



## ASX MEDIA RELEASE

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### Quarterly Report to 30 September 2018

#### Operations, distribution and demand build as regulatory approvals progress

**SYDNEY, Australia, Monday 29th October 2018:** Uscom Limited (ASX code: UCM) (the **Company** or **Uscom**) is pleased to release its Appendix 4C – Quarterly cash flow report for the period ended 30 September 2018 (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 **\$0.32M** down 16% on prior corresponding period (pcp) (\$0.38M)
- Cash on hand **\$1.77M** up 103% on pcp (\$0.87M)
- Net Operating Cash Consumption **\$0.70M** down 12% on pcp on hand (\$0.79M)
- **Expansion of operations and distribution in anticipation of imminent approvals**
- **Multiple product approvals proceeding in world's two largest markets – China and US**

The Uscom 4C for Q1 FY 2018 reports cash receipts of \$0.32M, down 16% from pcp, with \$1.77M cash on hand and operational costs decreased 12%. Cash on hand at the end of the period was \$1.77M, up 103% on the pcp, with \$1.1M expected spend for Q2. Last year's cash receipts for Q2, the pcp, were \$1.1M suggesting a neutral cash position at mid year.

#### Business Review

Sales were slightly down in the quarter due to continuing delays for issue of USCOM 1A TGA and CE approvals related to our changed manufacturing location in December 2017. Many jurisdictions suspend sales until valid manufacturing certificates are issued. While we have passed the audits for certification, the issue of the TGA and CE certificates has taken more than 10 months. This delay prevented the signing of new distributors and recertification of current distributors and delayed sales for the current period. The certificates were received on 26<sup>th</sup> October (last Friday) so distribution and sales can return to normal. Additionally Hungarian Govt grants totally approximately \$125K were received after the closing period.

Business activity for Q1 FY 2018 has been focused on meeting NMPA (ex CFDA) regulatory requests from China, establishment of our Uscom China office, appointment of staff, and submission of IP applications, and establishment of changed import and product distribution pathways. New distribution and partnership agreements are also currently being negotiated in anticipation of impending approvals.

BP+ Reporter was also released in the quarter, and manufacturing was initiated to meet significant research orders for BP+ in advance of US FDA approval. Uscom Kft (Budapest), a wholly owned Uscom subsidiary, was also established in the quarter, and SpiroSonic devices and supporting materials rebranded as the operations were expanded to provide clinical and technical support for new sales marketing and distribution of all Uscom devices in Europe. This is a significant upregulation in operations focused on sales and marketing and designed to significantly increase SpiroSonic sales in Europe and support selling BP+, BP+ Reporter and USCOM 1A in Europe.



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Uscom CEO Associate Professor Rob Phillips said, *“The prior quarter has been an exciting one, as well as a frustrating one for Uscom, as we continue to invest in operations, distribution and regulatory as we wait for certification of multiple products across multiple jurisdictions. Additionally we have developed many new revenue pathways and expanded established pathways in markets across the world. We look forward to receipt of our various outstanding certificates, particularly in China and the US, to tip the substantial revenue opportunities that we are building worldwide into profitable operations.”*

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

### Uscom Contacts

Rob Phillips  
Executive Chairman  
[rob@uscom.com.au](mailto:rob@uscom.com.au)

Brett Crowley  
Company Secretary  
[secretary@uscom.com.au](mailto:secretary@uscom.com.au)

## 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 2018**

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A</b>	<b>Year to date (3 months) \$A</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	318,607	318,607
1.2 Payments for		
(a) research and development	(187,179)	(187,179)
(b) product manufacturing and operating costs	(185,146)	(185,146)
(c) advertising and marketing	(152,467)	(152,467)
(d) leased assets	(41,506)	(41,506)
(e) staff costs	(277,792)	(277,792)
(f) administration and corporate costs	(293,354)	(293,354)
1.3 Dividends received (see note 3)		
1.4 Interest received	27,768	27,768
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	91,005	91,005
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(700,064)</b>	<b>(700,064)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(16,122)	(16,122)
(b) businesses (see item 10)		

Consolidated statement of cash flows	Current quarter \$A	Year to date (3 months) \$A
(c) investments		
(d) intellectual property	(17,669)	(17,669)
(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)	6,914	6,914
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(26,877)</b>	<b>(26,877)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares		
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		
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>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>2,493,575</b>	<b>2,493,575</b>
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(700,064)	(700,064)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(26,877)	(26,877)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A</b>	<b>Year to date (3 months) \$A</b>
4.5	Effect of movement in exchange rates on cash held	(53)	(53)
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>1,766,581</b>	<b>1,766,581</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	488,026	510,026
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details) – Term Deposit	1,278,555	1,983,549
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,766,581</b>	<b>2,493,575</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**

72,252

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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.		

9. <b>Estimated cash outflows for next quarter</b>	\$A
9.1 Research and development	190,000
9.2 Product manufacturing and operating costs	210,000
9.3 Advertising and marketing	150,000
9.4 Leased assets	43,000
9.5 Staff costs	280,000
9.6 Administration and corporate costs	240,000
9.7 Other (provide details if material)	
<b>9.8 Total estimated cash outflows</b>	<b>1,113,000</b>

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

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: 29/10/2018

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.