Acceptance Form in accordance with the instructions set out on that form and forward it, together with your application monies for the amount shown on your form, so that your form and your application monies¹⁵ are received by the Share Registry before 5pm (Sydney time) on the Closing Date; or
- (b) pay your application monies for the amount shown on your personalised Entitlement and Acceptance Form by BPAY® in accordance with the instructions set out on that form so that your application monies are received by the Share Registry before 5pm (Sydney time) on the Closing Date¹⁶.

3.3 Take up part of your Entitlement

If you wish to take up part of your Entitlement, either:

- (a) complete your Entitlement and Acceptance Form in accordance with the instructions set out on that form and forward that form, together with your application monies appropriate to your application, so that it and your application monies are received by the Share Registry before 5pm (Sydney time) on the Closing Date; or
- (b) pay the application monies appropriate to your application by BPAY® in accordance with the instructions set out on your personalised Entitlement and Acceptance Form so that your application monies are received by the Share Registry by 5pm (Sydney time) on the Closing Date.

¹⁵ If you do not wish pay for your New Shares using BPAY®, you may only provide your application monies to the Company by bank draft or money order drawn in Australian dollars from an Australian financial institution.

¹⁶ If you pay by BPAY® you do not also need to forward your completed Entitlement and Acceptance Form to the Share Registry.

3.4 Take up all of your Entitlement and apply for Additional New Shares

If you wish to take up all of your Entitlement and also apply for Additional New Shares (i.e. New Shares in addition to your Entitlement), either:

- (a) complete your Entitlement and Acceptance Form in accordance with the instructions set out on that form (including by also specifying the number of Additional New Shares that you wish to apply for) and forward it, together with the application monies appropriate to your application, so that it and your application monies are received by the Share Registry before 5pm (Sydney time) on the Closing Date; or
- (b) pay the application monies appropriate to your application by BPAY® in accordance with the instructions set out on your personalised Entitlement and Acceptance Form so that your application monies are received by the Share Registry by 5pm (Sydney time) on the Closing Date. As noted above, if you pay by BPAY® you do not also need to forward your completed Entitlement and Acceptance Form to the Share Registry.

The Company will determine the allocation of any Additional New Shares under the Shortfall offer subject to the Corporations Act and Listing Rules.

Accordingly, there is no guarantee that Eligible Shareholders will receive all (or any) of the Additional New Shares that they apply for.

3.5 Not take up any of your Entitlement

If you do not wish to accept any part of your Entitlement, you do not need to take any further action.

3.6 Shortfall

The Directors reserve the right, subject to the Corporations Act and the Listing Rules, to allocate any Shortfall to Eligible Shareholders (other than any Eligible Shareholders who are also Directors and/or related parties of the Company) that apply for Additional New Shares or otherwise, to place any remaining Shortfall at their discretion within 3 months after the close of the Rights Issue (and at a price not less than the Issue Price).

3.7 Acceptance of your Entitlement

The method of acceptance of your Entitlement will depend on your method of payment being by bank draft, money order or BPAY®.

By completing and returning your personalised Entitlement and Acceptance Form, you will be deemed to have represented that you are an Eligible Shareholder.

3.8 Payment for New Shares

The Issue Price for each New Share accepted under your Entitlement is payable on application.

Payment by bank draft, money order or by BPAY® will be accepted.

All payments must be in Australian currency. Other currency will not be accepted. Cash payments will not be accepted. Other currency or cash payments will be returned to the applicant and the acceptance will be deemed to be invalid. The amount payable on application will be deemed not to have been received until the Company's receipt of clear funds. Receipts for payment will not be issued.

Application monies will be held on trust for applicants until the issue of the New Shares.

Any application monies received for more than your final allocation of New Shares will be refunded (except when the amount is less than \$2.00, in which case it will be retained by the Company) before the end of December 2021.

No interest will be paid on any application monies received or refunded. Interest earned on application monies will be for the benefit of the Company and will be retained by it whether or not issue under the Rights Issue ultimately takes place.

Payment by bank draft or money order

For payment by bank draft or money order, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions set out on that form and return it to the address specified on the form accompanied by a bank draft or money order in Australian currency for the amount of your application monies, payable to "Uscom Limited" and crossed "Not Negotiable".

Your bank draft or money order must be:

- (a) for an amount equal to \$0.11 multiplied by the number of New Shares that you are applying for; and
- (b) in Australian currency drawn on an Australian branch of a financial institution.

Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not also need to submit a completed copy of your personalised Entitlement and Acceptance Form but are taken to have made the declarations on that form; and
- (b) you are deemed to have applied for such whole number of New Shares which is covered in full by your application monies, whether that number is less than, equal to, or more than your Entitlement.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5pm (Sydney time) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this timing requirement into consideration when making payment.

3.9 Entitlement and Acceptance Form is binding

A completed and lodged Entitlement and Acceptance Form constitutes a binding offer to acquire New Shares (and if applicable, Additional New Shares) on the terms and subject to the conditions set out in this Offer Booklet and, once lodged with the Company, cannot be withdrawn.

If the Entitlement and Acceptance Form is not completed correctly, it may still be treated as a valid application for New Shares (and if applicable to you, Additional New Shares). The Company's decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

3.10 Representations by Acceptance

By completing and returning your personalised Entitlement and Acceptance Form (or by paying your application monies by BPAY®), you will be deemed to have represented to the Company that you are an Eligible Shareholder and that you:

- (a) acknowledge that you have read and understand this Offer Booklet and your Entitlement and Acceptance Form in its entirety;
- (b) agree to be bound by the terms of the Rights Issue, the provisions of this Offer Booklet and the Company's constitution;
- (c) authorise the Company to register you as the holder of New Shares (and Additional New Shares, if applicable to you) issued to you;
- (d) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (e) declare that you are at least 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (f) acknowledge that once the Company receives your Entitlement and Acceptance Form or any payment of application monies, you may not withdraw your application or application monies provided except as allowed by law;
- (g) agree to apply for and be issued with up to the number of New Shares (and Additional New Shares, if applicable to you) specified on your Entitlement and Acceptance Form, or for which you have submitted payment of any application monies;
- (h) authorise the Company, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares (and Additional New Shares, if applicable) to be issued to you, including to act on instructions of the Share Registry;
- (i) declare that you were the registered holder at the Record Date of the Shares indicated on your personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (j) acknowledge that the information contained in this Offer Booklet and your Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares (and Additional New Shares, if applicable to you) are suitable for you, given your investment objectives, financial situation or particular needs;
- (k) acknowledge that an investment in the Company (including any investment made pursuant to the Rights Issue) are speculative and involve risks;
- (l) acknowledge that neither the Company, its related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- (m) agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Rights Issue and of your holding of Shares on the Record Date;
- (n) authorise the Company to correct any errors in your completed personalised Entitlement and Acceptance Form or other form provided by you;

- (o) represent and warrant that the law of any place does not prohibit you from being given this Offer Booklet and the accompanying Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares (and Additional New Shares, if applicable to you) and that you are otherwise eligible to participate in the Rights Issue as an Eligible Shareholder and you represent and warrant to the Company that there has been no breach of any such laws or regulatory requirements; and
- (p) you understand and acknowledge that neither the Rights Issue nor the New Shares (or any Additional New Shares, if applicable to you) have been, or will be, registered under the U.S. Securities Act or any U.S. State or other securities laws in any jurisdiction, and may not be offered, sold or otherwise transferred except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws.

4. General information regarding the Rights Issue

4.1 Risks

An investment in New Shares (and, if applicable to you, Additional New Shares) should be regarded as speculative and involves many risks.

Eligible Shareholders intending to participate in the Rights Issue should refer to the announcements made by the Company to ASX. This information is available on ASX's website: www.asx.com.au (ASX code: UCM). Shareholders should consider the investment in the context of their individual risk profile for speculative investments, investment objectives and individual financial circumstances.

Each Shareholder should consult their own stockbroker, solicitor, accountant or other professional adviser before deciding whether or not to participate in the Rights Issue.

Neither the New Shares (nor the Additional New Shares, if applicable) carry a guarantee with respect to the payment of dividends, the return of any capital or the market value or liquidity of those Shares.

Eligible Shareholders should be aware that there are risks associated with investment in shares of companies listed on a stock exchange. The value of securities can be expected to fluctuate depending on various factors including general condition of the Australian economy, general worldwide economic and political conditions, changes in government policies, taxation changes and legislative or regulatory changes, investor sentiment, movements in the price of shares, movements in interest rates and stock markets, industrial disruption, environmental impacts, international competition, and other factors which may affect the Company's financial performance and position.

Many of the factors mentioned in the preceding paragraph are beyond the control of the Company and the Company cannot therefore, to any degree of certainty, predict how they will impact on the Company. Accordingly, assuming that the New Shares (and if applicable, the Additional New Shares) are quoted on ASX, they may trade on ASX at higher or lower prices than the Issue Price.

The information in this Offer Booklet does not constitute a recommendation to subscribe for New Shares (or Additional New Shares) and this Offer Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Shares (and if applicable, the Additional New Shares). You should make your assessment of what information is relevant to your decision to participate in the Rights Issue.

4.2 Tax consideration for investors

You should be aware that there may be taxation implications associated with participating in the Rights Issue. The Directors consider that it is not appropriate to give advice regarding the taxation consequences of subscribing for New Shares (and if applicable, the Additional New Shares) or the subsequent disposal of any such Shares. The Company, its advisers and its officers do not accept any responsibility or liability for any taxation consequences to Shareholders. The Directors recommend that all Shareholders consult their own tax advisers in connection with subscribing for, or subsequent disposal of, any securities in the Company.

4.3 Brokerage

No brokerage is payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for an Entitlement.

4.4 Governing law

This Offer Booklet and the contracts which arise on the acceptance of applications are governed by the laws applicable in New South Wales and each applicant submits to the non-exclusive jurisdiction of the courts of New South Wales.

4.5 Enquiries

If you have any questions regarding the Rights Issue, please contact the Company's Company Secretary by email secretary@uscom.com.au or your professional adviser.

4.6 Authorisation

For and on behalf of
Uscom Limited

A handwritten signature in black ink, appearing to read 'Rob Phillips', with a stylized, cursive script.

Rob Phillips
Executive Chairman

NON-RENOUNCEABLE ENTITLEMENT OFFER APPLICATION FORM

Subregister:

HIN / SRN:

Entitlement No:

Number of Shares held
at 7.00pm (AEDT) on
Thursday, 25 November 2021
(Record Date):

OFFER CLOSES: 5.00pm (AEDT) Friday, 10 December 2021

A Entitlement Acceptance

(1) If you wish to accept **YOUR FULL ENTITLEMENT**, please note your Entitlement and requisite Application Amount specified below and return this Form together with your **PAYMENT** by cheque or money order **or alternatively make a payment by BPAY in which case you DO NOT NEED TO RETURN THIS FORM.**

Entitlement 3 New Shares for every 10 shares held at record date	Offer Price (per New Share)	Application Amount \$
	\$0.11	

(2) If you wish to accept only **PART OF YOUR ENTITLEMENT** please complete the boxes below with the **NUMBER OF NEW SHARES** you wish to accept under your Entitlement and the requisite Application Amount and return this Form together with your **PAYMENT** by cheque or money order **or alternatively make a payment by BPAY in which case you DO NOT NEED TO RETURN THIS FORM.**

Part Acceptance of Entitlement New Shares	Offer Price (per New Share)	Application Amount \$
	\$0.11	

B Application for Additional New Shares under Shortfall Facility

If you have accepted **YOUR FULL ENTITLEMENT** and wish to apply for Additional New Shares, please complete the boxes below with the **NUMBER OF ADDITIONAL NEW SHARES** for which you wish to apply and the requisite Application Amount payable.

Number of Additional New Shares	Offer Price (per New Share)	Application Amount \$
	\$0.11	

C Calculate total Application Amount (if applying for Additional New Shares)

If you are applying for Additional New Shares, please calculate and complete the boxes below with the **TOTAL NUMBER OF NEW SHARES** and requisite Application Amount payable by adding the number of New Shares to which you are entitled under your Entitlement (**Section A (1)**) to the number of Additional New Shares for which you are applying (**Section B**) and return this Form together with your **PAYMENT** by cheque or money order **or alternatively make a payment by BPAY in which case you DO NOT NEED TO RETURN THIS FORM.**

Total Number of New Shares (A (1) + B)	Offer Price (per New Share)	Application Amount \$ (A (1) +B)
	\$0.11	\$

Additional New Shares will only be allotted if available.

If the person completing this Form is acting for the Eligible Shareholder, the return of this Form, together with payment of the requisite Application Amount or payment by BPAY, will constitute acceptance of the Entitlement Offer by the Eligible Shareholder, and if that person is acting under Power of Attorney, he/she states that he/she has not received notice of revocation and that he/she has authority to accept the Entitlement Offer.


Payment Instructions

Payment may only be made by BPAY®, cheque or money order. Cash will not be accepted via mail or at Boardroom Pty Limited. Payments cannot be made at any bank.

REFER OVERLEAF FOR INSTRUCTIONS

Payment Option 1 – BPAY®

If you pay for your Entitlement by BPAY®, which is highly recommended in light of delays to postal services caused by the COVID-19 pandemic, it is not necessary to return the Entitlement and Acceptance Form. Your payment must be received by the registry before 5.00pm (AEDT) on Friday, 10 December 2021

	Biller Code: CRN:	Telephone & Internet Banking - BPAY® Contact your bank, credit union or building society to make this payment from your cheque, credit or savings account. More info: www.bpay.com.au © Registered to BPAY Ltd ABN 69 079 137 518
<ul style="list-style-type: none">To pay via BPAY® please contact your participating financial institutionIf paying by BPAY®, you do not need to complete and return the Entitlement and Acceptance Form		

Payment Option 2 – Cheque or bank draft

- Only cheques or bank drafts in Australian dollars and drawn on a bank or financial institution in Australia will be accepted.
- Your cheque or bank draft must be made payable to "Uscom Limited" and crossed Not Negotiable.
- Please ensure that you submit the correct amount. Incorrect payments may result in your application being rejected.

Please enter your contact details in case we need to contact you in relation to your application

CONTACT NAME	EMAIL ADDRESS	TELEPHONE

This document is of value and requires your immediate attention. If in doubt, please consult your stockbroker, solicitor, accountant or other professional advisor without delay.

The offer to which this Entitlement and Acceptance Form relates does not constitute an offer to any person who is not an Eligible Shareholder, and in particular is not being made to Shareholders with registered addresses outside Australia or New Zealand. This Entitlement and Acceptance Form does not constitute an offer in the United States of America (or to, or for the account or benefit of, US Persons) or in any jurisdiction in which, or to any persons to whom, it would not be lawful to make such an offer.

ACCEPTANCE OF THE OFFER

By either returning the Entitlement and Acceptance Form together with your payment of the requisite Application Amount to Boardroom, or making payment by BPAY®, by 5.00pm (AEDT) on Friday, 10 December 2021:

- you represent and warrant that you have read and understood and agree to the terms set out in this Form and acknowledge you have read the entire Offer Booklet issued in connection with the Entitlement Offer;
- you represent and warrant that you are not located in the United States or a U.S. Person and are not acting for the account or benefit of a U.S. Person or any other foreign person;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the constitution of Uscom Limited; and
- your application to acquire New Shares is irrevocable and may not be varied or withdrawn except as allowed by law.

HOW TO ACCEPT NEW SECURITIES OFFERED

- BPAY® payment method:** The requisite Application Amount payable by you in order to accept your Entitlement in full is shown in **Section A** on the first page of this Form. If you accept your full Entitlement and wish to apply for Additional New Shares, please complete **Sections B and C** (to determine your total Application Amount payable). Contact your Australian bank, credit union or building society to make this payment from your cheque, savings or credit account. For more information visit: www.bpay.com.au. Refer to the front of this form for the Biller Code and Customer Reference Number. Payments must be received by BPAY® before 5.00 pm (AEDT) on Friday, 10 December 2021.

If the BPAY® payment is for any reason not received in full, the Company may treat you as applying for as many New Securities as will be paid for by the cleared funds. Shareholders using the BPAY® facility will be bound by the provisions relating to this Offer. **You are not required to submit this Form if you elect to make payment using BPAY®.**

- Cheque payment method:** The requisite Application Amount payable by you in order to accept your Entitlement in full is shown in **Section A** on the first page of this Form. If you apply for your full Entitlement and wish to apply for Additional New Shares, please complete **Sections B and C** (to determine your total Application Amount payable). Send your cheque/bank draft and the completed Form to Boardroom Pty Limited at the address shown below so as to reach the Share Registry before the close of the Offer at 5.00 pm (AEDT) on Friday, 10 December 2021. A reply-paid envelope is enclosed for your convenience.

3. PAYMENT - OVERSEAS RESIDENTS

Eligible Shareholders who are overseas must obtain a bank draft in Australian currency payable on a bank in Australia, or where the Eligible Shareholder has an account with a bank in Australia, by a cheque drawn on that bank within Australia.

Overseas eligible shareholders are advised to ensure their form and payment are posted to Australia by airmail.

Personal cheques drawn on overseas banks in Australian or any foreign currency will not be accepted. These will be returned and the acceptance deemed to be invalid.

Mailing Address:
Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

Hand Delivery Address:
Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

Privacy Statement:

Boardroom Pty Limited advises that Chapter 2C of the Corporations Act 2001 (Cth) requires information about you as a Shareholder (including your name, address and details of the Shares you hold) to be included in the public register of the entity in which you hold Shares. Information is collected to administer your Shareholding and if some or all of the information is not collected then it might not be possible to administer your Shareholding. Your personal information may be disclosed to the entity in which you hold Shares. You can obtain access to your personal information by contacting us at the address or telephone number shown on the Application Form.

Our privacy policy is available on our website (<https://www.boardroomlimited.com.au/corp/privacy-policy>).