



Uscom

ASX MEDIA RELEASE

Appendix 4C Results and Update

Quarter ended 31 December 2016

Record cash receipts >\$0.7M up 29%

Cash on hand >\$1.9M

Operating cash consumption \$0.11M reduced 84%

SYDNEY, Australia, Tuesday 31st January 2017: Uscom Limited (ASX code: UCM) (the **Company** or **Uscom**) today released its Appendix 4C – Quarterly cash flow report for the period ended 31 December 2016 (the **Quarter**). The results disclosed in the attached Appendix 4C are in Australian dollars.

Highlights

For the Quarter, we note the following:

- **Record receipts** from customers **\$0.7M, up 29%** on prior quarter (\$0.70M from \$0.54M)
- **Net operating cash** **-\$0.11M, reduced 84%** on prior quarter (-\$0.11M from -\$0.67M)
- **Cash on hand** **\$1.92M** from \$2.08M in prior quarter

The Uscom 4C results for the quarter demonstrate record cash receipts of \$0.7M, up 29% on the prior quarter. Net operating cash consumption for the period was \$0.11M, down 84% from the prior quarter (\$0.67M). Cash on hand was \$1.92M down from \$2.08M, with an additional \$1.2M in options outstanding at an exercise price of 25c expiring on 31st July, and an R&D grant of \$0.49M due in Q3.

Business Review

Business activity for the quarter has been centred on completing 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. The SpiroSonic devices received CE Mark late in the quarter, and are currently being prepared for sale into our recently expanded European distribution network. The SpiroSonic devices are also being prepared for FDA (USA) and CFDA (China) application. The BP+ devices are following close behind. Marketing collateral for all devices has been developed to support our new distributors and our established distributors expanding to cover the new Uscom devices. We are anticipating all devices to be approved in Europe and USA in the next 6-12 months while for China CFDA the pathway may be slower.

New USCOM 1A distribution arrangements are coming into effect in China as PMS, our long time China distribution partners, and CIIC collaborate to ensure more effective coverage of the China market in preparation for the release of the new BP+ and SpiroSonic product lines.

Uscom CEO Associate Professor Rob Phillips said, *“Uscom continues to grow and is achieving intermittent cash flow positivity and operational profitability despite spending on development of the new devices. These results allude to the potential scale of the commercial opportunity of the diversified global medical device model we have established. Our global strategy is gaining traction, and our future revenue growth will be underwritten as our new devices are rolled out into global markets over the coming 12 months. While our results remain lumpy, the trend is toward profitability and operating cash surplus, and we anticipate these trends will be enhanced as revenue from our new product suites hit the accounts.”*



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About Uscom

Uscom Limited (UCM) is 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 is 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+ is 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, 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, trend measure progress over time, analyse pulse pressure waves and generate a summary report.

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 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 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, trend measure progress over time, analyse 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 December 2016

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	701,291	1,242,967
1.2 Payments for		
(a) research and development	(159,987)	(343,630)
(b) product manufacturing and operating costs	(139,219)	(415,267)
(c) advertising and marketing	(156,656)	(279,934)
(d) leased assets	(39,752)	(79,249)
(e) staff costs	(323,974)	(642,307)
(f) administration and corporate costs	(128,995)	(401,328)
1.3 Dividends received (see note 3)		
1.4 Interest received	13,646	14,484
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	124,983	124,983
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(108,663)	(779,281)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(43,373)	(43,373)
(b) businesses (see item 10)		(100,000)
(c) investments		

Consolidated statement of cash flows	Current quarter \$A	Year to date (6 months) \$A
(d) intellectual property	(3,696)	(18,415)
(e) other non-current assets		
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	(47,069)	(161,788)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		29,750
3.4 Transaction costs related to issues of shares, convertible notes or options	(4,618)	(6,368)
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	(4,618)	23,382

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	2,082,436	2,840,165
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(108,663)	(779,281)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(47,069)	(161,788)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(4,618)	23,382

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		(392)
4.6	Cash and cash equivalents at end of quarter	1,922,086	1,922,086

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	1,880,517	1,042,018
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details) – Term Deposit	41,569	1,040,418
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,922,086	2,082,436

6.	Payments to directors of the entity and their associates	Current quarter \$A
6.1	Aggregate amount of payments to these parties included in item 1.2	72,270
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	

7.	Payments to related entities of the entity and their associates	Current quarter \$A
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	

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.		

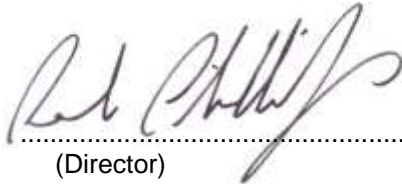
9. Estimated cash outflows for next quarter	\$A
9.1 Research and development	160,000
9.2 Product manufacturing and operating costs	200,000
9.3 Advertising and marketing	120,000
9.4 Leased assets	40,000
9.5 Staff costs	410,000
9.6 Administration and corporate costs	50,000
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	980,000

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

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:



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(Director)

Date: 31 January 2017.

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.