



## ASX MEDIA RELEASE

### 4C Quarterly Cash Report to 30 June 2018

**Five-year compound annual growth in cash receipts – 27% per year**  
**Cash on hand – \$2.49M**  
**Q4 cash receipts – \$0.53M**  
**Q4 net operating cash consumption - \$0.55M**  
**China Expansion and seven new products progressing to market**

**SYDNEY, Australia, Tuesday 31<sup>st</sup> July 2018:** Uscom Limited (ASX code: UCM) (the **Company** or **Uscom**) a cardiovascular and pulmonary medical device company, is pleased to release its Appendix 4C – Quarterly Cash flow report for the quarter ended 30 June 2018 (the **Quarter**). The results disclosed in the attached Appendix 4C are in Australian dollars.

#### Summary

Cash on hand – \$2.49M from \$1.66M on prior corresponding period (pcp)  
Q4 cash receipts – \$0.53M down from \$0.65M on pcp  
Q4 net operating cash consumption - \$0.55M up from \$0.41M on pcp  
Annual cash receipts - \$2,08M down from \$2,81M on pcp  
Five-year compound annual growth in cash receipts (including 2018) – 27% per year

#### Commentary

Uscom has achieved a compound annual growth rate (CAGR) of 27% per year for the five years including 2018. Despite a more than four month interruption to manufacturing due to head office relocation, expansion and re-approval of the company's manufacturing facility and an accompanying dip in sales, cash receipts have grown at 27% compound over the last five years including 2018.

This relocation increased non-recurring costs (>\$200K) and delayed revenue during the four month relocation and re-approval process. The cost of our rolling product regulatory certifications, approximately \$100K for each device and jurisdiction, for our seven products into China, Europe and the US markets was also absorbed.

Changing Chinese policy and sales conditions and the implementation of Uscom's new China strategy also disrupted distribution and sales into the region. In response Uscom has established Uscom China to expand and stabilises our distribution and sales activities, and anticipates trend growth to be restored over the next twelve months. Uscom China will provide a new platform for Uscom growth over the coming years.

Additional non-recurring costs for the period included updating the company's quality system to comply with new manufacturing requirements for device sales into the USA and ensure access to future revenue and prepare for BP+ and SpiroSonic sales in the USA.

Government grant payments of approximately \$200K AUD to Uscom Budapest for works completed were also delayed for the period and impacted cash flow. These payments are expected imminently.

Executive Chairman of Uscom, Associate Professor Rob Phillips said "*This year we continued investing in future growth, and received the first regulatory approval for our new generation products, CE for the BP+. During the year we absorbed the costs of expanding and updating our manufacturing facilities, and the accompanying delay in sales. This expansion was vital to prepare for the anticipated increase in demand from China, and to prepare for BP+ manufacturing. We also met the significant non-recurring*



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*costs of regulatory applications for seven products in multiple jurisdictions. We also established Uscom China to directly steer the growth of China operations and rationalise and support distribution and sales. These changes have positioned Uscom ideally for long term growth as our additional products proceed through regulatory certification to the final stages of approval. That we now have strong China partners and capital support will only further drive our success. Uscom has built strong global fundamentals to drive operations in FY 2019 and beyond."*

### 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](http://www.uscom.com.au)

### Uscom Contacts

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## 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 June 2018**

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A</b>	<b>Year to date (12 months) \$A</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	527,155	2,082,922
1.2 Payments for		
(a) research and development	(203,694)	(844,614)
(b) product manufacturing and operating costs	(194,181)	(656,504)
(c) advertising and marketing	(171,865)	(478,924)
(d) leased assets	(40,358)	(167,302)
(e) staff costs	(342,535)	(1,440,803)
(f) administration and corporate costs	(117,934)	(828,732)
1.3 Dividends received (see note 3)		
1.4 Interest received	(7,991)	8,743
1.5 Interest and other costs of finance paid	(1,810)	(3,406)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	5,269	629,852
1.8 Other (provide details if material)		-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(547,944)</b>	<b>(1,698,768)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	3,349	(169,695)
(b) businesses (see item 10)	-	(60,000)

Consolidated statement of cash flows	Current quarter \$A	Year to date (12 months) \$A
(c) investments		
(d) intellectual property	(31,020)	(65,025)
(e) other non-current assets-term deposit	-	(41,888)
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)	(1,588)	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(29,259)</b>	<b>(336,608)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	3,030,800
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	(1,839)	(166,184)
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)		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(1,839)</b>	<b>2,864,616</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	<b>3,075,145</b>	<b>1,663,565</b>
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(547,944)	(1,698,768)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(29,259)	(336,608)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(1,839)	2,864,616

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A</b>	<b>Year to date (12 months) \$A</b>
4.5	Effect of movement in exchange rates on cash held	(2,528)	770
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>2,493,575</b>	<b>2,493,575</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A</b>	<b>Previous quarter \$A</b>
5.1	Bank balances	510,026	523,182
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details) – Term Deposit	1,983,549	2,551,963
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,493,575</b>	<b>3,075,145</b>

**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**

91,432

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**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**

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8. <b>Financing facilities available</b> <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.		

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9. <b>Estimated cash outflows for next quarter</b>	\$A
9.1 Research and development	203,000
9.2 Product manufacturing and operating costs	195,000
9.3 Advertising and marketing	140,000
9.4 Leased assets	40,000
9.5 Staff costs	325,000
9.6 Administration and corporate costs	175,000
9.7 Other (provide details if material)	
<b>9.8 Total estimated cash outflows</b>	<b>1,078,000</b>

Note: Average quarterly receipts for 2018 is \$678,194.

10. <b>Acquisitions and disposals of business entities</b> <b>(items 2.1(b) and 2.2(b) above)</b>	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: 31/07/2018

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.