



Uscom

ASX Media Release

Quarterly Report to 30 September 2016

Cash receipts >\$0.5M

Cash on hand \$2.1M

Cash consumption (including one off expenses) \$0.67M

New global regulatory testing and certification appointment

SpiroSonic and BP+ prepared for market and revenue

SYDNEY, Australia, Friday 28th October 2016: Uscom Limited (ASX code: UCM) (the **Company** or **Uscom**) today released its Appendix 4C – Quarterly cash flow report for the period ended 30 September 2016 (the **Quarter**). The results disclosed in the attached Appendix 4C are in Australian dollars.

Highlights

During the Quarter, we note the following:

- **Receipts** from customers for Q1 FY 2017 **\$0.54M**
- **Cash outflow (including one off expenses \$0.17M) \$0.67M**
- **Cash on hand \$2.1M**
- **New BP+ and SpiroSonic devices prepared for regulatory, marketing and revenue in FY 2017**

The Uscom 4C results for Q1 FY 2017 demonstrate cash receipts of \$0.54M and down 11% from the record levels of the equivalent period in FY 2016. Total cash consumption of \$0.67M included one off payments valued at \$0.17M related to the Thor purchase and outstanding accounts, leaving operational cash outflow for the quarter of \$0.5M. Operating costs were also increased due to payments to consultants for product R&D and regulatory preparation for the two new Uscom product series, BP+ and SpiroSonic, for market early in 2017. Cash on hand at the end of the period was \$2.1M, with an additional \$1.2M in options outstanding at an exercise price of 25c.

Business Review

Business activity for Q1 FY 2017 has been centred on Finalising the Uscom BP+ and BP+Reporter devices and the Uscom SpiroSonic devices – Flo, Smart, Mobile and Pro, and the SpiroReporter proprietary pulmonary function monitoring software platform. This has involved documentation and testing of the devices and the engagement of a new international testing and certification provider, the global TUV-SUD organisation, to which we will migrate most of our product audits. The SpiroSonic devices have been lodged for CE mark (Europe), and prepared for FDA (USA) and CFDA (China), approvals. This will allow us to sell our new products into each of the jurisdictions, while internally developing marketing collateral and engaging in distributor discussions

We have also been in China preparing for a new distribution model with CIIC in Shanghai and have established a new China office and Uscom service centre from which we will support our growing Chinese instal base.

Uscom CEO Associate Professor Rob Phillips said, *“It is an incredibly exciting time for Uscom as we transition from a single product company to having three suites of practice leading cardiovascular and pulmonary monitoring devices with regulatory approval across global jurisdictions, and prepare for the accompanying growth in operations, distribution, partnerships, revenue and profitability.”*



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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 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; the USCOM 1A advanced haemodynamic monitor, Uscom BP+ central blood pressure monitor and the Uscom SpiroSonic ultrasonic 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 circulatory irregularities and is used to guide cardiovascular therapy. 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 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 lung 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 September 2016

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter \$A | Year to date (3 months) \$A |
|---|------------------------|-----------------------------------|
| 1.1 Receipts from customers | 541,676 | 541,676 |
| 1.2 Payments for | | |
| (a) staff costs | (318,333) | (318,333) |
| (b) advertising and marketing | (123,278) | (123,278) |
| (c) research and development | (183,643) | (183,643) |
| (d) leased assets | - | - |
| (e) other working capital | (587,878) | (587,878) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 838 | 838 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes refund | - | - |
| 1.7 Other (including R&D Tax Incentive Grant) | - | - |
| Net operating cash flows | (670,618) | (670,618) |

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

| | Current quarter \$A | Year to date (3.months) \$A |
|--|------------------------|-----------------------------------|
| 1.8 Net operating cash flows (carried forward) | (670,618) | (670,618) |
| Cash flows related to investing activities | | |
| 1.9 Payment for acquisition of: | | |
| (a) businesses (item 5) | (100,000) | (100,000) |
| (b) equity investments | - | - |
| (c) intellectual property | (14,719) | (14,719) |
| (d) physical non-current assets | - | - |
| (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) | - | - |
| Net investing cash flows | (114,719) | (114,719) |
| 1.14 Total operating and investing cash flows | (785,337) | (785,337) |
| Cash flows related to financing activities | | |
| 1.15 Proceeds from issues of shares, options, etc. | 29,750 | 29,750 |
| 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 | - | - |
| | (1,750) | (1,750) |
| Net financing cash flows | 28,000 | 28,000 |
| Net increase (decrease) in cash held | (757,337) | (757,337) |
| 1.21 Cash at beginning of quarter/year to date | 2,839,773 | 2,839,773 |
| 1.22 Exchange rate adjustments to item 1.20 | - | - |
| 1.23 Cash at end of quarter | 2,082,436 | 2,082,436 |

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 | 83,768 |
| 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 | 1,042,018 | 1,799,355 |
| 4.2 Deposits at call | - | - |
| 4.3 Bank overdraft | - | - |
| 4.4 Other (provide details) Term Deposits | 1,040,418 | 1,040,418 |
| Total: cash at end of quarter (item 1.23) | 2,082,436 | 2,839,773 |

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 | Thor Laboratories | N/A |
| 5.2 Place of incorporation or registration | Hungary | N/A |
| 5.3 Consideration for acquisition or disposal | \$1,000,000 | N/A |
| 5.4 Total net assets | 248,376 | N/A |
| 5.5 Nature of business | Medical Device Manufactory | 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: 28 October 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.