Uscom
ASX RELEASE

Uscom 4C Quarterly Cash Report to March 2022

- Cash on hand up 155% ($5.18m from $2.03m in pcp)
- Operating cash outflow increased 4% ($0.26m from $0.25m in pcp)
- Sales down 2% ($0.76m from $0.78m in pcp)
- Stable Cash Flows Despite China Restructure and More COVID

SYDNEY, Australia, Wednesday 20th April 2022: Uscom Limited (ASX code: UCM) (the **Company** or **Uscom**) advises that it has released its 4C cash report for the quarter ending 31st March 2022 as required by the ASX. The results disclosed in the attached Appendix 4C are in Australian dollars (AUD) and compared to prior corresponding periods (pcp).

Report:

Cash Flow
For the quarter Uscom reported cash on hand up 155% to $5.18m from $2.03m in the pcp. Operating cash outflow increased 4% on the pcp ($0.26m from $0.25m). The company has an estimated 19.6 quarters, or nearly 5 years of funding available assuming no income growth during that time. Uscom total revenue has grown at an annual compound rate of 23% for the last 9 years.

Revenue
Sales for the quarter were down 2% from the pcp ($0.76m from $0.78m).

Expenditure
Expenditure for the quarter was predominantly on staff costs ($0.60m), administration and corporate costs ($0.13m) and advertising and marketing expenses ($0.18m).

The amount included in line 6.1 of appendix 4C is the payment of fees to Directors.

Commentary:
Executive Chairman of Uscom, Professor Rob Phillips said *"Our cash on hand remains strong as we controlled costs during an unpredictable trading period. Cash receipts and sales for the quarter were relatively unchanged compared to last year despite intermittent global shutdowns associated with the Omicron wave of the pandemic. The Chinese market contributes 70% of our global revenues, however regulatory changes, pandemic restrictions, the Beijing Olympics, and the Chinese New Year holiday damped our China sales. Australia's rapidly deteriorating relationship with China combined with the Chinese Government's shift to "made in China 25" has also created a turbulent trading environment. However, Uscom has responded by shifting its distribution hub to Singapore, and partnering with Foxconn in Beijing to ensure Chinese domestic manufacturing of scale, accompanied by reliable supply chain management with the potential for distribution and strategic partnership opportunities. We believe these changes will rapidly restore our Chinese sales growth, and establish cost effective and reliable manufacturing for global markets. Our current 4C is a lag indicator and we anticipate our China restructuring combined with the global COVID recovery stimulating our financial reports going forward."*

Uscom manufactures and markets the **USCOM 1A**, the Uscom **BP+**, and the Uscom **SpiroSonic** digital ultrasonic spirometry technologies and the **VENTITEST** and **VENTITEST-S** ultrasonic ventilator

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 require no calibration, are simple to disinfect, and are simple and accurate to use providing 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 apps and proprietary SpiroSonic software, **SpiroReporter**, with wireless interfacing to provide remote tele-monitoring of pulmonary disease. The devices are specialised for assessment of COPD, sleep disordered breathing, asthma, occupational lung disease and monitoring of pulmonary therapeutic compliance.

VENTITEST digital ultrasonic ventilator testing solution is a new system for testing ventilators. All ventilators require calibration to maintain the accuracy with which they measure the pressure, flow and volume of air they deliver. VENTITEST and VENTITEST-S, based on advanced SpiroSonic technology provides a testing solution that provides for simple and accurate testing, archiving, analysis and reporting to optimise ventilation performance.

For more information, please visit: www.uscom.com.au

Uscom Contacts

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This announcement is approved for release to the ASX by the Board of Uscom Limited.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

USCOM LIMITED

ABN	Quarter ended ("current quarter")
35 091 028 090	31 March 2022

Consolidated statement of cash flows			Current quarter $A'000	Year to date (9 months) $A'000
1.	**Cash flows from operating activities**			
1.1	Receipts from customers		712	2,056
1.2	Payments for			
	(a)	research and development	(29)	(36)
	(b)	product manufacturing and operating costs	(36)	(275)
	(c)	advertising and marketing	(180)	(504)
	(d)	leased assets		
	(e)	staff costs	(596)	(1,785)
	(f)	administration and corporate costs	(132)	(663)
1.3	Dividends received (see note 3)			
1.4	Interest received		7	17
1.5	Interest and other costs of finance paid		(1)	(3)
1.6	Income taxes paid		(9)	(10)
1.7	Government grants and tax incentives		-	695
1.8	Other (provide details if material)			
1.9	**Net cash from / (used in) operating activities**		**(264)**	**(508)**

2.	**Cash flows from investing activities**			
2.1	Payments to acquire or for:			
	(a)	entities		
	(b)	businesses		
	(c)	property, plant and equipment	(5)	(6)
	(d)	investments		
	(e)	intellectual property	(9)	(100)
	(f)	other non-current assets		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) 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**	**(14)**	**(106)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	4,301
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(15)	(46)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings	-	(3)
3.8	Dividends paid		
3.9	Other (Repayment of lease liability	(64)	(196)
3.10	**Net cash from / (used in) financing activities**	**(79)**	**4,056**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	5,537	1,711
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(264)	(508)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(14)	(106)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(79)	4,056
4.5	Effect of movement in exchange rates on cash held	-	26
4.6	**Cash and cash equivalents at end of period**	**5,179**	**5,179**

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'000**	**Previous quarter $A'000**
5.1	Bank balances	1,564	5,522
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)	3,615	15
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**5,179**	**5,537**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	91
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**		

7.5	**Unused financing facilities available at quarter end**	

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(264)
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,179
8.3	Unused finance facilities available at quarter end (item 7.5)	
8.4	Total available funding (item 8.2 + item 8.3)	5,179
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	19.6

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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.

Date: 20 April 2022

Authorised by: The Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.