

Perth, Australia

2 October 2020

ASX Announcement

Proposed Placement

The Board of Ultima United Limited (ASX: UUL) ("**Ultima**" or "**the Company**") is pleased to announce that it intends to allot up to 7,331,437 shares at AU \$0.40 per share (the "**Issue**") to raise up to \$2,932,574 (before costs). This issue, which represents a ~11% premium to the current trading price, is expected to be completed by 30 October 2020. The proposed issue will be a fixed price placement.

As a result of the suspension in the trading of the Company's shares in the last 12 months, the Issue will be subject to obtaining cleansing notice relief from ASIC, for which the Company has lodged an application. Should this application not be obtained by the expected completion date of 30 October 2020, the Company will be required to release a Cleansing Prospectus under section 708A(11) of the Corporations Act to ensure secondary trading of the placement shares on the ASX. Therefore, the expected completion date of the Issue may be subject to change depending on whether this relief is granted by 30 October 2020.

The proposed Issue is part of the Company's annual new issue capacity in accordance with listing rules 7.1 and 7.1A, allowing the Company to allot up to 25% of the current shares on issue.

Up to 25% of the Issue will be offered to eligible shareholders who are professional or sophisticated investors. The amount initially offered will generally be in proportion to their percentage interests. Shareholders who are parties referred to in ASX listing rule 10.11 will not be eligible to participate without prior shareholder approval at the Annual General Meeting.

As at this date, there are no firm commitments from any potential subscribers for the Issue.

In addition, Mr Jonathan Cheng, a director of the Company, has committed to subscribe for an aggregate amount of A\$583,582 of shares at A\$0.40 per share (being 1,458,955 shares) over and above the shares in the Issue, demonstrating his support for the Company. The issue of these additional shares will be subject to the Company obtaining shareholder approval at the upcoming Annual General Meeting expected to be held in late November 2020.

Of the total to be raised from the above two proposed placements totalling \$3,516,156, the funds will be used to develop its Bentley National Disability Insurance Scheme (NDIS) project, to pursue opportunities in both Australian and Asian property markets, and for general working capital purposes. The Company envisages that of the funds raised, up to AU\$2.1 million will be used to fund the development of the Bentley project for planned completion of Q4 of 2021, up to AU\$1.0 million will be earmarked for future projects in line with property development strategies of the Company and the remaining for working capital purposes.

A break down of the funds to be used for the Bentley project are described below:

Description	\$ Amount	Timeline
Planning, design and application	\$50,000	Q1 2021
Building costs	\$2,000,000	Q4 2021
Marketing, legal and other finalisation costs	\$50,000	Q4 2021
	\$2,100,000	

Lead manager

UUL advises that it has engaged CPS Capital Group Pty Ltd (“CPS”) to be the Lead Manager in relation to the placement, which is expected to raise \$2.93m before costs. CPS will charge the Company a fee of 6% of all funds that they raise in the Issue.

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This ASX announcement was approved and authorised for release by Ultima United Limited’s Board of Directors.

For more information please contact:

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