



Uscom

ASX MEDIA RELEASE

Appendix 4C

Cash receipts - \$0.71M

Net operating cash flow - -\$0.40M

Cash on hand - \$3.08M

SYDNEY, Australia, Monday 23rd April 2018: Uscom Limited (ASX code: UCM) (the **Company** or **Uscom**) today released its Quarterly cash flow report for the consolidated entity for the period ended 31 March 2018 (the **Quarter**) in the attached Appendix 4C in Australian dollars.

Summary

- **Cash receipts from customers \$0.71M** up 52% on Q2 (\$0.47M), down 22% on PCP (\$0.91M)
- **Net operating cash outflow -\$0.40M** increased from +\$0.22M in PCP
- **Cash on hand \$3.08M** decreased 12% on prior, up 45% from \$2.13M in PCP

Commentary

The Uscom 4C results for the quarter demonstrate total cash receipts from customer of \$0.71M, up 52% from the prior quarter (\$0.47M) and down 22% from the PCP (\$0.91M). Net operating cash flow for the period was -\$0.40M, decreased from the 2017 Q3 of +\$0.22M. Cash on hand at the end of the period was \$3.08M, up 45% from \$2.13M in the prior corresponding period (PCP).

Uscom CEO Associate Professor Rob Phillips said, *“Sales revenue continues at strong levels despite Q3 including the Chinese and western New Year periods, and we have more than \$3M cash in hand. We are continuing to expand our China operations and await CFDA for our 7 new products, and are completing the US FDA regulatory applications. Reported Q3 cash receipts were decreased relative to the PCP as the annual R&D reimbursement of \$0.49M was received and accounted for in Q2, while for FY 2017 it was accounted in Q3, making interquartile comparisons difficult. Cash outflow for the period was also impacted by continuing one off regulatory costs. For the quarter ahead spend is estimated to be \$1.1M, and this will be offset by Q4 cash receipts (\$730k in 2017).*

Revenue and costs continue to be lumpy as we complete the regulatory processes and focus on developing our China operations to capitalize on new opportunities associated with the impending BP+ and SpiroSonic CFDA approvals. Once CFDA is received we anticipate a significant boost to revenue and a reduction in one off costs.

As a matter of prudent diversification we have also appointed an additional US salesman, Mr Curt Grosse, who is an experienced cardiovascular device salesperson with a strong and successful US sales history. While the US remains an expensive and complex market we have a large and growing body of US buyer interest and this appointment should unlock some of our USCOM 1A sales and set a foundation for BP+ and SpiroSonic sales once FDA is received.

We have invested wisely in corporate acquisitions and new product developments, and we are now poised for accelerated revenue growth as our new devices come to market, with cash on hand.”



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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, including hypertension, heart failure, asthma, COPD and sleep disorders. The devices and technologies are integral for optimising management of sepsis and guidance of fluid, inotropes and vasoactive therapies in critical care monitoring, and in clinical and home care delivered asthma and COPD diagnosis and monitoring the effects of treatment.

About Uscom

Uscom Limited (UCM): An ASX listed innovative medical technology company specializing 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 hemodynamic 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 hemodynamic monitor that measures cardiovascular function, detects irregularities and is used to guide treatment. The USCOM 1A device has major applications in Pediatrics, Emergency, Intensive Care Medicine and Anesthesia, and is the device of choice for management of adult and pediatric 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 catheterization. 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, analyze pulse pressure waves and generate a summary report.

Uscom SpiroSonic digital multi-path ultrasonic spirometers: High fidelity, digital, pulmonary function testing devices based on multi path ultrasound technology. They are simple and accurate to use 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 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 specialized 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, analyze spirometry outputs and generate a summary report.

For more information, please visit: 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")

31 Mar 2018

Consolidated statement of cash flows	Current quarter \$A	Year to date (6 months) \$A
1. Cash flows from operating activities		
1.1 Receipts from customers	709,245	1,555,767
1.2 Payments for		
(a) research and development	(327,916)	(640,920)
(b) product manufacturing and operating costs	(179,349)	(462,323)
(c) advertising and marketing	(98,286)	(307,059)
(d) leased assets	(35,763)	(126,944)
(e) staff costs	(233,153)	(1,098,268)
(f) administration and corporate costs	(245,834)	(710,798)
1.3 Dividends received (see note 3)		
1.4 Interest received	15,134	16,734
1.5 Interest and other costs of finance paid	-	(1,596)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		624,583
1.8 Other (provide details if material)		-
1.9 Net cash from / (used in) operating activities	(395,922)	(1,150,824)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1,012)	(173,045)
(b) businesses (see item 10)		(60,000)

Consolidated statement of cash flows	Current quarter \$A	Year to date (6 months) \$A
(c) investments		
(d) intellectual property	(15,959)	(34,005)
(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	1,588
2.6 Net cash from / (used in) investing activities	(15,383)	(307,350)

3. Cash flows from financing activities		
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	(1,981)	(164,345)
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)		
3.10 Net cash from / (used in) financing activities	(1,981)	2,866,455

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	3,487,644	1,663,565
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(395,922)	(1,150,824)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(15,383)	(307,350)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(1,981)	2,866,455

Consolidated statement of cash flows		Current quarter \$A	Year to date (6 months) \$A
4.5	Effect of movement in exchange rates on cash held	787	3,299
4.6	Cash and cash equivalents at end of quarter	3,075,145	3,075,145

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	523,182	687,644
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details) – Term Deposit	2,551,963	2,800,000
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,075,145	3,487,644

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. 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.		

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9. Estimated cash outflows for next quarter	\$A
9.1 Research and development	220,000
9.2 Product manufacturing and operating costs	180,000
9.3 Advertising and marketing	110,000
9.4 Leased assets	40,000
9.5 Staff costs	326,000
9.6 Administration and corporate costs	220,000
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	1,096,000

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:

Date: 23/04/2018

(Director)

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.