



Uscom

ASX Media Release

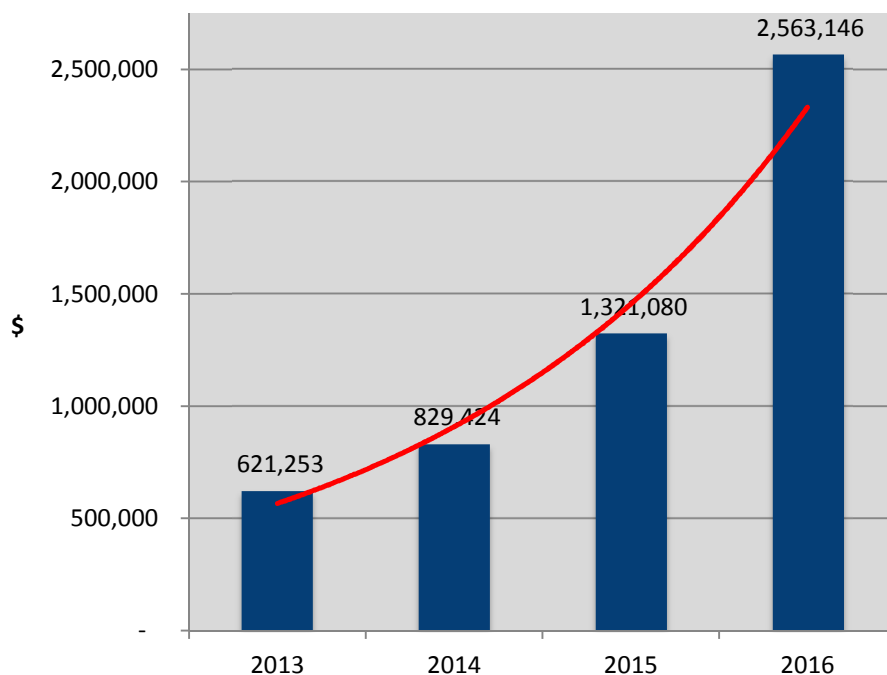
Quarterly Report to 30 June 2016

Annual YOY customer receipts – up 94%
Quarterly YOY customer receipts – up 132%
3 year Annual CAGR cash receipts growth – 60%
\$2.3m oversubscribed capital raise
Cash on hand - \$2.84m
CIIC China agreement – \$65m targets over 5 years

SYDNEY, Australia, Thursday 21st July 2016: Uscom Limited (ASX code: UCM) (the **Company** or **Uscom**), a revenue stage, cardiovascular medical devices company, today released its Appendix 4C – Quarterly Cashflow report for the quarter ended 30 June 2016 (the **Quarter**). The results disclosed in the attached Appendix 4C are in Australian dollars.

Highlights

Receipts from Customers



During the Quarter, we note the following:

- **Annual YOY receipts** from customers for 2016 **up 94%** (\$1.32m to \$2.56m)
- **Quarterly YOY receipts** from customers for 2016 **up 132%** (\$0.30m to \$0.69M)
- **Oversubscribed \$2.3m private placement.**
- **Cash on hand \$2.84m after acquisition of Thor Laboratories (\$0.7M)**
- **New BP+ and SpiroSonic devices prepared for market and revenue in FY 2017**
- **CIIC importation and wholesale agreement targeting \$65m sales over 5 years**



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Business Review

Following consolidation of the Thor operations the quarterly results for Q4 FY 2016 demonstrate a continued growth in annual cash receipts, up 94% to \$2.56m from \$1.32m in 2015, this follows a 60% YOY CAGR growth in customer receipts since 2013. Net operating cash inflow for the quarter was \$2.31m, while the cash on hand at the end of the period was up 440% YOY to \$2.84m following a private placement for \$2.32m. Net operating cash outflow was \$1.3m for the year reflecting both nonrecurring costs associated with the Thor acquisition and increased operating costs associated with international auditing and compliance, and increased staff and R&D costs to prepare the two new Uscom product suites, BP+ and SpiroSonic series, for market early in FY 2017.

The development of world leading devices takes time and money. Uscom's development program has resulted in it now owning three separate cardiovascular pulmonary device series. The increase in sales revenue in 2016 reflects the increase in sales of the Company's first cardiovascular pulmonary device, USCOM 1A. Sales of USCOM 1A are continuing to grow. Uscom's two other cardiovascular pulmonary device series, the BP+ and SpiroSonic devices, will be marketed and distributed globally are expected to deliver two totally new revenue streams commencing in the current income year.

The creation of the CIIC Shanghai relationship (announced 16 June 2016) is transformational for Uscom. The relationship targets sales of \$65m of Uscom devices into China over the next 5 years. Management are continuing discussions with potential partners of scale across the European and US market for the marketing of USCOM 1A, the BP+ and SpiroSonic devices. The Company maintains its strategy of increasing distribution to drive sales and revenue, and currently manages 44 distributor agreements for Uscom products worldwide.

Executive Chairman of Uscom, Associate Professor Rob Phillips said "*Uscom continues to exceed its financial milestones and is now at an operational inflection point as we target sustainable profitability; reporting a compound average growth rate in sales receipts of approximately 63% for the last three consecutive years. We have cash on hand and are debt free despite having met the non recurring costs associated with the successful acquisition and integration of two international medical device companies over the last 3 years, both of which bring sector leading technologies to Uscom and are poised to generate significant and lasting additional revenue and profit for Uscom in FY 2017.*

The growth of our Budapest based manufacturing centre provides us with a solution for the transition to cost effective volume manufacturing to meet the anticipated demand from the Chinese, European and USA markets.

Our next steps are to deliver these new devices to market, grow sales volumes, rationalise global operations and manufacturing, and optimise profitability.

Uscom management is focused on becoming a multi-technology, rapid growth, milestone driven, international medical device company selling a sophisticated and profitable suite of non-invasive, sector leading technologies into world medical markets. Uscom management continues to focus on active growth strategies and optimising shareholder value, with a view to wider global expansion."



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About Uscom

Uscom Limited (UCM) is an ASX listed innovative medical technology company specialising in development and marketing of premium cardiovascular and pulmonary medical devices. Uscom has three practice leading suites of devices in the field of cardiac, vascular and pulmonary monitoring; the USCOM 1A, Uscom BP+ and the Uscom SpiroSonic spirometers. All Uscom devices are premium resolution, and deploy innovative and practice leading technologies, with FDA, CE, CFDA and TGA regulatory approval granted or in application, and which are currently being marketed into global distribution networks.

The USCOM 1A is a simple to use, cost-effective and non-invasive advanced haemodynamic monitor that measures cardiovascular function, detects irregularities and is used to guide treatment. The USCOM 1A device has major applications in Paediatrics, Emergency, Intensive Care Medicine and Anaesthesia, and is the device of choice for management of adult and paediatric sepsis, hypertension, heart failure and for the guidance of fluid, inotrope and vasoactive cardiovascular therapy.

The Uscom BP+ is a supra systolic oscillometric Central Blood Pressure monitor which measures blood pressure and blood pressure waveforms only previously available using cardiac catheterisation. 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, heart failure, intensive care, general practice and home care.

Uscom SpiroSonic digital ultrasonic spirometers are high fidelity, digital, pulmonary function testing devices based on multi path ultrasound technology. They are simple and accurate to use and disinfect, don't require calibration, 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 are specialised for assessment of asthma, COPD, sleep disordered breathing, occupational diseases and monitoring of pulmonary therapeutic compliance.

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

Uscom Contacts

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

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

Name of entity

USCOM LIMITED

ABN

35 091 028 090

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A	Year to date (12 months) \$A
1.1 Receipts from customers	689,816	2,563,145
1.2 Payments for		
(a) staff costs	(553,929)	(1,601,291)
(b) advertising and marketing	(166,728)	(760,065)
(c) research and development	(173,977)	(590,149)
(d) leased assets	-	-
(e) other working capital	(207,675)	(1,279,561)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	902	10,733
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes refund	-	-
1.7 Other (including R&D Tax Incentive Grant)	(67)	361,805
Net operating cash flows	(411,658)	(1,295,383)

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A	Year to date (12.months) \$A
1.8 Net operating cash flows (carried forward)	(411,658)	(1,295,383)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	6,183	(586,737)
(b) equity investments	-	-
(c) intellectual property	(24,724)	(91,365)
(d) physical non-current assets	1,060	(2,507)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	2,582	-
Net investing cash flows	(14,899)	(680,609)
1.14 Total operating and investing cash flows	(426,557)	(1,975,992)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	2,318,925	4,467,886
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Private placement proceeds received in advance	-	-
Share issued costs	-	-
	(59,246)	(178,438)
Net financing cash flows	2,259,679	4,289,448
Net increase (decrease) in cash held	1,833,122	2,313,456
1.21 Cash at beginning of quarter/year to date	1,006,651	526,317
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	2,839,773	2,839,773

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A
1.24	Aggregate amount of payments to the parties included in item 1.2	110,595
1.25	Aggregate amount of loans to the parties included in item 1.11	NIL

1.26 Explanation necessary for an understanding of the transactions

N/A

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A	Amount used \$A
3.1	Loan facilities	NIL	NIL
3.2	Credit standby arrangements	NIL	NIL

Reconciliation of cash


Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A	Previous quarter \$A
4.1 Cash on hand and at bank	1,799,355	966,232
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details) Term Deposits	1,040,418	40,418
Total: cash at end of quarter (item 1.23)	2,839,773	1,006,650

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity	N/A	N/A
5.2 Place of incorporation or registration	N/A	N/A
5.3 Consideration for acquisition or disposal	N/A	N/A
5.4 Total net assets	N/A	N/A
5.5 Nature of business	N/A	N/A

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: _____
(Director)

Date: 21 July 2016

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.