



ASX ANNOUNCEMENT

22 November 2021

NON-RENOUNCEABLE RIGHTS ISSUE OFFER

Uscom Limited is pleased to announce that it will be undertaking a pro rata non-renounceable rights issue (**Offer**) of ordinary fully paid shares to Eligible Shareholders, being persons who are registered as shareholders of the Company on the record date of 25 November 2021 (**Record Date**) and have a registered address in Australia or New Zealand.

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.

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.

If fully subscribed, the Offer will raise up to approximately \$5.17 million (before costs). Uscom has received confirmation from its three largest shareholders each intend to take up 100% of their entitlements under the Offer. The commitment from these three shareholders amounts to approximately \$2.5 million.

The Offer is not underwritten.

Shareholders who, at the Record Date, have an address registered in either Australia or New Zealand, will be eligible to participate in the Offer. All other shareholders will not be eligible to participate.

New Shares issued pursuant to the Offer will rank equally with existing fully paid ordinary shares currently on issue and the Company will apply to ASX for official quotation of the New Shares.

Eligible Shareholders may also apply for additional new shares (**Additional New Shares**), being New Shares in excess of their pro rata entitlement under the Offer. 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 discretion.

Use of Funds

It is intended that the proceeds from the Offer will be used in accordance with the table set out below.

#	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



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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

Capital Structure

The capital structure of the Company following completion of the Offer is summarised below:

Shares	100% of entitlements paid up	50% of entitlements paid up
Shares on issue at date of the offer	156,590,391	156,590,391
New shares offered under the offer	46,977,118	23,488,559
Total shares on completion of the offer	203,567,509	180,078,950

Timetable

The Offer is proposed to be conducted according to the following 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



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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

All dates (other than the date of lodgement of the Offer Document with ASX) are indicative only. The Company reserves the right, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, to vary the dates of the Offer, including extending the Closing Date or accepting late acceptances, either generally or in particular cases, without notice.

On 26 November 2021, the Company will dispatch an Offer Document together with a personalised Entitlement and Acceptance Form to eligible shareholders. The Entitlement and Acceptance Form together with the appropriate application monies needs to be returned to the Company's share registry before 5.00pm (Sydney time) on the anticipated closing date of 15 December 2021.

The Offer Document includes details of the Offer and the risks associated with investing in the Company. It is recommended that you read the Offer Document carefully and, if you are interested in participating in the Offer, consult with your professional advisers.

Yours faithfully

Executive Chairman

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This announcement is approved for release to the ASX by the Board of Uscom Limited.