



**Uscom**

ASX Media Release

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**Uscom Limited and its controlled entities**

ABN 35 091 028 090

**ASX Appendix 4D Half yearly report – 31 December 2022**

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**Uscom**

## ASX Media Release

Reporting period ended:

31 December 2022

Previous corresponding reporting period:

31 December 2021

### Results for announcement to the market

|  |      |     |    |             |
|--|------|-----|----|-------------|
| Revenue and other income   | down | 22% | to | \$1,257,467 |
| <b>Loss</b> from ordinary activities after tax attributable to members | up   | 48% | to | \$1,391,462 |
| <b>Net Loss</b> for the period attributable to members                 | up   | 48% | to | \$1,391,462 |

### Dividends per share

It is not proposed to pay a dividend.

### Net Tangible Asset per ordinary share

|             | 31 December 2022 | 31 December 2021 |
|-------------|------------------|------------------|
| NTA backing | 2.4c             | 3.9c             |

### Status of review

The consolidated entity's Half-Year Report contains an independent review report that is not subject to a modified conclusion, emphasis of matter or other matter paragraph.

### Commentary

Refer Executive Chairman review of operations in page 2-3.

### Financial highlights

|                                |             |
|--------------------------------|-------------|
| Revenue and other income       | \$1,257,467 |
| Loss from ordinary activities  | \$1,391,462 |
| Sales revenue                  | \$1,021,105 |
| Net operating cash outflow     | \$953,318   |
| Net decrease in cash held      | \$1,108,619 |
| Cash held at end of the period | \$3,592,779 |

## DIRECTORS' REPORT

Your directors present the financial report of Uscom Ltd and its controlled entities for the half-year ended 31 December 2022.

### Directors

The names of directors who held office during the whole of the half-year and up to the date of this report are:

Dr Rob Phillips  
Mr Christian Bernecker  
Mr Brett Crowley  
Mr Xianhui Meng

Pandemic impacts H1 global markets with H2 recovery underway.

### Results

H1 FY23 was a difficult period globally, with results impacted by consecutive but resolving COVID waves and a series of market interruptions. In China we had the remnants of the Australia China geopolitical tussle resolving and COVID-0 lockdowns for the entire period all under the shadow of serious global inflation and recessionary fears.

#### China

China has been in an effective lockdown for the last calendar year and particularly during the current half resulting in a 55% reduction in our China sales revenue for the half. Given that China is responsible for ~75% of Uscom's total revenue, this has significantly impacted results in the current reporting period. The introduction and national adoption of domestic product manufacturing regulations and guidelines also limited sales opportunities and forecasts. Uscom has invested in growth during this difficult time by advancing regulatory approvals for BP+ and SpiroSonic and also approval for domestic manufacturers in China. Importantly our Foxconn relationship is rapidly progressing and we look forward to our first locally manufactured devices being released to the market in H2 FY23. With increased products in the market, Uscom has been in discussions with local distributors of scale to develop and expand our China sales activities. Australia's resolving geopolitical relationship with China is a positive sign for increasing trade between the two countries and potentially restoring the significant commercial opportunities in the world's most populous market which has restricted Uscom's performance in the last 2 years.

#### SE Asia

SE Asia remains the fastest growing region globally and following the establishment of Uscom's SE Asian regional HQ in Singapore last year, Uscom SNG has appointed a Singapore-based regional sales manager, Mr Kelvin Ng. Mr Ng has a long history of distribution management across SE Asia and the Middle East and is actively reconnecting with current distributors and negotiating with new distribution partners. Singapore is the natural hub between China, Asia, Europe, and the US. Uscom's intention is to continue to grow Uscom SNG as a sales distribution hub to better access the 1.4b Chinese market and the SE Asia population of ~650m. From this new SNG hub we plan to deliver China-manufactured goods to the world with significantly reduced costs and improved geographical access.

### Europe

While the strategic consolidation of Uscom Europe has been stalled during CY22 by the intermittent COVID pandemic and the Russian war, Uscom Europe is beginning to emerge from the pandemic cloud. As part of our restructuring, we have appointed a new regional COO to manage Budapest, Mr Zoltan Zsoter, and a specialist medical devices sales lead, Mr Daniel Ujj. They will join together with Dr Antonio Ferrario, Uscom's European Sales and Marketing Manager, as the foundation sales marketing team for Europe. We are delighted to welcome Zoltan and Daniel and look forward to seeing the results from this concerted focus on European sales from this very strong sales team.

### US

Sales for H1 in the US remain significantly impacted by the pandemic; however, sales activity and the sales pipeline is growing and forecasts indicate significant growth over the coming year. Sales have also been effected by the delayed FDA approval of Uscom's SpiroSonic devices. This delay has been in part associated with a backlog of FDA applications, the productivity impact of the pandemic, and zealous examiners. However, the signs are good as we continue meeting with and answering the inquiries of the FDA examiners. We look forward to achieving rapid approval and meeting the demand already established in the US for our sector-leading digital health spirometer; the SpiroSonic AIR.

### Risks

Uscom's optimism for the period ahead is predicated on the recovery of global markets and the restoration of normal global commercial activities. While current global markets all show signs of settling, an expansion of the Russian war or new waves of contagious diseases could impact our predicted recovery and growing revenue forecasts. The potential for global economic headwinds including significant inflation also poses risk and we remain vigilant and prudent in commercial management. We also believe our newly expanded global sales team combined with increased product approvals mitigates regional financial risk and establishes opportunities for strong growth as global economies recover. We will also continue to remain focused on our activities in the recovering global markets of Europe and the US as the pandemic recedes.

### Summary

Uscom's results for H1 FY23 reflect global headwinds associated with the pandemic and the Russian war. China was in lockdown for the period and revenue was effectively stalled, and as China is responsible for >75% of Uscom total sales the impact has been substantial. The remaining markets worldwide have also been restrained leaving revenue for the half down 22%. Despite the reduced revenue Uscom has continued to invest in growth-enhancing products and increasing the number of devices on the regulatory pathway. Uscom has also invested in expanded sales and distribution teams in SE Asia and Europe as preparation for the rebound of global economies as the pandemic effect recedes. Uscom is also in discussions with significant distribution partners in various jurisdictions to ensure our newly approved devices will have a clear path to market. We believe our growth strategy is sound, and well poised to slipstream global growth as it returns. Our new Asian-focused strategy shifts Uscom to the centre of the world's fastest-growing economies, equipped with an expanding quiver of sector-leading cardiovascular and pulmonary technologies, positioning Uscom perfectly for the predicted growth in these regions over the foreseeable years. Management continues to pursue strategic activities which will deliver market recognition of Uscom's value and shareholder growth.

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of directors made pursuant to section 306(3) of the *Corporations Act 2001*.

On behalf of the Directors



Professor Rob Phillips  
Chairman  
Sydney, 23 February 2023

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## DECLARATION OF INDEPENDENCE BY JOHN BRESOLIN TO THE DIRECTORS OF USCOM LIMITED

As lead auditor for the review of Uscom Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Uscom Limited and the entities it controlled during the period.



**John Bresolin**  
Director

**BDO Audit Pty Ltd**

Sydney, 23 February 2023

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**Uscom Limited and its controlled entities**  
**Consolidated statement of profit or loss and other comprehensive income**  
**for the half year ended 31 December 2022**

**Continuing operations**

|  | <i>Note</i> | 31 Dec 2022<br>\$  | 31 Dec 2021<br>\$ |
|--|-------------|--------------------|-------------------|
| Revenue and other income                                 | 2           | 1,257,467          | 1,604,604         |
| Raw materials and consumables used                       |             | (132,212)          | (127,179)         |
| Expenses from continuing activities                      | 3           | (2,501,752)        | (2,401,106)       |
| <b>Loss before income tax from continuing operations</b> |             | <b>(1,376,497)</b> | <b>(923,681)</b>  |
| Income tax expense                                       |             | (14,965)           | (19,609)          |
| <b>Loss after income tax from continuing operations</b>  |             | <b>(1,391,462)</b> | <b>(943,290)</b>  |

**Other comprehensive income****Items that may be reclassified subsequently to profit or loss**

|  |  |              |              |
|--|--|--------------|--------------|
| Foreign currency translation difference for foreign operations |  | 5,859        | 9,161        |
| <b>Other comprehensive income for the period</b>               |  | <b>5,859</b> | <b>9,161</b> |

|  |  |                    |                  |
|--|--|--------------------|------------------|
| <b>Total comprehensive (loss) for the period</b> |  | <b>(1,385,603)</b> | <b>(934,129)</b> |
|--|--|--------------------|------------------|

**Attributable to:**

|  |  |                    |                  |
|--|--|--------------------|------------------|
| Owners of the Company                            |  | (1,385,603)        | (934,129)        |
| <b>Total comprehensive (loss) for the period</b> |  | <b>(1,385,603)</b> | <b>(934,129)</b> |

**Earnings per share (EPS)**

|   |              |              |
|---|--------------|--------------|
| <b>Basic (loss) per share (cents per share)</b>   | <b>(0.8)</b> | <b>(0.6)</b> |
| <b>Diluted (loss) per share (cents per share)</b> | <b>(0.8)</b> | <b>(0.6)</b> |

This Consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the annual financial report for the year ended 30 June 2022 and the attached notes.

**Uscom Limited and its controlled entities**  
**Consolidated statement of financial position**  
**as at 31 December 2022**

|                                      | Note | 31 Dec 2022<br>\$ | 30 Jun 2022<br>\$ |
|--------------------------------------|------|-------------------|-------------------|
| <b>Current assets</b>                |      |                   |                   |
| Cash and cash equivalents            |      | 3,592,779         | 4,704,185         |
| Trade and other receivables          |      | 453,511           | 340,075           |
| Inventories                          |      | 850,340           | 872,117           |
| Tax assets                           |      | 218,849           | 395,709           |
| <b>Total current assets</b>          |      | <b>5,115,479</b>  | <b>6,312,086</b>  |
| <b>Non-current assets</b>            |      |                   |                   |
| Bank guarantee                       |      | 83,456            | 83,456            |
| Plant and equipment                  |      | 29,398            | 46,748            |
| Intangible assets                    | 4    | 454,313           | 477,010           |
| Right-of-use assets                  |      | 885,211           | 1,073,640         |
| <b>Total non-current assets</b>      |      | <b>1,452,378</b>  | <b>1,680,853</b>  |
| <b>Total assets</b>                  |      | <b>6,567,857</b>  | <b>7,992,940</b>  |
| <b>Current liabilities</b>           |      |                   |                   |
| Trade and other payables             |      | 474,620           | 478,164           |
| Provisions                           |      | 159,304           | 197,368           |
| Lease liabilities                    |      | 226,479           | 220,466           |
| <b>Total current liabilities</b>     |      | <b>860,403</b>    | <b>895,998</b>    |
| <b>Non-current liabilities</b>       |      |                   |                   |
| Provisions                           |      | 122,880           | 70,100            |
| Lease liabilities                    |      | 917,087           | 1,091,586         |
| <b>Total non-current liabilities</b> |      | <b>1,039,967</b>  | <b>1,161,686</b>  |
| <b>Total liabilities</b>             |      | <b>1,900,370</b>  | <b>2,057,684</b>  |
| <b>Net assets</b>                    |      | <b>4,667,487</b>  | <b>5,935,256</b>  |
| <b>Equity</b>                        |      |                   |                   |
| Issued capital                       | 5    | 39,150,300        | 39,136,673        |
| Options and rights reserve           | 6(i) | 3,821,330         | 3,711,264         |
| Accumulated losses                   |      | (38,304,143)      | (36,912,681)      |
| <b>Total equity</b>                  |      | <b>4,667,487</b>  | <b>5,935,256</b>  |

This Consolidated statement of financial position is to be read in conjunction with the annual financial report for the year ended 30 June 2022 and the attached notes.



# Interim Financial Report

## Appendix 4D Half Yearly Report

### Uscom Limited and its controlled entities Consolidated statement of changes in equity for the half year ended 31 December 2022

|  | Issued capital<br>\$ | Options and rights<br>reserve<br>\$ | Other reserves<br>\$ | Accumulated<br>losses<br>\$ | Foreign currency<br>translation reserve<br>\$ | Total<br>\$ |
|--|----------------------|-------------------------------------|----------------------|-----------------------------|---|-------------|
| <b>Balance at 1 July 2021</b>                                | 34,665,560           | 3,268,249                           | -                    | (34,940,368)                | 84,157  | 3,077,598   |
| Loss for the period  | -                    | -                                   | -                    | (943,290)                   | -   | (943,290)   |
| Other comprehensive income                                   | -                    | -                                   | -                    | -                           | 9,161   | 9,161       |
| Total comprehensive income for the period                    | -                    | -                                   | -                    | (943,290)                   | 9,161   | (934,129)   |
| <i>Transactions with owners in their capacity as owners:</i> |                      |                                     |                      |                             |   |             |
| Shares Issued  | 4,301,390            | -                                   | -                    | -                           | -   | 4,301,390   |
| Transaction costs on Shares Issued                           | (33,837)             | -                                   | -                    | -                           | -   | (33,837)    |
| Share-based payments   | 137,500              | 116,198                             | -                    | -                           | -   | 253,698     |
| Total transactions with owners                               | 4,405,053            | 116,198                             | -                    | -                           | -   | 4,521,251   |
| <b>Balance at 31 December 2021</b>                           | 39,070,613           | 3,384,447                           | -                    | (35,883,658)                | 93,318  | 6,664,720   |
| <b>Balance at 1 July 2022</b>                                | 39,136,673           | 3,638,461                           | -                    | (36,912,681)                | 72,804  | 5,935,256   |
| Loss for the period  | -                    | -                                   | -                    | (1,391,462)                 | -   | (1,391,462) |
| Other comprehensive income                                   | -                    | -                                   | -                    | -                           | 5,859   | 5,859       |
| Total comprehensive loss for the period                      | -                    | -                                   | -                    | (1,391,462)                 | 5,859   | (1,385,603) |
| <i>Transactions with owners in their capacity as owners:</i> |                      |                                     |                      |                             |   |             |
| Shares Issued  | -                    | -                                   | -                    | -                           | -   | -           |
| Transaction costs on Shares Issued                           | (1,373)              | -                                   | -                    | -                           | -   | (1,373)     |
| Share-based payments   | 15,000               | 104,208                             | -                    | -                           | -   | 119,207     |
| Total transactions with owners                               | 13,627               | 104,208                             | -                    | -                           | -   | 117,834     |
| <b>Balance at 31 December 2022</b>                           | 39,150,300           | 3,742,669                           | -                    | (38,304,143)                | 78,661  | 4,667,487   |

This Statement of Changes in Equity is to be read in conjunction with the annual financial report for the year ended 30 June 2022 and the attached Notes.

**Uscom Limited and its controlled entities**  
**Consolidated statement of cash flows**  
**for the half year ended 31 December 2022**

|  | <i>Note</i> | <b>31 Dec 2022</b> | <b>31 Dec 2021</b> |
|--|-------------|--------------------|--------------------|
|  |             | \$                 | \$                 |
| <b>Cash flows from operating activities</b>                  |             |                    |                    |
| Receipts from customers                                      |             | 1,058,105          | 1,344,567          |
| Payments to suppliers and employees                          |             | (2,417,937)        | (2,292,125)        |
| Grants received  |             | 385,577            | 694,537            |
| Interest received  |             | 20,937             | 9,590              |
| Net cash used in operating activities                        |             | (953,318)          | (243,431)          |
| <b>Cash flows from investing activities</b>                  |             |                    |                    |
| Purchase of patents and trademarks                           | 4           | (32,053)           | (90,906)           |
| Purchase of plant and equipment                              |             | (390)              | (1,258)            |
| Net cash used in investing activities                        |             | (32,443)           | (92,164)           |
| <b>Cash flows from financing activities</b>                  |             |                    |                    |
| Proceeds from issue of shares and options                    | 5           | -                  | 4,301,390          |
| Share issue costs  | 5           | (1,373)            | (33,837)           |
| Repayment of lease liability                                 |             | (121,485)          | (131,970)          |
| Net cash provided by (used in) financing activities          |             | (122,858)          | 4,135,583          |
| <b>Net increase in cash and cash equivalents</b>             |             | <b>(1,108,619)</b> | <b>3,799,988</b>   |
| Net cash and cash equivalents at the beginning of the period |             | 4,704,185          | 1,710,554          |
| Foreign exchange impact on cash flows                        |             | (2,787)            | 26,494             |
| Net cash and cash equivalents at the end of the period       |             | 3,592,779          | 5,537,036          |

This Consolidated statement of cash flows is to be read in conjunction with the attached Notes.

**Uscom Limited and its controlled entities**  
**Selected Explanatory Notes to the Financial Statements**  
**For the half year ended 31 December 2022**

**Note 1 – Statement of significant accounting policies**

The principal accounting policies adopted in the preparation of the financial report are set out below. The financial report covers the Consolidated Entity of Uscom Ltd and its Controlled Entities. Uscom Ltd is a listed public company, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the consolidated Group in the preparation of the financial report. The accounting policies have been consistently applied to all years presented, unless otherwise stated.

**Basis of preparation**

The consolidated financial report for the half year ended 31 December 2022 has been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001 and was approved by the Board of Directors on 23 February 2023.

This half-year financial report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as the annual financial report.

Accordingly, this report should be read in conjunction with the annual financial report for the year ended 30 June 2022 and any public announcements made by the Company in accordance with the continuous disclosure obligations arising under ASX listing rules.

**New, revised or amending Accounting Standards and Interpretations adopted**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the annual consolidated financial statements for the year ended 30 June 2022.

|   | 31 Dec 2022 | 31 Dec 2021 |
|---|-------------|-------------|
|   | \$          | \$          |
| <b>Note 2 – Revenue and other income</b>          |             |             |
| Sale of goods                                     | 1,021,105   | 1,100,569   |
| <b>Other revenue</b>                              |             |             |
| Interest received                                 | 20,915      | 9,524       |
| <b>Other income</b>                               |             |             |
| Grants  | 215,447     | 452,714     |
| Exchange gain                                     | -           | 41,797      |
| Total other income                                | 215,447     | 494,511     |
| Total revenue and other income                    | 1,257,467   | 1,604,604   |
| <b>Note 3 – Expenses from ordinary activities</b> |             |             |
| Depreciation and amortisation expenses            | 72,648      | 80,492      |
| Depreciation – right-of-use assets                | 121,485     | 131,970     |
| Employee expenses                                 | 1,327,832   | 1,470,169   |
| Research and development expenses                 | 38,863      | 7,364       |
| Advertising and marketing expenses                | 424,495     | 339,663     |
| Occupancy expenses                                | 43,734      | (6,776)     |
| Regulatory expenses                               | 129,339     | 84,620      |
| Administrative expenses                           | 305,463     | 259,576     |
| Exchange loss                                     | 12,760      | -           |
| Finance costs                                     | 25,133      | 34,028      |
| Total expenses from ordinary activities           | 2,501,752   | 2,401,106   |

## Interim Financial Report

## Appendix 4D Half Yearly Report

|                                   | 31 Dec 2022 | 30 Jun 2022 |
|-----------------------------------|-------------|-------------|
|                                   | \$          | \$          |
| <b>Note 4 – Intangible assets</b> |             |             |
| Patents                           | 454,313     | 477,010     |
| Total intangible assets           | 454,313     | 477,010     |

|  | Patents  | Total     |
|--|----------|-----------|
|  | \$       | \$        |
| <i>Movements in carrying amounts</i>       |          |           |
| Opening balance                            | 477,010  | 469,684   |
| Additions                                  | 32,053   | 109,486   |
| Impairment                                 | -        | -         |
| Amortisation                               | (54,750) | (102,160) |
| Intangible assets at the end of the period | 454,313  | 477,010   |

|                                | 31 Dec 2022 | 30 Jun 2022 | 31 Dec 2022 | 30 Jun 2022 |
|--------------------------------|-------------|-------------|-------------|-------------|
|                                | Number      | Number      | \$          | \$          |
| <b>Note 5 – Issued Capital</b> |             |             |             |             |
| <b>Ordinary shares</b>         |             |             |             |             |
| Fully paid ordinary shares     | 198,635,884 | 196,768,333 | 39,150,300  | 39,136,673  |
| Total contributed equity       | 198,635,884 | 196,768,333 | 39,150,300  | 39,136,673  |

|  | 31 Dec 2022 | 30 Jun 2022 | 31 Dec 2022 | 30 Jun 2022 |
|--|-------------|-------------|-------------|-------------|
|  | Number      | Number      | \$          | \$          |
| <b>Movement in issued capital</b>        |             |             |             |             |
| Opening balance                          | 196,768,333 | 154,384,643 | 39,136,673  | 34,665,560  |
| Ordinary shares issued                   | -           | 39,627,942  | -           | 4,359,074   |
| Ordinary shares issued in lieu of salary | 1,867,551   | 2,755,748   | 15,000      | 166,900     |
| Share issue costs                        | -           | -           | (1,373)     | (54,862)    |
| Ordinary shares at the end of the period | 198,635,884 | 196,768,333 | 39,150,300  | 39,136,673  |

|                                       | 31 Dec 2022 | 30 Jun 2022 |
|---------------------------------------|-------------|-------------|
|                                       | \$          | \$          |
| <b>Note 6 – Reserves</b>              |             |             |
| Options and rights reserves (i)       | 3,742,669   | 3,628,461   |
| Foreign currency translation reserves | 78,661      | 72,803      |
| Total reserves                        | 3,821,330   | 3,711,264   |

| (i) Movement in options and rights reserves | 31 Dec 2022 | 30 Jun 2022 | 31 Dec 2022 | 30 Jun 2022 |
|---|-------------|-------------|-------------|-------------|
|   | Number      | Number      | \$          | \$          |
| Opening balance                             | 2,186,782   | 1,586,782   | 3,638,461   | 3,268,249   |
| Granted during the period (a)               | 3,164,557   | 2,036,782   | -           | -           |
| Exercised during the period (b)             | (1,636,782) | (1,436,782) | -           | -           |
| Lapsed during the period                    | -           | -           | -           | -           |
| Share-based payment expenses                | -           | -           | 119,208     | 537,112     |
| Fair value of shares issued to employees    | -           | -           | (15,000)    | (166,900)   |
| At the end of the period (c)                | 3,714,557   | 2,186,782   | 3,742,669   | 3,638,461   |

(a) 3,164,557 Indeterminate rights were granted to Rob Philips on the terms and conditions approved by shareholders at the AGM on 10 November 2022 under the Equity Incentive plan, vesting dependent on performance hurdles on 1 July 2023. Consideration payable upon vesting is \$nil. The Board may exercise its discretion to pay cash in lieu of issue of ordinary shares.

(b) 1,636,782 Indeterminate rights were issued to Rob Philips on the terms and conditions approved by shareholders at the AGM on 14 October 2021 under the Equity Incentive plan, vesting dependent on performance hurdles on 1 July 2022. Consideration payable upon vesting is \$nil. The Board may exercise its discretion to pay cash in lieu of issue of ordinary shares. Upon meeting the performance hurdles, total of 1,636,782 were exercised on 5 July 2022.

**Note 7 – Operating segments**Segment information

The consolidated entity operates in the global health and medical products industry. Globally the company has 4 geographic sales and distribution segments as shown below. For each segment, the CEO and General Manager review internal management reports on at least a monthly basis.

|  | Australia   | Asia     | Americas  | Europe   | Total       |
|--|-------------|----------|-----------|----------|-------------|
|  | \$          | \$       | \$        | \$       | \$          |
| <b>31 Dec 2022</b>   |             |          |           |          |             |
| Sales to external customers  | 102,893     | 534,462  | -         | 383,750  | 1,021,105   |
| Other revenues   | 225,066     | 5,890    | -         | 5,406    | 236,362     |
| Total segment revenue  | 327,959     | 540,352  | -         | 389,156  | 1,257,467   |
| Segment expenses   | 1,347,588   | 620,580  | 229,913   | 435,883  | 2,633,964   |
| Segment result   | (1,019,629) | (80,228) | (229,913) | (46,728) | (1,376,497) |
| Income Tax   | -           | -        | -         | (14,965) | (14,965)    |
| Consolidated profit (loss) from ordinary activities after income tax | (1,019,629) | (80,228) | (229,913) | (61,692) | (1,391,462) |
| <b>31 Dec 2021</b>   |             |          |           |          |             |
| Sales to external customers  | 16,275      | 577,020  | 165,179   | 342,095  | 1,100,569   |
| Other revenues   | 400,031     | 7,138    | -         | 96,866   | 504,035     |
| Total segment revenue  | 416,306     | 584,158  | 165,179   | 438,961  | 1,604,604   |
| Segment expenses   | 1,230,082   | 579,207  | 214,662   | 504,334  | 2,528,285   |
| Segment result   | (813,776)   | 4,951    | (49,483)  | (65,373) | (923,681)   |
| Income Tax   | -           | -        | -         | (19,609) | (19,609)    |
| Consolidated profit (loss) from ordinary activities after income tax | (813,776)   | 4,951    | (49,483)  | (84,982) | (943,290)   |

**Note 8 – Contingent liabilities**

There were no contingencies as at 31 December 2022.

**Note 9 – Events after the reporting date**

In February Uscom initiated a small parcels purchase with the intent of simplifying the share register and reducing administration and cost while providing small shareholders a cost-effective exit from the company.

**DIRECTORS' DECLARATION**

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors



Professor Rob Phillips

Chairman

Sydney, 23 February 2023

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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Uscom Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Uscom Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

#### Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**BDO Audit Pty Ltd**

*BDO*  


**John Bresolin**  
**Director**

Sydney, 23 February 2023

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