



UCW Limited (ASX:UCW)
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29 May 2018

The Manager
Company Announcements
Australian Securities Exchange

By electronic lodgment

Cleansing Notice under Section 708AA of the Corporations Act

UCW Limited ACN 108 962 152 (**Company**) today announced that it is undertaking a fully underwritten 1 for 3.18618332 non-renounceable rights issue of 25,000,000 new fully paid ordinary shares in the Company (**New Shares**) at \$0.16 per New Share (**Issue Price**) to raise \$4,000,000 before costs (**Rights Issue**).

Under the Rights Issue, New Shares will be offered to all shareholders who are, as at 7.00pm (AEST) on Wednesday, 6 June 2018 (**Record Date**), registered (in accordance with the records of the Company's share registry) with a registered address in either Australia or New Zealand (**Eligible Shareholders**).

Eligible Shareholders will also be offered the opportunity to apply for additional New Shares (**Additional New Shares**) above their entitlement from any shortfall that may arise under the Rights Issue (**Shortfall**).

The Rights Issue is being fully underwritten by Shaw and Partners Limited ACN 003 221 583 (AFSL 236048) (**Underwriter**) pursuant to an underwriting agreement entered into between the Underwriter and the Company on 29 May 2018.

The Company notes that all directors of the Company (**Directors**) and certain officers of the Company have committed to take up their pro rata entitlement under the Rights Issue and certain Directors and officers have also entered into sub-underwriting arrangements (either directly or through associated shareholding entities) with the Underwriter whereby they have committed to apply for additional shares in the event of a Shortfall¹ (again, either directly or through associated shareholding entities).

Furthermore, the Company notes that Global UCW Pty Limited and Global UCW No. 2 Pty Limited (together **Global UCW**), the Company's largest shareholder, has committed to take up its pro rata entitlement under the Rights Issue².

In accordance with section 708AA(2)(f) of the Corporations Act, the Company hereby gives notice that:

- (i) the New Shares (and additional New Shares, if applicable) will be offered for issue without disclosure to investors under Part 6D.2 of the Corporations Act;
- (ii) this notice is given by the Company under section 708AA(2)(f) of the Corporations Act;

¹ The Company, in consultation with the Underwriter, intends to allocate the Shortfall (if any) in the following order: (i) firstly, pro rata to Eligible Shareholders who apply for Additional New Shares and (ii) secondly, to the Underwriter (who will allocate any Shortfall to the sub-underwriters of the Rights Issue (including to the related party sub-underwriters noted in this cleansing notice)).

² Global UCW is not sub-underwriting any portion of the Rights Issue.

- (iii) as at the date of this notice, the Company has complied with:
- a. the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - b. section 674 of the Corporations Act;
- (iv) as at the date of this notice, there is no information:
- a. that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - b. 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.
- (v) the potential effect that the issue of New Shares under the Rights Issue will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including the level of acceptances by Eligible Shareholders.

The following persons are, as at the date of this cleansing notice, shareholders holding 5% or more of the Company's issued equity capital:

Name	Number of shares held before Rights Issue	Percent of issued capital before Rights Issue
Global UCW	24,819,168	31.16%
ABD UCW Pty Ltd (entity controlled by Adam Davis, Managing Director and Chief Executive Officer) (ABD UCW)	5,822,959	7.31%
Matthew Crawford Reede (Reede)	4,879,352	6.13%

So far as the Company is aware (and based on substantial holding notices that have been lodged prior to the date of this cleansing notice), other than Global UCW, there are no shareholders with voting power of 20% or more in the Company.

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 entitlements under the Rights Issue, then the Rights Issue will have no significant effect on the control of the Company. In this scenario, the substantial holders and related party sub-underwriters noted in the table above will, on completion of the Rights Issue, continue to hold their respective percentage interests in the Company as they held immediately prior to the announcement of the Rights Issue.
- b. If some Eligible Shareholders do not take up all of their entitlements under the Rights Issue, then the interests of those Eligible Shareholders will be diluted.

- c. The proportional interests of shareholders with registered addresses outside of Australia and New Zealand, will be diluted because such ineligible foreign shareholders are not entitled to participate in the Rights Issue.
- d. If the substantial shareholders noted above take up their full entitlements under the Rights Issue and the related party sub-underwriters take up their full entitlements and, because no other Eligible Shareholders participate in the Rights Issue, they are also allocated their full sub-underwriting commitment, then the voting power of Global UCW, ABD UCW, Reede, Mobbs (defined below) and Pager (defined below) in the Company will increase as shown below:

Name	Number of Shares before Rights Issue	Percent of Shares before Rights Issue	Number of Shares held after taking up full Entitlement (and in the case of ABD UCW, Peter Mobbs and Jonathan Pager, after also being allocated their full sub-underwriting commitment) (with no Eligible Shareholder taking up any of their Entitlements)	Percent of Shares after Rights Issue ³
Global UCW	24,819,168	31.16%	32,608,791	29.60%
ABD UCW	5,822,959	7.31%	7,715,836	7.00%
Reede	4,879,352	6.13%	6,410,762	5.82%
Peter Mobbs (non-executive Director) (Mobbs)	2,243,271	2.82%	4,118,271	3.74%
Jonathan Pager (non-executive Director) (Pager)	1,021,404	1.28%	1,396,403	1.27%

- e. The Company does not expect the Rights Issue to give rise to any material effect on the control of the Company. Furthermore, the Directors will not offer any of the Shortfall to Eligible Shareholders, new investors or the related party sub-underwriters referred to above if doing so would result in those persons having voting power of 20% or more in the Company.
- f. The table below sets out the impact of the Rights Issue on the capital structure of the Company:

³ The percentages noted here take into account the issue of the consideration shares paid to the vendors of Proteus Technologies Pty Ltd ACN 112 989 581 (**Proteus Technologies**), the corporate entity that owns and operates IKON Institute of Australia (**IKON Institute**) (**Consideration Shares**) as detailed in the Company's ASX announcement dated 29 May 2018.

Shares	Number
Existing Shares as at Tuesday, 29 May 2018	79,654,583
Number of New Shares that will be issued under the Rights Issue	25,000,000
Number of Shares on issue following completion of the Rights Issue	104,654,583
Expected maximum number of Consideration Shares that may be issued to the vendors of IKON Institute	5,500,000
Expected maximum number of Shares on issue following completion of the Rights Issue and the issue of Consideration Shares	110,154,583

- g. Further details of the Rights Issue will be included in an offer booklet that has been lodged with ASX and is expected to be despatched to shareholders on 8 June 2018.

Yours faithfully



Lyndon Catzel
Company Secretary