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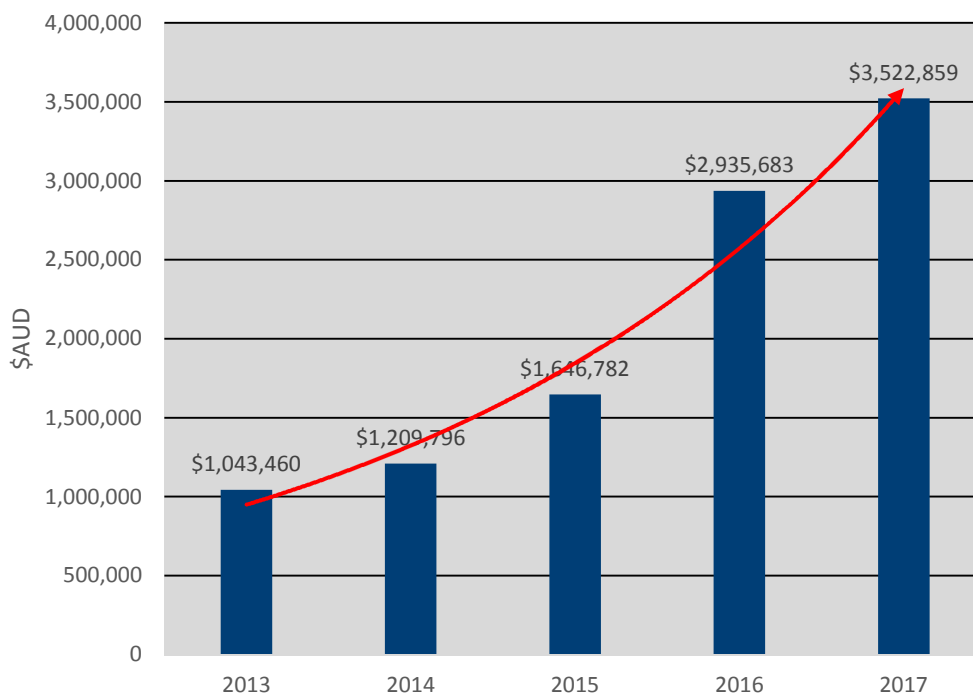
Quarterly Report to 30 June 2017

Record annual cash receipts – up 20% (to \$3.5M)
4 year Annual CAGR cash receipts – 36% pa
Quarterly customer receipts – \$0.65M
Cash on hand - \$1.66m

SYDNEY, Australia, Tuesday 25th July 2017: Uscom Limited (ASX code: UCM) (the **Company** or **Uscom**) a cardiovascular and pulmonary medical device company, today released its Appendix 4C – Quarterly Cashflow report for the quarter ended 30 June 2017 (the **Quarter**). The results disclosed in the attached Appendix 4C are in Australian dollars.

Highlights

Total Cash Receipts



Annual total cash receipts from 2013 demonstrating a trend growth from \$1.04M to \$3.52M with a CAGR of 36% pa.



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From the July Appendix 4C we note the following:

- **Record annual cash receipts for 2017 up 20% (\$2.94M to \$3.52M)**
- **4 year annual cash receipts CAGR 36% pa**
- **Quarterly customer cash receipts \$0.65M**
- **Annual cash consumption \$0.96M after \$1M R&D and extra-ordinaries**
- **Cash on hand \$1.66M**

Business Review

Quarterly cash results demonstrate continuing trend growth in total cash receipts with **20% YOY growth**, and a **36% per year** compound growth rate over the prior **4 year (CAGR)**. Total cash receipts totalled **\$3.52M**, up from \$2.94M in the prior corresponding period. Net operating cash flows for the year were **-\$0.96M**, and at the end of the period cash on hand was **\$1.66M**.

Monthly and quarterly cash flows for the year were intermittently positive while total cash consumption for the year was slightly increased to \$0.96M, despite transitioning our China distribution to a dual path model, and meeting one off cash payments associated with the Thor acquisition (\$100k), and the refund of device prepayments to Pioneer to transfer our distribution to CIIC (\$136k). This accounted for \$236k in non-recurring cash costs.

There were also one off costs to finalise the BP+ and BP+ Reporter devices, as well as rebranding the Thor Spirometers to Uscom SpiroSonic products, with both suites prepared for regulatory submissions for CFDA (China), CE (Europe), and FDA (US). The cost of a CFDA application is in the order of \$100k, CE \$100k, and FDA \$100k for each device.

In addition we received \$0.5M tax incentive for R&D developing new concepts, IP and devices, and optimising current devices.

Sales growth was almost entirely from USCOM 1A reflecting an improved China distribution as PMS and Sense Medical settle into the new dual path distribution network, a strategy that is planned to more than double our China reach and establish a national China distribution channel ready to start BP+, BP+ Reporter, and SpiroSonic distribution immediately upon regulatory approval. Some early sales of BP+ were also made to international research institutions.

Uscom Europe (Budapest) grew total cash receipts 13% for the year (\$0.62M to \$0.70M).

In the last quarter the Company appointed Mr Damien Linnett as Global Sales and Marketing Manager. Damien has a Bachelor of Economics from UQ, and an MBA, and has over 20 years experience selling medical devices with global corporations Datex-Ohmeda, Spacelabs Healthcare and Kinetic Concepts Inc. Damien joins Denise Pater, our Distribution and Sales Manager, as the nucleus of the new Uscom Sales and Marketing Division and they are currently reviewing distribution and sales channels for the USCOM 1A and developing new channels for the BP+ and BP+ Reporter and Spirosonic devices. The establishment of this new division coincides with the transition of Uscom from a product developer to a manufacturer, distributor and seller of practice leading noninvasive cardiovascular and pulmonary medical devices.

Executive Chairman of Uscom, Associate Professor Rob Phillips said “*The Company continues to grow strongly despite the unpredictable global markets with various months and Q3 being cash flow positive. For the year we consumed less than \$1M in cash, despite R&D and non-recurring costs in excess of \$1M. In a non growth global market, Uscom continued its total cash receipts growth of 36% per annum*”



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since 2013, and is continuing to invest in new products and distribution strategies that will ensure future revenue growth. Uscom has acquired and integrated two international medical device companies in the last 4 years, both of which bring sector leading products to Uscom with significant distribution synergies and sales opportunities but which have had attendant integration and product development costs. This has been our investment in the future. The BP+, BP+ Reporter and the SpiroSonic suite of devices are now being released to multiple markets around the globe. Given the high margins of these devices and that Uscom is currently intermittently cash flow positive, the path to profitability is clear. Uscom is now a diversified, multi-technology, fast growth, international medical device company selling sophisticated and profitable suites of noninvasive, sector leading technologies into world medical markets. Uscom management continues to focus on pro-active growth strategies and optimising shareholder value, with a view to wider global expansion.”

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 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 and images, trend measure progress over time, analyse spirometry outputs and generate summary reports.

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")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A	Year to date (12 months) \$A
1. Cash flows from operating activities		
1.1 Receipts from customers	651,426	2,808,137
1.2 Payments for		
(a) research and development	(158,173)	(676,743)
(b) product manufacturing and operating costs	(221,957)	(829,522)
(c) advertising and marketing	(133,406)	(557,814)
(d) leased assets	(41,250)	(159,984)
(e) staff costs	(475,818)	(1,553,465)
(f) administration and corporate costs	(104,698)	(708,836)
1.3 Dividends received (see note 3)		
1.4 Interest received	371	15,338
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	75,695	697,312
1.8 Other (provide details if material)	2,072	2,072
1.9 Net cash from / (used in) operating activities	(405,738)	(963,505)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2,014)	(46,089)
(b) businesses (see item 10)		(100,000)
(c) investments	(41,569)	(41,569)

Consolidated statement of cash flows	Current quarter \$A	Year to date (12 months) \$A
(d) intellectual property	(25,628)	(48,427)
(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	(69,211)	(236,085)

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		(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	-	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	2,133,303	2,839,773
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(405,738)	(963,505)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(69,211)	(236,085)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	23,382

Consolidated statement of cash flows		Current quarter \$A	Year to date (12 months) \$A
4.5	Effect of movement in exchange rates on cash held	5,211	
4.6	Cash and cash equivalents at end of quarter	1,663,565	1,663,565

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	1,663,565	2,091,734
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details) – Term Deposit		41,569
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,663,565	2,133,303

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	91,432
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.		

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9.	Estimated cash outflows for next quarter	\$A
9.1	Research and development	180,000
9.2	Product manufacturing and operating costs	200,000
9.3	Advertising and marketing	140,000
9.4	Leased assets	40,000
9.5	Staff costs	450,000
9.6	Administration and corporate costs	250,000
9.7	Other (provide details if material)	
9.8	Total estimated cash outflows	1,260,000

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:
(Director)

Date: 25 July 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.