Uscom

ASX MEDIA RELEASE

Uscom 4C Quarterly Results FY22

Delta COVID impacts global operations - Cash receipts $0.73m
Strong sales expected as normal business resumes
Net operating cash flow -$0.21m
Cash on hand $1.41m

SYDNEY, Australia, Friday 29th October 2021: Uscom Limited (ASX code: UCM) (the **Company** or **Uscom**) today released its Appendix 4C – Annual Results for the quarter ending 30 September 2021 (the **Quarter**). The results disclosed in the attached Appendix 4C are in Australian dollars (AUD)

Report:

The Uscom 4C for Q1 FY22 reports cash receipts of $0.73m, down 49% from the record $1.43m in the prior corresponding period in FY21 (pcp). Net operating cash flow for the quarter was -$0.21m down from +$0.10m in the pcp, whlile cash on hand at the end of the quarter was $1.41m, being an estimated 6.9 quarters of available cash.

Sales for Q4 FY21 and Q1 FY22 have been significantly impacted by the global delta COVID pandemic limiting access to hospitals and purchasing systems. Normal sales are expected to resume as the pandemic resolves and normal hospital business recovers. Sales forecasts for Q2 remain strong but are dependent on the rate of pandemic recovery.

Commentary:

Uscom Executive Chairman, Professor Rob Phillips said *"Q1 is historically our most variable quarter, and this year it was compounded by the global delta COVID outbreak. The new pandemic impacted Q4 FY21 and Q1 FY22 business across the globe, including Uscom. Although we have a strong sales pipeline, purchasing approvals and sign offs have been delayed amid regional lockdowns in all our international jurisdictions with restricted hospital access, and on again, off again operations for all our sales teams. However, many regions seem to be emerging from this most recent infectious wave and returning to normal operarations as our sales teams resume normal activity in the field and we look forward to a return to more predictable, strong results going forward."*

Activities reported during the quarter:

During September, Uscom released details of a study confirming the high accuracy of the Uscom BP+ central blood pressure monitor for detection of the dangerous cardiac rhythm abnormality Atrial Fibrillation (AF) in a primary care setting. The result confirmed that BP+ suprasystolic oscillometry is 94% effective for detection of AF in home care environments and may be used as a screening investigation.

AF is a common cardiac dysrhythmia occurring in approximately 40m adults worldwide. However, AF is associated with significant mortality and morbidity from stroke and heart failure and is often undiagnosed. The presence of AF may warrant the use of prophylactic anticoagulation, which is also

associated with additional complications, making the accurate and cost-effective detection of AF an important health screening procedure.

Early in the quarter USCOM 1A received Russian Certification of Registration for sale of the device into the Russian market. Uscom worked closely with its experienced Russian distributor, Wondermed, to successfully manage a protracted regulatory process which saw delays due to COVID-19.

Wondermed, previously known as VOK Medical, has excellent local connections in critical care and paediatrics, and is experienced in Russian medical capital sales. Wondermed is responsible for the importation and distribution of the USCOM 1A throughout Russia, with regulatory submissions for BP+ and SpiroSonic also being planned. Since the approval Uscom has received three USCOM 1A orders from Russia.

Also in July, Uscom China (a wholly owned subsidiary of Uscom Limited) was recognised as a AAA Credit Enterprise by China Credit Enterprise Publicity Network.

AAA (the highest credit ranking) is granted to Uscom China according to GB/T23794-2015 standard, based on the company's credit record, operating conditions, debt risks, development prospect, social comments and public recognition. The credit ranking is formally announced after the all-round strict and comprehensive assessment. The certificate is valid for three years to 8 June 2024.

During August, Uscom announced that Uscom China had received five new software copyrights covering the core performance and function of the Uscom BP+ central BP monitor. These approvals consolidated Uscom's IP strategy in China, taking the current accepted and submitted patents, copyrights and trademarks in China to 42.

Uscom also presented to investors as part of the NWR Virtual Investor Conference on Tuesday 3 August. A replay of the presentation conducted by Professor Phillips can be viewed at:
https://www.youtube.com/watch?v=DS64yG66f8Q

Uscom management remains engaged in strategic and operational discussions to deliver investors fair capital value and returns.

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 calibration devices for optimising respiratory device performance.

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

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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	30 September 2021

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	530	530
1.2	Payments for		
	(a) research and development	(5)	(5)
	(b) product manufacturing and operating costs	(158)	(158)
	(c) advertising and marketing	(163)	(163)
	(d) leased assets	-	-
	(e) staff costs	(527)	(527)
	(f) administration and corporate costs	(77)	(77)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	4	4
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	(9)	(9)
1.7	Government grants and tax incentives	200	200
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(205)**	**(205)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property	(32)	(32)
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 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**	**(32)**	**(32)**

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
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		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings	(3)	(3)
3.8	Dividends paid		
3.9	Other (provide details if material) – Payment of lease (Principal)	(66)	(66)
3.10	**Net cash from / (used in) financing activities**	**(69)**	**(69)**

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,711	1,711
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(205)	(205)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(32)	(32)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(69)	(69)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,405**	**1,405**

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	1,390	1,696
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details) – Term Deposit	15	15
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,405**	**1,711**

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	106
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)	(205)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	1,405
8.3	Unused finance facilities available at quarter end (Item 7.5)	
8.4	Total available funding (Item 8.2 + Item 8.3)	1,405
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	6.9

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

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:

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:

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:

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: 29 October 2021

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.