



ASX ANNOUNCEMENT

5 February 2024

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 8 February 2024 (**Record Date**).

Shareholders are being offered the opportunity to subscribe for up to 2 new fully paid shares ordinary shares in the Company (each, a **New Share**) for every 7 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 \$0.037 per New Share (**Issue Price**), representing a 0% discount to the closing price on the last day on which the Company's shares traded on the ASX (31 January 2024), and an approximately 4.4% 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 \$2.014 million (before costs).

The Offer is partially underwritten up to an amount of \$2 million by the Uscom Executive Chairman, Assoc Prof Robert Phillips. An underwriting fee of 3% of the amount underwritten will be payable. A summary of the significant events that could lead to the underwriting being terminated is set out in the appendix 3B being lodged with the ASX today.

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.	Boost Chinese domestic manufacturing Expand Uscom's domestic manufacturing strategy to support the expanded demand expected from an increased sales marketing programme, and ultimately export of China manufactured devices. Ultimately and depending on regulatory requirements Uscom will consider manufacturing its USCOM, BP+ and SpiroSonic suite of cardiovascular and pulmonary devices in China.	\$0.40 million
2.	Support global marketing and distribution growth	\$0.80 million



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	Uscom sells USCOM 1A into 52 countries and has global distribution networks across five continents with a more than 100 individual salesforce. Expanding and supporting this team as we release new products to market is a substantial commitment and requires an expanded staff and infrastructure, with both expansions being expensive.	
3.	Capital growth - 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. Although the costs to manufacture may be covered by cash flow \$0.4m is likely needed to invest in increased stock.	\$0.50 million
4.	Working capital and 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.	\$0.314 million

Capital Structure

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

Total number of Shares on issue as at 7pm (Sydney time) on Friday, 2 February 2024	190,533,556
Maximum number of New Shares that may be issued under the Rights Issue	54,438,159
Total number of Shares on issue on completion of the Rights Issue (assuming that the Rights Issue is fully subscribed)	244,971,715
Number of New Shares that may be issued under the Rights Issue (assuming that the Rights Issue is 50% subscribed for)	27,219,079
Total number of Shares on issue on completion of the Rights Issue (assuming that the Rights Issue is 50% subscribed for)	217,752,635
Number of New Shares that may be issued under the Rights Issue (assuming that the Rights Issue is not fully subscribed and the underwriter meets its obligation to subscribe for up to \$2 million in shares)	54,054,054
Total number of Shares on issue on completion of the Rights Issue (assuming that the Rights Issue is not fully subscribed for and the underwriter subscribes the underwritten amount of up to \$2 million)	244,587,610



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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	5 February 2024
"Ex" Date (i.e. the date on and from which Shares trade on ASX without an Entitlement)	7 February 2024
Record Date (i.e. the time and date for determining Entitlements)	7pm (Sydney time) on 8 February 2024
Despatch of Offer Booklet and Entitlement and Acceptance Form to Eligible Shareholders	13 February 2024
Rights Issue Opening Date	9am (Sydney time) on 13 February 2024
Last day to extend the offer closing date	22 February 2024 (by 12 noon)
Rights Issue Closing Date	5pm (Sydney time) on 27 February 2024
Trading in New Shares on ASX on a "deferred settlement basis" begins	28 February 2024
Announcement of results of Rights Issue as required by paragraph 2 of Appendix 7A of the Listing Rules	1 March 2024
Issue of New Shares to successful applicants under the Rights Issue	4 March 2024
Trading in New Shares on ASX on a normal ("T+2") settlement basis begins	5 March 2024

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 13 February 2024, 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 27 February 2024.

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

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