

# Uscom Limited

ACN 091 028 090

# OFFER BOOKLET

## Non-Renounceable Rights Issue

A 2-for-7 non-renounceable rights issue offer by Uscom Limited ACN 091 028 090 of up to approximately 54,438,159 new fully paid ordinary shares at an issue price of \$0.037 per share to raise up to approximately \$2.014 million (before costs). The rights issue is partially underwritten.

**Last date for acceptance and payment:**

**5pm (Sydney time) on 27 February 2024**

**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

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13 February 2024

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 partially underwritten non-renounceable rights issue to raise up to approximately \$2.014 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 developing and marketing world's best life-saving medical innovations and is now poised for the next stage of growth. The foundations of Uscom can be summarised as follows:

1. Uscom is a high technology cardiovascular pulmonary medtech device company developing and manufacturing devices which address conditions responsible for 75% of global mortality.
2. Uscom became intermittently cash flow positive in the year ended 30 June 2021, the year COVID impacted international medical markets.
3. Until 2021, Uscom averaged a 9 year CAGR of 24%.
4. Uscom is an international organisation with 35 full-time employees in Australia, China, Singapore, US and Hungary.
5. Uscom's Chinese subsidiary, Uscom China, is growing significantly through an expanding distribution network across a number of Chinese provinces. The potential to grow into additional Chinese provincial markets is significant.
6. Uscom's Hungarian subsidiary, (based in Budapest), was profitable in the year ended 30 June 2023 and continues to be a major driver of the development of Uscom pulmonary monitoring technology, and will spearhead European sales of sector leading spirometry devices.
7. A distribution network has been developed in China, Europe, the US and more recently in SEAsia with approximately 100 Uscom trained sales personnel selling Uscom into 52 countries worldwide.
8. 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 transition from being a local "manufacture to order" organisation to a global enterprise expanding through global partnerships to increase the scale and market penetration of its products worldwide.

The directors of Uscom (Directors) believe that the Company is on the cusp of significant revenue growth through the maturing of its distribution network and delivery of new products to global markets.

## 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;
2. Support our global distributors, particularly in Europe and China, with marketing, training and other resources, as necessary; and
3. Actively pursue new R&D pathways that will create new clinical technologies for market.

## The Rights Issue

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

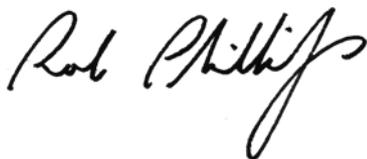
The New Shares are being offered to Eligible Shareholders at a price of \$0.037 per New Share (**Issue Price**), representing a 0% discount to the closing price on the last day on which the Company's shares traded on the ASX (31 January 2024), and an approximately 4.4% discount to the volume weighted average price of Shares for the month prior to the announcement of the Rights Issue.

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.

The Offer is partially underwritten up to an amount of \$2 million. I am the underwriter.

Any New Shares not taken up by Eligible Shareholders by the Closing Date less the New Shares taken up by the underwriter will form part of the shortfall (**Shortfall**).

The Directors reserve the right, subject to the Corporations Act and the Listing Rules, to place any Shortfall to Eligible Shareholders that apply for Additional New Shares (refer to Section 3.4) and any other investors within 3 months after the close of the Rights Issue (and at an issue price not less than the Issue Price). On behalf of the Company, I thank you for your continued support and look forward to the Uscom future.



Rob Phillips  
Executive Chairman

# 1. Introduction to the Rights Issue

## 1.1 Key details & use of funds

As announced on 5 February 2024, the Company invites all Eligible Shareholders to participate in the Rights Issue on the basis of 2 New Shares for every 7 Shares held at 7pm (Sydney time) on the Record Date at the Issue Price per New Share.

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 \$2.014 million sought by the Company under the Rights Issue will be raised. However, shareholders should note that the Offer is partially underwritten to the extent of \$2 million.

The funds raised under the Rights Issue (assuming that the Company raises the full amount of approximately \$2.014 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.	<b>Boost Chinese domestic manufacturing</b> 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.	<b>Support global marketing and distribution growth</b> 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.	\$0.80 million
3.	<b>Capital growth - manufacture USCOM, SpiroSonic AIR and BP+</b> 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.	<b>Working capital and costs of the Rights Issue</b> 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

## 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 discretion.

### 1.3 Issue Price

The 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.

### 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 5 February 2024.

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

## 1.5 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	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

**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.

## 1.6 Shortfall

The Directors will allocate shares under the Shortfall Offer to non-related shareholders in priority to Assoc. Prof. Phillips and Citicorp. Any remaining shares under the Shortfall Offer after all applications from non-related shareholders have been accepted will then be allocated to Citicorp. After all Shortfall Offers are exhausted, the Company will issue a shortfall notice to the underwriter to take up any remaining shortfall.

## 2. Details of the Rights Issue

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### 2.1 The Rights Issue

The Company is making a pro rata non-renounceable partially-underwritten rights issue offer of New Shares to Eligible Shareholders to subscribe for up to 2 New Shares for every 7 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 13 February 2024 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 54.438 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. The precise maximum number of Shares that may be on issue on completion of the Rights Issue is subject to the effects of rounding.

Total number of Shares on issue as at 7pm (Sydney time) on Friday, 19 November 2024	190,533,556
Maximum number of New Shares that may be issued under the Rights Issue	54,438,159
<b>Total number of Shares on issue on completion of the Rights Issue (assuming that the Rights Issue is fully subscribed)<sup>1</sup></b>	<b>244,971,715</b>
Number of New Shares that may be issued under the Rights Issue (assuming that the Rights Issue is 50% subscribed for)	27,219,079
<b>Total number of Shares on issue on completion of the Rights Issue (assuming that the Rights Issue is 50% subscribed for)</b>	<b>217,752,635</b>
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
<b>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)</b>	<b>244,587,610</b>

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 54.438 million and increase the cash held by the Company by approximately \$2.014 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 27.219 million and increase the cash held by the Company by \$1.007 million (before costs of the Rights issue).

If the Rights Issue is not fully subscribed and the underwriter meets its obligation to subscribe for up to \$2 million in shares, the effect of the Rights Issue will be to increase the number of Shares on issue by approximately 54.438 million and increase the cash held by the Company by \$2 million (before costs of the Rights issue).

## 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 \$2.014 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)
Expand Chinese domestic manufacturing	\$0.40 million
Support global marketing and distribution growth	\$0.80 million
Capital growth - manufacture USCOM, SpiroSonic AIR and BP+	\$0.50 million
General working capital including the cost of the Rights Issue	\$0.314 million
<b><u>Total</u></b>	<b><u>\$2.014 million</u></b>

**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 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.

## 2.5 Underwritten Offer and Loan

### (a) Underwriting agreement terms

Uscom's largest shareholder and Executive Chairman, Assoc Prof Robert Phillips, has underwritten the Rights Issue up to \$2,000,000.

The Company will pay Assoc Prof Robert Phillips an underwriting fee of 3% of the amount underwritten, that is, a fee of \$60,000. The other provisions included in the underwriting agreement including the termination provisions are also in accordance

with other underwriting agreements entered into by ASX listed companies with unrelated underwriters.

Any New Shares not taken up by Eligible Shareholders by the Closing Date less the New Shares taken up by the underwriter will form the shortfall (Shortfall).

The Directors reserve the right, subject to the Corporations Act and the Listing Rules, to place any Shortfall to Eligible Shareholders that apply for Additional New Shares (refer to Section 3.4) and any other investors within 3 months after the close of the Rights Issue (and at an issue price not less than the Issue Price).

(b) Application of Corporations Act to Underwriting - Related Party Provisions

Section 208(1) of the Corporations Act 2001 (Cth) (the Act) provides that a public company must not, without the approval of the Company's members, give a financial benefit to a related party unless an exception to the prohibitions which are set out in sections 210 to 216 of the Act applies to that transaction. As a Director of the Company, Assoc.Prof. Phillips is a related party of the Company for the purposes of section 228(2) of the Act. The entering into of the underwriting agreement and the payment of the underwriting fee will constitute the giving of a financial benefit to a related party for the purposes of section 229(3)(e) of the Act.

Section 210 of the Act provides that member approval is not needed to give a financial benefit on terms that:

- (i) would be reasonable in the circumstances if the public company or entity and the related party were dealing at arm's length; or
- (ii) are less favourable to the related party than the terms referred to in paragraph (a).

The material provisions of the underwriting agreement are that the underwriting fee payable is 3% of the underwritten amount and that there are strong termination provisions which are normal for underwriting agreements of this kind. Those termination provisions have the effect that the underwriting agreement cannot be terminated other than as a result of the happening of exceptional events.

The underwriting fee of 3% is significantly less than the arm's length fee which would otherwise be payable to unrelated underwriters. The Board has reviewed other underwriting arrangements entered into by small-cap ASX listed companies and noted that the prevailing fees in those arrangements are in the range of 5%-6%. The other provisions included in the underwriting agreement including the termination provisions are also in accordance with other underwriting agreements entered into by ASX listed companies with unrelated underwriters.

Accordingly, the Board has determined that the financial benefits being paid to Assoc.Prof. Phillips pursuant to the underwriting agreement are reasonable in the circumstances as they are benefits which would be included in any underwriting agreement with any arm's length party. Further, the underwriting fee of 3% is less favourable to Assoc.Prof. Phillips than the terms that would apply to an unrelated underwriter engaged on arm's length terms.

(c) Loan agreement

In order to ensure that the cash on hand of Uscom does not reach unacceptably low levels, at the end of December 2023, Uscom's Executive Chairman, Associate Prof Rob Phillips, provided a short-term loan to the Company in the amount of \$2.005 million. The loan is unsecured, incurs interest at 8% per annum payable monthly and is repayable at seven days call or 30 June 2024, whichever is the earlier. It is expected that the loan will be repaid to Associate Prof Rob Phillips in order for him to be able to

subscribe for his entitlements under the rights issue and to meet any commitments under the underwriting agreement.

(d) Application of Corporations Act to Loan Agreement - Related Party Provisions

Section 208(1) of the Corporations Act 2001 (Cth) (the Act) provides that a public company must not, without the approval of the Company's members, give a financial benefit to a related party unless an exception to the prohibitions which are set out in sections 210 to 216 of the Act applies to that transaction. As a Director of the Company, Assoc.Prof. Phillips is a related party of the Company for the purposes of section 228(2) of the Act. The provision of the loan by entering into of the loan agreement and the payment of interest will constitute the giving of a financial benefit to a related party for the purposes of section 229(3)(e) of the Act.

Section 210 of the Act provides that member approval is not needed to give a financial benefit on terms that:

- (i) would be reasonable in the circumstances if the public company or entity and the related party were dealing at arm's length; or
- (ii) are less favourable to the related party than the terms referred to in paragraph (a).

The material provisions of the loan agreement are the loan is unsecured, incurs interest at 8% per annum payable monthly and is repayable at seven days call or 30 June 2024, whichever is the earlier.

The Board has reached the conclusion that the interest rate of 8% is less than the arm's-length interest rate which would apply for a loan of that amount from an unrelated third party. It was particularly relevant to the Board's consideration that the loan provided by Assoc.Prof. Phillip is unsecured. The Board also noted that there were no establishment fees, administration fees or legal fees required in establishing the loan.

Accordingly, the Board has determined that the financial benefits being paid to Assoc.Prof. Phillips pursuant to the loan agreement are reasonable in the circumstances as they are benefits which would be included in any loan agreement with any arm's length party. Further, the underwriting fee of 8%pa is less favourable to Assoc.Prof. Phillips than the terms that would apply to an unrelated lender engaged on arm's length terms.

## 2.6 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.

## 2.7 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)
Assoc. Prof Phillips (Note 1)	47,233,937	24.79%

Citicorp Nominees Pty Limited (Note 2)	42,975,703	22.55%
Jetan Pty Limited	13,637,064	7.15%

Note 1: Assoc. Prof Robert Phillips is an executive Director. Assoc. Prof Phillips holds all of the above Shares in his own name. For further detail please see the Appendix 3Y given to ASX by the Company on 31 October 2023.  
Note 2: Mr Xianhui Meng (a non-executive Director) has a "relevant interest" in 42,745,050 of the 42,975,703 Shares held by Citicorp Nominees Pty Ltd.

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

- (a) Assoc. Prof Phillips;
- (b) Citicorp; 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.
- (d) If each of Assoc. Prof Phillips, Citicorp and Jetan take up their Entitlement in full, but no other Eligible Shareholder participates in the Rights Issue (and the Directors do not issue any of the Shortfall or any other new Shares), and Assoc. Prof Phillips subscribes for the balance of New Shares pursuant to the underwriting agreement, the voting power of Assoc. Prof Phillips, Citicorp 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)
Assoc. Prof Phillips	47,233,937	24.79%	82,340,912	34.05%
Citicorp	42,975,703	22.55%	55,254,475	22.85 %
Jetan	13,637,064	7.15%	17,533,368	7.25%
All other Shareholders	86,686,852	45.51%	86,686,852	35.85%

- (e) If Assoc. Prof Phillips takes up his Entitlement in full, but no other Eligible Shareholder participates in the Rights Issue (and the Directors do not issue any of the Shortfall or any other new Shares), and Assoc. Prof Phillips subscribes for New Shares pursuant to the underwriting agreement, the voting power of Assoc. Prof Phillips will increase and the voting power of all other Shareholders will decrease as shown below:

<b>Name</b>	<b>Shares held (before Rights Issue)</b>	<b>Percent of Shares (before Rights Issue)</b>	<b>Shares held after taking-up Entitlement</b>	<b>Percent of Shares (after Rights Issue)</b>
Assoc. Prof Phillips	47,233,937	24.79%	101,287,991	41.41%
Citicorp	42,975,703	22.55%	42,975,703	17.57%
Jetan	13,637,064	7.15%	13,637,064	5.58%
All other Shareholders	86,686,852	45.51%	86,686,852	35.44%

- (f) If each of Assoc. Prof Phillips, Citicorp 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 Shortfall<sup>2</sup> or any other new Shares), and Assoc. Prof Phillips subscribes for New Shares pursuant to the underwriting agreement, the voting power of Assoc. Prof Phillips, Citicorp and Jetan will increase and the voting power of all other Shareholders will decrease as shown below:

<b>Name</b>	<b>Shares held (before Rights Issue)</b>	<b>Percent of Shares (before Rights Issue)</b>	<b>Shares held after taking-up Entitlement</b>	<b>Percent of Shares (after Rights Issue)</b>
Assoc. Prof Phillips	47,233,937	24.79%	72,729,079	29.74%
Citicorp	42,975,703	22.55%	55,254,475	22.59%
Jetan	13,637,064	7.15%	17,533,368	7.17%
All other Shareholders	86,686,852	45.51%	99,070,688	40.50%

## 2.8 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 1.5 (which is expected to be 5 March 2024).

## 2.9 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 1.5.

It is expected that New Shares will be issued on 1 March 2024, and that updated holding statements for the New Shares will be despatched before the end of March 2024.

## 2.10 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.

### **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.

## **2.11 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 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.

## **2.12 ASIC relief in relation to appointment of foreign holder nominee**

The Corporations Act would require the Company to appoint a nominee approved by ASIC to act as its foreign holder nominee for the purposes of section 615 of the Corporations Act.

As there were only seven foreign holders with an address outside Australia and New Zealand and those shareholders owned less than 2% of the ordinary shares in the Company, the Company applied to ASIC for relief from the need to appoint a nominee under section 615. ASIC has granted that relief and the company will not appoint a foreign holder nominee.

## **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](mailto: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

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#### 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 monies<sup>3</sup> 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 Date<sup>4</sup>.

#### 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.

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<sup>3</sup> 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.

<sup>4</sup> 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 will allocate shares under the Shortfall Offer to non-related shareholders in priority to Assoc. Prof. Phillips and Citicorp. Any remaining shares under the Shortfall Offer after all applications from non-related shareholders have been accepted will then be allocated to Citicorp. After all Shortfall Offers are exhausted, the Company will issue a shortfall notice to the underwriter to take up any remaining shortfall.

### **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 2024.

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 \$0.037 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**

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### **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](http://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](mailto:secretary@uscom.com.au) or your professional adviser.

#### 4.6 **Authorisation**

For and on behalf of  
**Uscom Limited**

A handwritten signature in black ink that reads "Rob Phillips". The signature is written in a cursive, flowing style.

**Rob Phillips**  
**Executive Chairman**