Uscom

ASX MEDIA RELEASE

4C Quarterly Cash Report to 30 June 2019

Cash receipts up 47%, cash consumption down 20%, with Uscom China establishment

Summary:

Q4 Cash Receipts - $0.78m up 47% from $0.53m pcp

Q4 Cash Consumption - $0.44m decreased 20% from $0.55m pcp

Annual Cash Receipts - $3.39m up 24% from $2.72m pcp

Annual Cash Consumption - $1.22m reduced 28% from $1.70m pcp

Cash on Hand - $1.2m

Six year customer receipts growth (CAGR) - 26% per year

SYDNEY, Australia, Tuesday 23rd July 2019: Uscom Limited (ASX code: UCM) (the **Company** or **Uscom**) today released its Appendix 4C – Quarterly Cash flow report for the quarter ending 30 June 2019 (the **Quarter**). The results disclosed in the attached Appendix 4C are in Australian dollars and prior corresponding period is pcp.

Uscom finished FY2019 strongly with Q4 cash receipts of 0.78m, up 47% from $0.53m in the pcp. Annual cash receipts were up 24% to $3.39m from $2.72m in 2018, while annual cash consumption was reduced 28% to $1.22m from $1.70m.

These numbers reflect a significant growth in orders for all Uscom products in advance of our China NMPA applications, which are rapidly approaching approval phase. Uscom BP+ unit sales were up 143% on the year, an increase predominantly research driven with two significant multi-centre blood pressure studies in the US, partnering with one of the world's leading technology companies, and in New Zealand in a national public health project. SpiroSonic unit sales were up 74% for the year, boosted by growing US eHealth partnerships and orders. While USCOM 1A numbers represent continued increasing recognition and adoption of our advanced technology, particularly in China.

Uscom CEO Associate Professor Rob Phillips said, *"2019 finished strongly for Uscom with Q4 cash receipts up 47% on the pcp, while year on year cash receipts were up 26% with a 6 year CAGR. Importantly despite one off expenses associated with strategic investment in the establishment of Uscom China, and the restructuring and relocation of Uscom Kft, our annual cash consumption was reduced by 28%. Uscom is in a rapid growth phase so our strategy is investment and growth focused to ensure manufacturing supply and distribution once we receive China NMPA approvals and orders for BP+ and SpiroSonic.*

Despite a three to twelve month disruption of approvals and sales in Europe, the US, Middle East and SE Asia associated with the Uscom Kft relocation, annual spirometry unit sales were increased by 74% over FY 2019, an indication that our growth strategy is starting to get traction.

For China, our list of achievements include registering Uscom China, opening a Beijing office, advancing our NMPA applications covering 8 products, submitting a new spirometry device for approval, achieving type II medical device sales certification, establishing a medical device importation system, employing 6 clinical, financial and admin staff, applying for 14 China trademarks and copyrights (3 received so far), restructuring our sales and dealer models, developing China specific marketing materials for dealers, hosting our first national ICU congress, and initiating discussions with potential Chinese partners for local manufacturing.

While 2019 has closed with strong manufacturing growth in all divisions, the major growth is anticipated following China NMPA approvals. China remains our strategic growth platform, and all NMPA applications are in, or progressing to, the approval phase, although precise approval dates remain uncertain. We have invested in manufacturing growth, regulatory approvals and global expansion of distribution, while continuing to grow sales ahead of trend, and we are looking forward to accelerating our growth."

Uscom manufactures and markets the USCOM 1A, the Uscom BP+, and the Uscom SpiroSonic digital ultrasonic spirometry technologies. These premium digital devices are changing the way we diagnose and treat cardiovascular and pulmonary diseases, including hypertension, heart failure, asthma, COPD and sleep disorders. These devices and technologies provide vital guidance for optimising management of sepsis and the administration of fluid, inotropes and vasoactive therapies in critical care monitoring. They can also be applied in clinical and home care diagnosis of asthma and COPD, and monitoring the effects of treatment.

About Uscom

Uscom Limited (UCM): An ASX listed innovative medical technology company specializing in development and marketing of premium non-invasive cardiovascular and pulmonary medical devices. Uscom has a mission to demonstrate leadership in science and create noninvasive devices that assist clinicians improve clinical outcomes. Uscom has three practice leading suites of devices in the field of cardiac, vascular and pulmonary monitoring; the USCOM 1A advanced hemodynamic monitor, Uscom BP+ central blood pressure monitor, and the Uscom SpiroSonic digital ultrasonic spirometers. Uscom devices are premium resolution, noninvasive devices which deploy innovative and practice leading technologies approved or submitted for FDA, CE, CFDA and TGA regulatory approval and marketing into global distribution networks.
The USCOM 1A: A simple to use, cost-effective and non-invasive advanced hemodynamic monitor that measures cardiovascular function, detects irregularities and is used to guide treatment. The USCOM 1A device has major applications in Pediatrics, Emergency, Intensive Care Medicine and Anesthesia, and is the device of choice for management of adult and pediatric sepsis, hypertension, heart failure and for the guidance of fluid, inotropes and vasoactive cardiovascular therapy.
The Uscom BP+: A supra-systolic, oscillometric, central blood pressure monitor which measures blood pressure and blood pressure waveforms at the heart, as well as in the arm, information only previously available using invasive cardiac catheterization. The Uscom BP+ replaces conventional and more widespread sub-systolic blood pressure monitors, and is the emerging standard of care measurement in hypertension, heart failure and vascular health. The Uscom BP+ provides a highly accurate and repeatable measurement of central and brachial blood pressure and pulse pressure waveforms using a familiar upper arm cuff. The BP+ is simple to use and requires no complex training with applications in hypertension and pre-eclampsia, heart failure, intensive care, general practice and home care. The Uscom BP+ is supported by the proprietary **BP+ Reporter**, an innovative stand-alone software solution that provides a digital platform to archive patient examinations and images, trend measure progress over time, analyze pulse pressure waves and generate a summary report.

Uscom SpiroSonic digital multi-path ultrasonic spirometers: High fidelity, digital, pulmonary function testing devices based on multi path ultrasound technology. They are simple and accurate to use and provide research quality pulmonary function testing in small hand held devices that can be used in research, clinical and home care environments. The devices can be coupled with mobile phone applications and proprietary SpiroSonic software platforms with wireless interfacing to provide remote tele-monitoring of pulmonary disease. The devices are specialized for assessment of COPD, sleep disordered breathing, asthma, industrial lung disease and monitoring of pulmonary therapeutic compliance. The SpiroSonic devices are supported by the proprietary **SpiroReporter**, an innovative stand-alone software solution that provides a digital platform to archive patient examinations and images, trend measure progress over time, analyze spirometry outputs and generate a summary report.

For more information, please visit: **www.uscom.com.au**

Uscom Contacts

Rob Phillips
Executive Chairman
rob@uscom.com.au

Brett Crowley
Company Secretary
secretary@uscom.com.au

+Rule 4.7B

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity	
USCOM LIMITED	
ABN	**Quarter ended ("current quarter")**
35 091 028 090	30 June 2019

Consolidated statement of cash flows		**Current quarter $A**	**Year to date (12 months) $A**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	760,136	2,530,918
1.2	Payments for		
	(a) research and development	(202,975)	(793,340)
	(b) product manufacturing and operating costs	(228,558)	(909,285)
	(c) advertising and marketing	(292,851)	(823,257)
	(d) leased assets	(43,800)	(170,668)
	(e) staff costs	(422,613)	(1,332,365)
	(f) administration and corporate costs	(30,813)	(576,626)
1.3	Dividends received (see note 3)		
1.4	Interest received	2,511	42,895
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives	21,241	812,203
1.8	Other (provide details if material)	0	46
1.9	**Net cash from / (used in) operating activities**	**(437,722)**	**(1,219,479)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(2,264)	(70,209)
	(b) businesses (see item 10)		

Consolidated statement of cash flows		Current quarter $A	Year to date (12 months) $A
	(c) investments		
	(d) intellectual property	(17,182)	(41,622)
	(e) other non-current assets-term deposit		
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment		
	(b) businesses (see item 10)		
	(c) investments		
	(d) intellectual property		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)	(15,140)	0
2.6	**Net cash from / (used in) investing activities**	**(34,586)**	**(111,831)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	25,000	50,000
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	0	(3,768)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**	**25,000**	**46,232**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of quarter/year to date	**1,650,636**	**2,493,575**
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(437,722)	(1,219,479)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(34,586)	(111,831)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	25,000	46,232

Consolidated statement of cash flows		**Current quarter $A**	**Year to date (12 months) $A**
4.5	Effect of movement in exchange rates on cash held	5,169	0
4.6	**Cash and cash equivalents at end of quarter**	**1,208,496**	**1,208,496**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A**	**Previous quarter $A**
5.1	Bank balances	1,193,404	1,635,636
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details) – Term Deposit	15,092	15,000
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,208,496**	**1,650,636**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A**
6.1	Aggregate amount of payments to these parties included in item 1.2	91,421
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A**
7.1	Aggregate amount of payments to these parties included in item 1.2	
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A**	**Amount drawn at quarter end $A**
8.1	Loan facilities		
8.2	Credit standby arrangements		
8.3	Other (please specify)		

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9.	**Estimated cash outflows for next quarter**	**$A**
9.1	Research and development	150,000
9.2	Product manufacturing and operating costs	200,000
9.3	Advertising and marketing	120,000
9.4	Leased assets	43,000
9.5	Staff costs	290,000
9.6	Administration and corporate costs	150,000
9.7	Other (provide details if material)	
9.8	**Total estimated cash outflows**	**953,000**

Note: Average quarterly receipts for FY2018 is $678k.

10.	**Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)**	**Acquisitions**	**Disposals**
10.1			
10.2			
10.3			
10.4			
10.5			

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here: ..... Date: 23/07/2019
(Director)

Print name: Rob Phillips

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.