



Uscom

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Quarterly Report at 30th September 2019

Customer Receipts up 128%, Cash Receipts up 86%, with Cash on Hand

SYDNEY, Australia, Wednesday 23rd October 2019: Uscom Limited (ASX code: UCM) (the Company or Uscom) today released its Appendix 4C – Quarterly cash flow report for the period ended 30th September 2019 (**The Quarter**). All results in the attached 4C are in Australian dollars and compared with prior corresponding period (pcp).

Highlights

For The Quarter, we note the following:

- Receipts from customers **\$0.73m - up 128%** on pcp (\$0.32m)
- Total cash receipts **\$0.82m - up 86%** on pcp (\$0.44m)
- Net operating cash outflow of **\$0.47m - reduced 33%** from pcp (\$0.70m)
- Cash on hand **\$1.83m**
- **Results prior to receipt of new regulatory approvals.**
- **New Uscom China dealer, sales and revenue models to boost margin and volume.**
- **Imminent regulatory approvals.**
- **New sales initiatives in Europe and US.**

The Uscom 4C for Q1 FY 2019 reports customer receipts of \$0.73m, up 128% on pcp, total cash receipts of \$0.82m, up 86% on pcp, with net operating cash outflows of \$0.47m, reduced 33% from pcp, with \$1.83m cash on hand. The total quarterly spend for Q2 is projected to be \$1.32m, and to be offset by Q2 cash receipts, which were \$1.31m in 2018, suggesting a neutral cash position at mid year if last year's results are equalled.

Business Review

Customer and cash receipts were up 128% and 86% respectively on the pcp's as a result of payments received from record Q4 sales of current product offerings, and prior to new revenue from devices with delayed regulatory approvals in China and the US. Cash outflow for the Quarter was reduced 33% to \$0.47m despite investment in new staff and operations in preparation for receipt of the new regulatory approvals. Sales for the current quarter were lumpy, possibly related to the record Q4 sales. However the sales pipeline is very healthy with new dealers of scale being inducted and transitioning to active sales. It continues to be a busy time for Uscom as management remain focused on identifying and signing new dealers to expand our regional sales reach in China, Europe and the US. Uscom also continues



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expanding global systems and operations, and developing new sales and pricing strategies in advance of the impending approvals for our seven new products.

Executive Chairman of Uscom, Professor Rob Phillips said *“In a world where growth is at a premium, Uscom continues its growth trajectory. Record Q1 cash and customer receipts continue the global momentum of the Company as our product and operational investments are being prepared to generate a new wave of sales and revenue. This strategy is conceived to accelerate our vision and transform Uscom into a diversified global medical device company of impact. Despite Q1 historically being our most quiet quarter and the global economic environment remaining unpredictable and sales lumpy, our trend growth remains strong, while our new devices, new strategies and new structures, which have been developed over the last five years, are yet to impact results.”*

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. The USCOM 1A provides vital guidance for optimising management of sepsis and the administration of fluid, inotropes and vasoactive therapies in critical care monitoring. The BP+ and SpiroSonic devices improve diagnosis and management of hypertension, heart failure, asthma, COPD and sleep disorders in the clinical and home care environments.



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About Uscom

Uscom Limited (UCM): An ASX listed innovative medical technology company specialising 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 haemodynamic 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 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, 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 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 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, analyse pulse pressure waves and generate summary reports.

Uscom SpiroSonic digital multi-path ultrasonic spirometers: High fidelity, digital, pulmonary function testing devices based on multi path ultrasound technology. They require no calibration, are simple to disinfect, and are simple and accurate to use providing 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 specialised 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, analyse spirometry outputs and generate summary reports.

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

Uscom Contacts

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Company Secretary

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

35 091 028 090

Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Current quarter \$A	Year to date (3 months) \$A
1. Cash flows from operating activities		
1.1 Receipts from customers	727,101	727,101
1.2 Payments for		
(a) research and development	(204,386)	(204,386)
(b) product manufacturing and operating costs	(101,544)	(101,544)
(c) advertising and marketing	(156,388)	(156,388)
(d) leased assets	(61,006)	(61,006)
(e) staff costs	(499,654)	(499,654)
(f) administration and corporate costs	(254,263)	(254,263)
1.3 Dividends received (see note 3)		
1.4 Interest received	209	209
1.5 Interest and other costs of finance paid	(11,884)	(11,884)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	92,091	92,091
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(469,724)	(469,724)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) businesses (see item 10)		

Consolidated statement of cash flows	Current quarter \$A	Year to date (3 months) \$A
(c) investments		
(d) intellectual property	(12,472)	(12,472)
(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)		
2.6 Net cash from / (used in) investing activities	(12,472)	(12,472)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	446,952	446,952
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	(1,922)	(1,922)
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)	650,000	650,000
3.10 Net cash from / (used in) financing activities	1,095,030	1,095,030

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	1,208,496	1,208,496
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(469,724)	(469,724)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(12,472)	(12,472)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,095,030	1,095,030

Consolidated statement of cash flows		Current quarter \$A	Year to date (3 months) \$A
4.5	Effect of movement in exchange rates on cash held	6,907	6,907
4.6	Cash and cash equivalents at end of quarter	1,828,237	1,828,237

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	1,813,082	1,193,404
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details) – Term Deposit	15,155	15,092
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,828,237	1,208,496

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

**Current quarter
\$A**

72,259

Directors' remuneration

7. Payments to related entities of the entity and their associates

- 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

**Current quarter
\$A**

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	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	100,000
9.2 Product manufacturing and operating costs	300,000
9.3 Advertising and marketing	150,000
9.4 Leased assets	75,000
9.5 Staff costs	500,000
9.6 Administration and corporate costs	200,000
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	1,325,000

Note: Average quarterly receipts for FY2019 is \$850k.

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:
(Director)

Date: 23/10/2019

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.