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ASX Market Release

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Sale of Gradability Pty Ltd

The Board of UCW Limited (**UCW** or **the Company**) provides the following update in relation to the sale of its 25% shareholding in Gradability Pty Ltd (**Gradability**).

Key highlights:

- Sale of 100% of Gradability to Online Education Services Pty Ltd
- UCW to receive approximately \$2.2m, including a \$1.9m upfront payment and approximately \$0.3m in deferred payments over 18 months, subject to performance milestones
- Proceeds from sale to strengthen UCW's balance sheet and support its growth strategy

UCW is pleased to announce that the board and shareholders of Gradability have today approved and completed the sale of 100% of the company to Online Education Services Pty Ltd. UCW will receive approximately \$2.2m in return for its 25% shareholding in Gradability, comprising upfront consideration of \$1.9m and deferred consideration of approximately \$0.3m, subject to certain performance milestones. UCW will incur a capital loss on the disposal, with no tax payable on these receipts.

Commenting on the sale, UCW CEO, Adam Davis said: "UCW initially acquired its 25% stake in Gradability in July 2017, with the strategic intent to work with management to grow the business and increase its ownership interest. For various reasons which have been highlighted previously, this didn't eventuate, and ultimately resulted in the investment being considered non-core.

We are pleased that under new ownership, Gradability management and staff will have the opportunity to expand the business, and we wish them every success in doing so.

For UCW, the proceeds from the sale will strengthen our balance sheet and provide additional funds for the Company to deliver on its growth strategy, recently outlined at the Annual General Meeting."

This announcement was approved for release by the UCW Board of Directors

For further information please contact:

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