



**Uscom**

## ASX MEDIA RELEASE

# Quarterly Report at 31<sup>st</sup> March 2020

**Profit \$0.74M, Cash Flow Positive \$0.87M, and Debt Free**

**Record Cash Receipts up 135% to \$2.00M**

**Record manufacturing with increasing cash on hand**

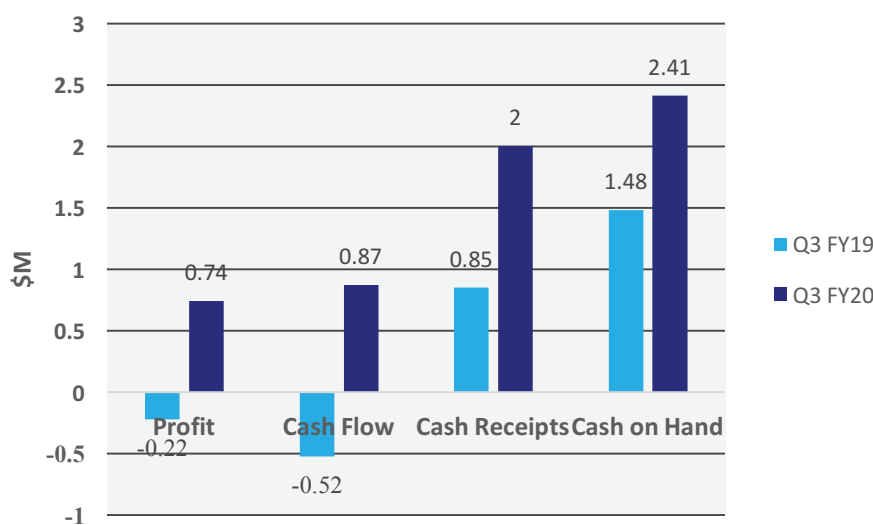
**Uscom China First Operating Quarter - Profitable**

**China Government Recommends USCOM 1A for Treatment of Severe COVID-19**

**SYDNEY, Australia, Monday 20<sup>th</sup> April 2020:** Uscom Limited (ASX code: UCM) (the **Company** or **Uscom**) today released its Appendix 4C – Quarterly cash flow report for the period ended 31<sup>st</sup> March 2020 (**The Quarter**). All results in the attached 4C are in Australian dollars and compared with prior corresponding period (pcp).

## Highlights

UCM 4C Q3 2020



\*Cash on hand Q2 to Q3 2020

- Profit **\$0.74M** - up **\$0.96M** from pcp (loss of \$0.22M)
- Operating cash inflow **\$0.87M** - up **\$1.39M** on pcp (outflow \$0.52M)
- Receipts from customers **\$2.00M** - up **135%** on pcp (\$0.85M)
- Cash on hand **\$2.41M** – up **\$0.93M** on Q2 (\$1.48M)
- Uscom China profitable in 1<sup>st</sup> operating quarter
- Record quarterly manufacturing



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The Uscom 4C for Q3 FY 2020 reports a profit of \$0.74M, up \$0.96M from pcp loss of \$0.22M. Total cash receipts for the period were \$2.0M, up 135% from \$0.85M in the pcp. Net operating cash inflow was \$0.87M, increased from pcp outflow of \$0.52M, with cash on hand increased by \$0.93M from \$1.48M to \$2.41M at 31<sup>st</sup> March. This was Uscom China's first operating quarter and it reported a profit.

These results reflect the initial impact of a restructured sales and marketing strategy adopted over the last 12 months across China, Europe and the US. The restructure involved increasing the depth of distribution and per unit margins. It also reflects the first of the increased sales related to COVID-19 ICU upgrades in China, with 51 units ordered for emergency installation since the 26<sup>th</sup> January when the first COVID-19 specific USCOM 1A was commissioned in Shandong. A number of tenders for COVID-19 and other applications remain active.

While the Chinese response to COVID-19 has been rapid and decisive, the European and US Governments have been slower. However increased USCOM 1A sales are anticipated as Governments worldwide recognise the benefits of strategically upgrading ICU facilities to deal with the next wave of serious seasonal infections. Uscom has specialised in the management of infectious diseases of all types over the last 15 years, and the COVID-19 pandemic has only highlighted the importance of the USCOM 1A in all infectious disease environments.

Uscom sees the COVID-19 pandemic as supplementing an already strong growth business model based on advanced haemodynamic care in infections, heart failure, pregnancy, hypertension, post-operative care, anaesthesia and fluid management in adults and children.

Executive Chairman of Uscom, Professor Rob Phillips said *"Strong and continued growth, sound operating fundamentals, and outstanding science is our path to becoming a billion-dollar global health tech company. Our first profitable and cash flow positive quarter, and the first operational quarter for our new Uscom China subsidiary demonstrate decisive steps forward. This was also the quarter in which the USCOM 1A received direct recommendation from the National Health and Medical Commission of the People's Republic of China to be used in the treatment of severe COVID-19 cases in adults and children. The USCOM 1A was also recommended by the International US based Society of Critical Care Medicine Guidelines for the treatment of sepsis in children. Both are outstanding clinical endorsements of our USCOM 1A and provide foundations for our sales team to accelerate adoption worldwide. We also have 7 additional devices in regulatory approval processes around the world which will be fed into our expanding global distribution network to supplement revenue as they are approved throughout this year. Uscom is more than a simple COVID-19 company; we are leaders in non-invasive cardiovascular and pulmonary medical devices with multiple life-saving technologies – COVID-19 is just one of our many critical clinical applications."*

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. The USCOM 1A provides vital guidance for optimising management of sepsis and the administration of fluid, inotropes and vasoactive therapies in critical care monitoring. The BP+ SpiroSonic devices improve diagnosis and management of hypertension, heart failure, asthma, COPD and sleep disorders in the clinical and home care environments.

**Note:** Q3 customer receipts were previously estimated to be \$2.14M not \$2M as reported here. The original was an estimate, but some customer receipts fell outside the current reporting period and will be reported in the Q4 accounts.



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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 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](http://www.uscom.com.au)

### Uscom Contacts

Rob Phillips  
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Brett Crowley  
Company Secretary

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## Appendix 4C

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

## Name of entity

USCOM LIMITED

## ABN

35 091 028 090

## Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	2,004	3,117
1.2	Payments for		
	(a) research and development	(227)	(650)
	(b) product manufacturing and operating costs	(354)	(673)
	(c) advertising and marketing	(178)	(531)
	(d) leased assets	(73)	(197)
	(e) staff costs	(457)	(1,287)
	(f) administration and corporate costs	156	(129)
1.3	Dividends received (see note 3)		
1.4	Interest received	3	6
1.5	Interest and other costs of finance paid	(0)	(1)
1.6	Income taxes paid		
1.7	Government grants and tax incentives		467
1.8	Other (provide details if material)		
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>874</b>	<b>122</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	(4)	(4)
	(d) investments		
	(e) intellectual property	(7)	(22)
	(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)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(11)</b>	<b>(27)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		750
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	(6)	(15)
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) - Unissued equity contributions received		300
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(6)</b>	<b>1,035</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,483	1,208
4.2	Net cash from / (used in) operating activities (item 1.9 above)	874	122
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(11)	(27)

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)	(6)	1,035
4.5	Effect of movement in exchange rates on cash held	69	69
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,408</b>	<b>2,408</b>

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	2,393	1,468
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details) – Term Deposit	15	15
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,408</b>	<b>1,483</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
72

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

The amounts in item 6.1 are payments to directors and non-executive directors

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**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.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000

**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)	874
8.2	Cash and cash equivalents at quarter end (Item 4.6)	2,408
8.3	Unused finance facilities available at quarter end (Item 7.5)	
8.4	Total available funding (Item 8.2 + Item 8.3)	2,408
8.5	<b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	N/A*

\* Not applicable as the Company is cash flow positive from operations.

- 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:

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## 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 2020

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.