Uscom Limited and its controlled entity

ABN 35 091 028 090

ASX Preliminary final report – 30 June 2024

Contents

Uscom

ASX MEDIA RELEASE

Reporting period:	Financial year ended 30 June 2024
Previous corresponding reporting period:	Financial year ended 30 June 2023

Results for announcement to the market

Revenues from ordinary activities	up	33%	to	$4,213,454
Loss from ordinary activities after tax attributable to members	down	20%	to	$2,074,749
Net Loss for the period attributable to members	down	20%	to	$2,074,749

Dividends per Share

It is not proposed to pay a dividend.

Net Tangible Asset per Ordinary Share

	30 June 2024	30 June 2023
NTA backing	c0.015	c0.015

Status of audit

The accounts have been audited. The annual report, including the unqualified audit report is attached.

Commentary

Refer to Chairman's Letter in 2024 Annual Report.

Financial highlights

Revenues from ordinary activities	$4,213,454
Loss from ordinary activities	$2,074,749
Sales Revenue	$3,726,845
Net operating cash outflow	$1,163,393
Net increase in cash held	$351,988
Cash held at end of the year	$2,519,911

Uscom

Uscom Limited

Annual Report FY2024

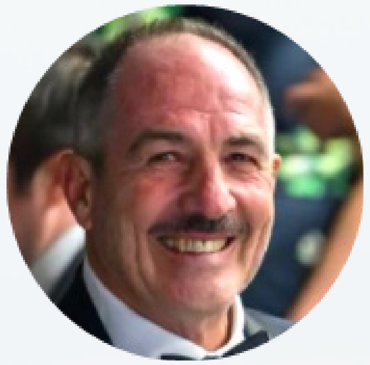
Uscom – Growth and Vision

FY2024 www.uscom.com.au

Uscom

FY2024 www.uscom.com.au

Contents



Associate Professor Rob Phillips

Chairman and Executive Director

FY24 saw the return of growth to the financial results of Uscom with sales of products increased by 43%, while total revenue increased by 33% as we ended the year with Q4 cash flow positive operations and $2.52m cash on hand. While challenging global markets persisted throughout the year in multiple jurisdictions, Uscom's visionary strategy of diversification and expansion ensured that the consolidated entity returned strong results for FY24 and set the foundations for on-going growth in FY25.

FY24 was a year of focused management of our accelerating activities as we strategically planned our corporate next steps and monitored global risks. Despite the challenges in global markets Uscom's financial results in the final quarters showed strong growth sending promising signals for the year ahead as global markets continued their tentative recovery and Uscom's share of these markets grew. The strategic restructuring of Uscom's international operations and the development of a manufacturing partnership centred in Asia promises to transform the company and positions it well as global markets stabilize, inflationary pressures recede, and new products are fed into a manufacturing system of scale and an expanded distribution network.

Uscom's new CV-2 software platform has recently been released marking the first step in the development of a new generation of USCOM 1A with expanded functionality and new parameters. This enhancement allows users to gain a unique view of cardiovascular physiology and enabling clinicians to make more informed decisions and improve outcomes for patients. Uscom devices are continually evolving and improving, and the CV-2 represents an inflection point providing a flexible software platform for development of future iterations of the USCOM 1A and a foundation for integration of multiple other monitoring modules to enhanced clinical utility.

Uscom's global strategy has been to grow our activities in all our markets as we adapt to capitalise on predictable opportunities while diversifying to optimise results from our more challenging markets. Each market is different and changing, and requires a continuously finessed approach to ensure success. China, SE Asia, Europe and the US all remain segments of the global market for which we are developing unique strategies to position for stronger results in the coming periods. These diversified opportunities plus expanded distribution combined with a refined operational skill and new products will preserve our growth momentum. Even if some markets remain constrained this strategy will provide optimal results from under-performing markets while providing leveraging opportunities off strong and positively growing markets.

In summary, FY24 was a year of convincing operational recovery for Uscom as markets around the world continue to languish. The achievement of 43% product sales growth was significant given the challenges presented by all global markets. The corporate strategy of diversifying activities into all markets acts as a hedge against regional market under-performance and foreign exchange volatility is a sound one which underwrote our results. We have also focused on developing the clinical capabilities of all our current devices and are planning the development of new devices over the coming years. Our IP inventory is large and continuing to grow forming the foundation for new products which are being scheduled for development. This new generation of products will head a second wave of practice changing Uscom technologies to lead future clinical practice. Establishing the internal scale and acquiring the resources to support these next steps is the current objective of management.

It is a time of great opportunity as Uscom leverages off its current growth and transitions to a complex global MedTech enterprise of scale building on established products and markets while acquiring and developing new technologies to feed into an expanded global distribution network. As world markets recover over the next few years the prospects for Uscom achieving real scale in response to our programme of market restructuring and increased products is exciting; our strategy Is in place.

Thanks to Uscom's global staff, our Board, and our investors and supporters who have all contributed to Uscom's growth this year and been vital for creating this time of opportunity as we look forward to further crystalising outcomes from our visionary strategies in FY25. We are all contributing to write the history of Uscom – one of Australia's most significant MedTech enterprises.

Uscom has rebounded in FY24 and is now an investment opportunity poised for growth while Uscom management remain strategically committed to investigating options to optimise shareholder value.

Professor Rob Phillips
Uscom Chairman and CEO

Finances

The measure of life.

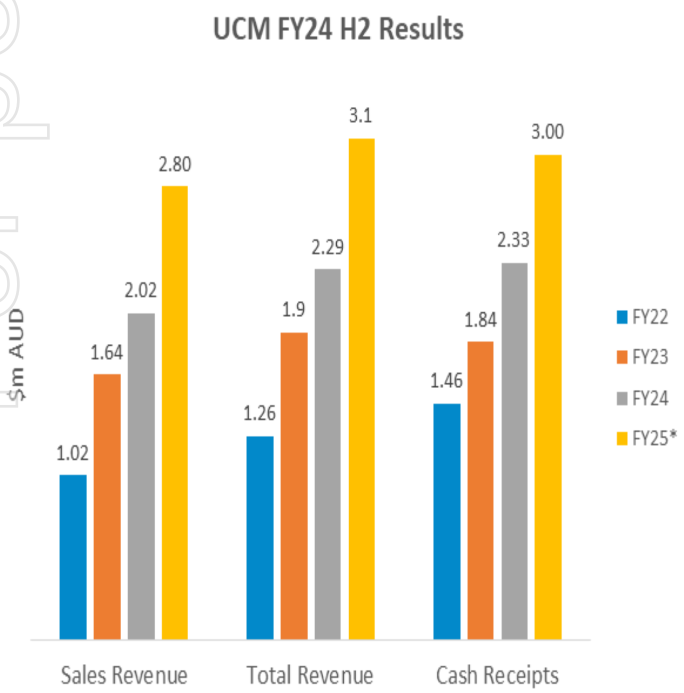
Cash on Hand $2.52m

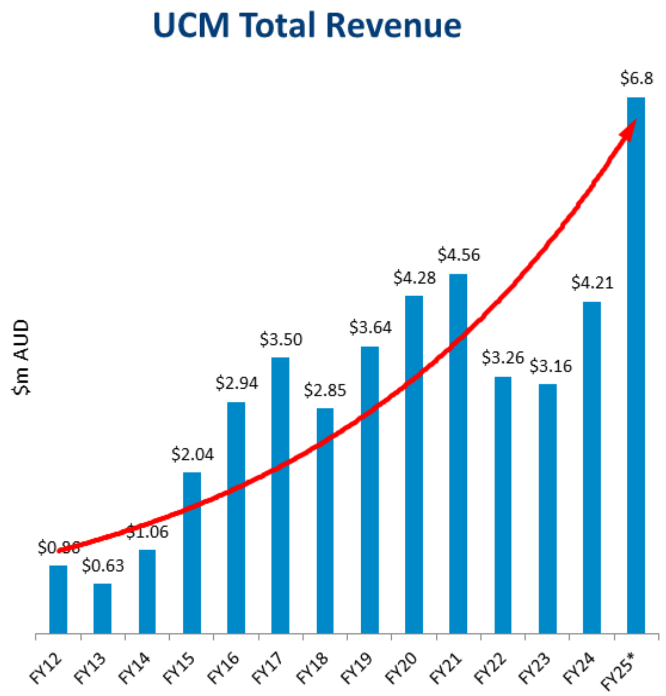
FY24 was a year of rebound for Uscom with sales of products up 43% and total revenue up 33% on FY23, with a cash flow positive final quarter leaving us with $2.52m cash on hand. Continued growth is also forecast for FY25 following significant second half FY24 growth in sales.

Importantly FY24 growth was near universal with the 43% sales of products growth coming from Asia, the "rest of the world" and the US while Europe maintained its solid performance of last year.

FY24 growth was the result of Uscom's global strategy of market and product diversification and our continued focus on the global strategy of growing each market with a target of restoring our 9-year pre-COVID growth rate of 24% per annum.

Costs from ongoing activities were increased by 6% in FY24 with this increase mostly contributed by small rises in advertising and marketing, occupancy, employee costs, audit and administrative expenses.

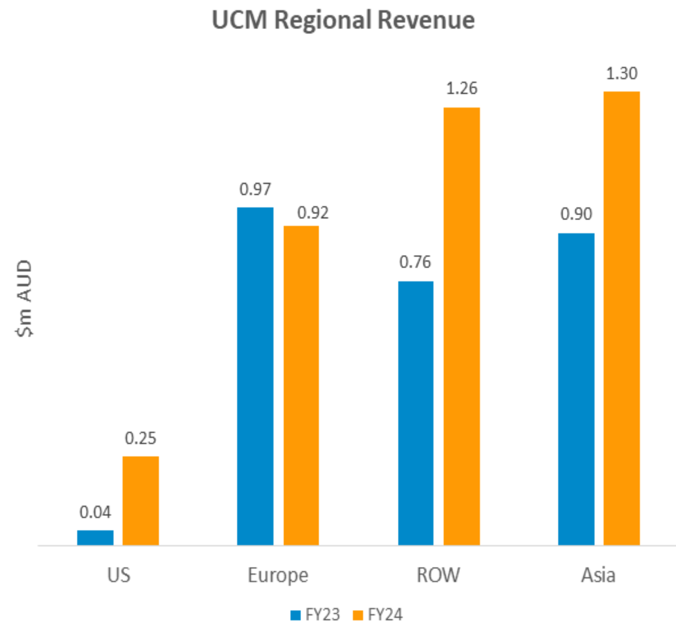




Uscom's total revenue over 13 years demonstrating a continuous growth trend only interrupted by geopolitics conflict and international COVID measures (* budgeted).

For FY24 sales of products of the consolidated entity grew by 43% while regional sales showed strong 66% growth in Rest of World sales through Uscom Head Office, while Asia sales grew by 45% and the US grew significantly off a low base. Europe sales were down 2% from FY23.

- Sale of products $3.69m up 43% from $2.59m
- Total Revenue $4.21mil, up 33%
- Strong growth of H2 and Q4 sales and revenue
- Cash on Hand = $2.52m, up 16%

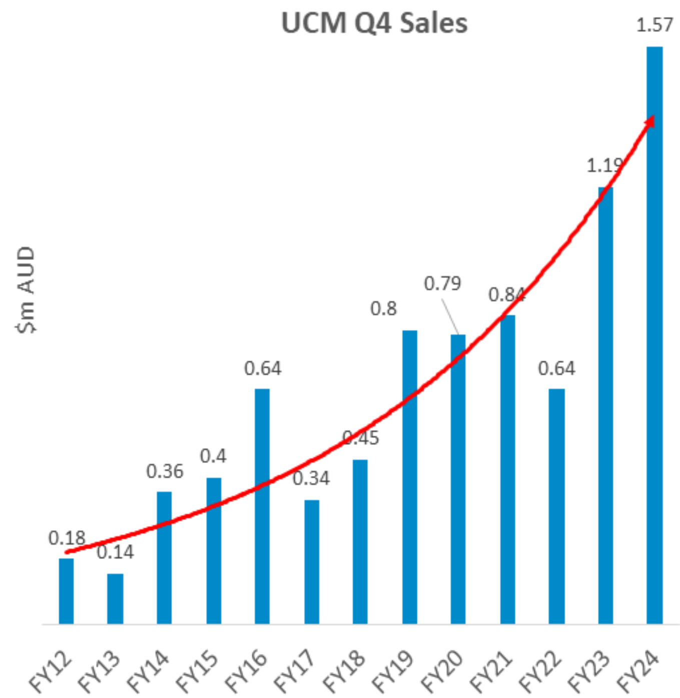


Uscom

Trend values for Q4 sales over 13 years demonstrating record values for FY24 and a growth trend despite FY20, FY21 and FY22 being restricted by COVID measures.

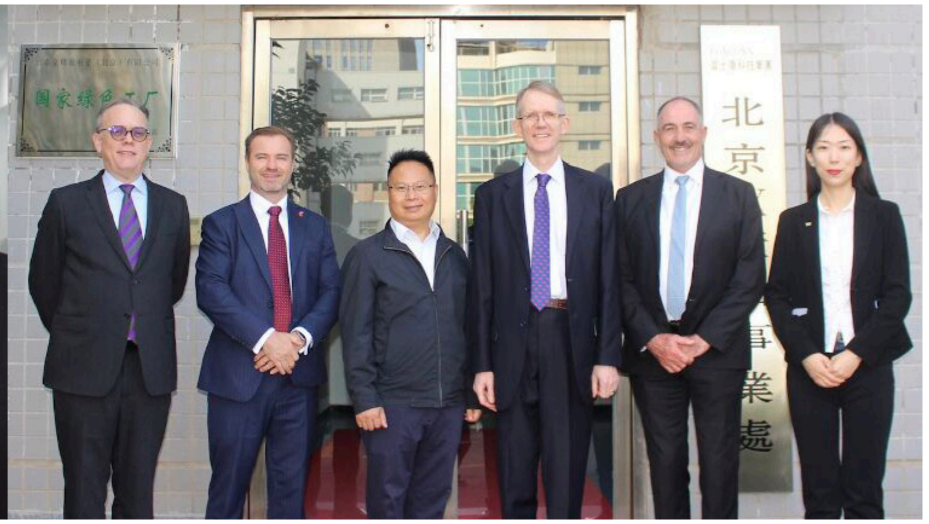
Trend values for sales revenue, total revenue and cash receipts over the last 3 years demonstrating a rebound in all categories as markets recovered from the impacts of COVID and forecast continued FY25 growth.

Uscom is prepared for continued growth from all regional jurisdictions as we focus separately on each segment targeting regional and global growth drivers generated from novel initiatives.



Operations

China



Uscom's largest market, China, is experiencing its most significant downturn in recent history coming immediately on the heels of the 3-year COVID recession, a "Made in China" policy and more recently direct restructuring of the entire medical device market. During this time, we have invested in preparations for when the market recovers; we developed our Foxconn partnership to support local manufacturing and rationalise cost, expanded our in-house sales and marketing team and listed new products for approval from NMPA for sale in the Chinese market. By mid FY25 we anticipate we will have current NMPA regulatory approvals for each of our three lines of clinical monitoring technologies covering the USCOM 1A non-invasive cardiac haemodynamic monitoring devices, BP+ suprasystolic central blood pressure monitors including a new range of lower price home use devices, and SpiroSonic digital ultrasonic spirometers for high fidelity lung function monitoring in the clinic and in the home. In addition to this we will have an expanded distribution model with greater regional reach to increase product sales across the country. Despite the challenges in the Asian market over the last 3 years FY24 demonstrated sales growth of 45%, with a continued rebound in response to the impact of our growth strategy. Asia contributes approximately 35% of Uscom's global sales revenue so any rebound will have a significant impact on revenue of the consolidated entity.

South East Asia

SEAsia has begun to grow sales following the establishment of Uscom Singapore regional HQ and the appointment of a dedicated regional head of sales to cover the diverse markets and cultures of SE Asia, a region containing some of the world's fastest growing economies. Given the long sales lead time for USCOM 1A and a growing order pipeline Uscom is optimistic that the personal focus on sales in this fast-growing region will yield a further increase in sales for the year ahead.

US

The US is showing strong signs of take up with USCOM 1A rapidly becoming recognised as a standard of care for maternal health nationally and internationally. As more US academic studies are published, we anticipate a continued growth in orders and sales. As BP+ and SpiroSonic complete their US regulatory process we are optimistic that specialist distributors of scale will partner with us to distribute the world's leading cardiovascular and pulmonary monitoring devices in the world's largest medical device market.

Europe

Uscom Europe has undergone a complete restructure and is now settling into an organisation that is reaching into Europe, Middle East and South America. Sales significantly improved in the second half but will take some time to settle as new and larger distributors begin to sell our devices. The war in Ukraine is definitely impacting confidence and sales in all regions and we are looking forward to the winding back of this conflict so sales and trade can normalise and Uscom can restore its European growth trajectory.

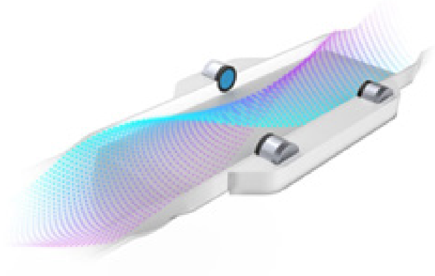
IP and Science

Patents and IP

Uscom continues to develop and file novel patents to both consolidate the defence of our current products and establish the foundation for new products. Uscom has now registered approximately 100 global patents and owns another 150 copyrights and trademarks in addition to an intricate web of business secrets implemented in various jurisdictions world-wide. Cardiovascular and pulmonary technologies are often complex in concept and require novel and innovative solutions which require original thought which are the foundations of global IP. Importantly the value in patents is the protection of revenue and a broad and a complex IP strategy covering patents, copyrights trademarks and business secrets is critical to sustaining long term corporate value in MedTech enterprises. IP protection is expensive and excess patents can be difficult to monetise and be a financial load for early MedTech companies. However, IP does represent corporate value and is an indicator of and investment in future product pipelines and revenue. This is an activity in which Uscom is very strong.

Science

Uscom retains its position as a global scientific leader as its clinical recognition from advanced cardiac haemodynamics is expanded into hypertension, vascular health and pulmonary monitoring and new BP+ and SpiroSonic devices approach broad market release. While the USCOM 1A has more than 1000 peer-reviewed publications supporting the effectiveness of its clinical use, Uscom BP+ and SpiroSonic devices are now also being recognised as leaders in hypertension and vascular health and high-fidelity pulmonary function testing by global academics. Uscom devices are increasingly gaining global recognition and making significant clinical contributions across various disciplines of medical care in pediatrics, ICU, and maternal health and covering fluid management, hypertension, heart failure, cancer care, asthma, and COPD. These conditions collectively account for approximately 75% of global mortality, demonstrating the ongoing utility and importance of Uscom devices in the medical landscape and re-enforcing the commercial opportunities that lay ahead for MedTech companies providing clinically valuable solutions. While the time for validation and adoption is long the rewards are significant and enduring.



Uscom

Commercial Value

The ASX remains a challenge for small cap companies with global footprints and particularly those in the MedTech space where development times, and validation and adoption cycles are long and markets are complex and often Government policy influenced and prone to unannounced change. For Uscom this is particularly so with a significant disparity between Uscom's on market price and its real value with its performance and price during FY24 performing erratically with Uscom's sales of products increasing 43% while the share price fell 77%.

Uscom has also established a global business which is a powerful platform for expansion. Uscom has regional HQs in Sydney, Singapore, Beijing, Budapest and California and conducts business in all jurisdictions. These operations are significant investments and bring forward considerable expense in advance of revenue, yet ultimately the effect of this investment in globalisation is to broadly hedge Uscom operations and establish operational beach-heads for future growth. These hedges include:

- **Market diversification:** While Uscom's largest market is China, Uscom products are sold into 53 countries world-wide so while the Chinese market contracted slightly in FY24, Uscom sales of products increased 43%. This diversification acts to damp and limit the impact of regional market disruptions.

- **Income diversification:** In volatile times foreign exchange movements can be significant and consume profits so with operations across all major currency regions Uscom benefits by earning revenues in USD, Euro, RMB, SGD and AUD creating a natural currency hedge against major currency shifts.

These strategic strengths of Uscom's global operations combine to create a powerful platform on which to build global commercial expansion and represents significant off balance sheet value.

MedTech remains one of the most attractive and expanding investments internationally and given Uscom's strong growth history, its high profile cardiovascular and pulmonary product portfolio combined with exposure to China and SE Asia its current price represents a significant undervaluation. Uscom management are alert to this commercial anomaly and continue to seek strategic opportunities to optimise value for shareholders.

The measure of life.

Growth Drivers FY2025

1. **Expanded distribution and sales initiatives in China and SEAsia:** A significantly restructured medical device market place in China has created opportunities for Uscom China to expand its distribution and sales organisation. This expanded system will involve on-boarding of a new organisation to mesh with our current in-house regional distribution model to increase our sales coverage of China. This is expected to shift distribution coverage from 12 to 25 provinces as our distribution becomes both wider and deeper. Current projections for this restructure are that sales will significantly improve as the new distribution platform can be deployed to distribute current Uscom products, new Uscom products and newly acquired 3rd party products. This model is planned to link up with our SE Asia distribution network to boost our already growing SE Asia organisation to create an integrated Asian distribution organisation.

2. **New Products and IP:** Uscom has a deep IP platform with a number of creative and innovative ideas for next generation Uscom products and new devices that will continue to improve clinical care the world over. Internal regulatory efficiency is also developing so the pathway to market is becoming more streamlined. As Uscom continues developing new products and registering them for regulatory approval in various global jurisdictions, this will lead to improved quality of distribution both in China and internationally. Distributors are always seeking high quality well validated devices and preferably with a wide range of products. Uscom's commitment to research and development ensures a pipeline of cutting-edge technologies, and supported by the expert Foxconn product development team the time to market can be accelerated and fed into the globally expanded distribution network generating incremental revenue growth.

3. **Singapore Regional HQ:** Singapore remains the hub of the fastest growing economies in the world and Uscom's new regional HQ is already taking root and generating strong regional sales growth and healthy pipelines. This Singapore HQ connects China to Singapore then to Australia, Europe and the US to create a rational distribution pathway for global products. With the establishment of the Singapore HQ, Uscom aims to tap into the world's largest and fastest-growing medical device markets. The increasing sales and marketing activities of a regional sales marketing and business development manager further supports market expansion in this region with results already showing in increased regional revenues.

4. **Marketing initiatives:** Consolidating marketing resources across the world simplifies and expands market reach and consumer access and information. The integration of global digital marketing activities will provide for centralisation and rationalisation of delivering Uscom's expanding range of technologies across the globe and consolidates the concept of centralised operational hub with radial delivery arms.

5. **Incremental growth opportunities:** As international markets recover Uscom is well-positioned to explore and capitalize on strategic corporate partnership opportunities. These collaborations can further fuel growth and market penetration and provide new opportunities for shareholders to realize investment value.

Risks

Global Markets

The world remains unpredictable and macro-economic headwinds persist with talk of trade wars, recession, currency wars, the war in Ukraine and the US election all combining to be considerations which impact business plans and future strategies. This congestion of uncertainty for global enterprises is addressed by global diversification and scale, objectives which Uscom will continue to pursue in FY25. Uscom will continue its strategy of diversifying into various markets, developing distribution, increasing product ranges for market, and collaborating with various partners and expanding operations in wider markets and jurisdictions.

While mitigating global risk and volatility is a complex endeavour, Uscom has established a risk control strategy as part of its transition into global expansion. Increased scale, more sales, more products and enhanced technology and intellectual property all contribute to risk mitigation in the face of unforeseeable changes in the global markets.

Uscom's transition to a global entity and transformational partnerships with global leading precision electronics manufacturer Foxconn ensures the supply chain certainty required to grow global sales while contributing to risk control in the event of unpredictable changes in global markets.

China

China remains Uscom's major market despite being the subject of significant changes in the past 4 years, all of which have inhibited Uscom's free growth in China. Policies surrounding COVID, domestic manufacturing and medical device distribution have combined with a recessionary economy to impede our growth in China. However, China is the largest and most sophisticated medical device market in the world and its medical consumers some of the most discriminating. Therefore Uscom's world leading technologies will always be in demand in China and Uscom remains firmly committed to the Chinese market and firmly believes it will return to be a significant driver of world and Uscom growth.

Uscom

Distributors

Distribution is the link between products and revenue worldwide so an emphasis on "globalisation" and efficiencies of scale makes great sense, while increased number and quality of distributors across more jurisdictions is the formula for growth. This can then be supported by strategic global planning and more effective marketing so simplifying the sales process and encouraging distributors of scale to sell our products. Uscom is continuously seeking quality distributors to cover un-serviced or poorly serviced distribution territories and increase sales.

Regulatory

Regulatory certification remains a challenge across all jurisdictions with an increasing trend to use regulatory approvals as tools of trade protection despite the overarching objective of regulation being to assure consumers of product safety and efficacy. Uscom continues developing its in-house regulatory resources by directly employing regulatory specialist within the company. The partnership with Foxconn provides further access to an extensive team of manufacturing and regulatory experts and will ultimately reduce time for product approvals and by-pass expensive and less reliable outsourcing.

Key Personnel

Uscom is a high-technology enterprise requiring world level expertise in all aspects of the business. The departure of any key personnel from the organization is a potential threat to our global growth ambitions.

The solution is to rapidly expand and achieve scale and expand critical skill sets in-house, particularly in Uscom China and Uscom Europe as a safeguard against potential key personnel risks. The outsourcing of device development and manufacture which can be performed by Foxconn will also act to outsource product development and manufacturing risks and increase global efficiencies.

Other Risks

Competitive risks, patent breaches, scale-up stress, geopolitical instability and pandemics all pose potential threats to Uscom's growth expectations. These challenges could all potentially impact cash flow and equity adequacy, necessitating the focused attention of management. Management is continuously monitoring operational activity and cash flow to detect any changes and ensure financial predictions and strategies remain supported by market conditions.

Corporate Social Responsibility

Australia is the extinction capital of the world, and over the last 15 years, the list of threatened species has increased by 36%. Critically, 87% of Australia's mammal species, 93% of our reptiles, 94% of our frogs, and 45% of our bird species are found only in Australia, so if they are lost from Australia, they are extinct. The Australian Wildlife Conservancy (AWC) is working to redress Australia's tragic record, and every Australian should proudly support them in their scientifically directed strategy to improve the environment and increase the survival of Australia's unique plants and animals.

Friends of Australian Wildlife Conservancy

Australian Wedge-tailed Eagle

Rob Phillips personally supports AWC on behalf of Uscom Limited

Summary

In FY24, Uscom experienced a resurgence in financial performance, with product sales rising by 43% and total revenue growing by 33%, accompanied by expanding operations and investment in innovations to support future growth. Uscom increased sales for all devices and gained increasing global market recognition for the scientific leadership of Uscom products. Despite a globally challenging year for all markets Uscom's growth was recognition of the quality of the company, its people and management and its long-term strategies.

As global markets continue to recover from the last 3 uncertain years Uscom is ideally poised for growth with plans for organic and incremental growth activities. Uscom has created a global platform for development and marketing of advanced and innovative cardiovascular and pulmonary technologies that treat diseases responsible for ~75% of global mortality. The need for Uscom's devices is universal, our devices are outstanding and the opportunity for our business is great as results from the previous three years planning and investment materialise.

Uscom is a unique MedTech company creating innovative and life saving cardiovascular and pulmonary devices that are changing clinical care worldwide. Uscom is at a stage of evolutionary transition as 20 years of conception, establishment and development are converging to create a company of global impact and accelerating commercial value.

Professor Rob Phillips
Uscom Chairman and CEO

Directors Report

The Directors present their report on Uscom Ltd and its Controlled Entities for the financial year ended 30 June 2024. The following persons were Directors of Uscom Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated.

Associate Professor Rob Phillips

Chairman and Executive Director

Rob Phillips is the founder of Uscom Ltd, and the Chief Executive Officer, Chairman and Chief Scientist of the Company. Rob has 20 years experience in corporate management since taking Uscom public in 2003, and has taken the company global with regional head quarters in Singapore, Beijing and Budapest with offices in Delawere. Rob has a PhD and MPhil in Cardiovascular Medicine from The University of Queensland where he is an Adjunct Associate Professor of Medicine.

Mr Christian Bernecker

Non-executive Director

Mr Christian Bernecker is a Non-Executive Director of Uscom Ltd since November 2011. Christian has more than 10 years of broad investment experience across capital raising, acquisitions and divestments. Christian qualified as a Chartered Accountant in Australia and holds a Bachelor of Commerce from Ballarat University.

Mr Brett Crowley

Non-executive Director and Company Secretary

Brett Crowley was appointed as a Non-Executive Director of Uscom Ltd on 23 August 2018. He is a practicing solicitor and a former Partner of Ernst & Young in Hong Kong and Australia, and of KPMG in Hong Kong, and has worked in China establishing and managing JV companies there. Mr Crowley is an experienced chairman, finance director and company secretary of ASX-listed companies, and is a former Senior Legal Member of the NSW Civil and Administrative Tribunal.

Mr Xianhui Meng

Non-executive Director

Xianhui Meng is an experienced international value investor, with qualifications in economics, engineering management and business administration. Mr Meng has 10 years experience as a China government departmental head, and 20 years experience as the Executive Manager and Executive Director of a HK Listed Chinese Pharma specialising in sales and distribution. Mr Meng brings both his international corporate management and strategic skills to the Uscom Board.

Company secretary

Brett Crowley

Meetings of Directors

Directors	Board of Directors	
	Meetings held while a Director	No. of meetings attended
R A Phillips	3	3
C Bernecker	3	1
B Crowley	3	2
X Meng	3	3

Principal activities

Uscom Ltd is engaged in the development, design, manufacture and marketing of premium non-invasive cardiovascular and pulmonary medical devices. Uscom Ltd owns a portfolio of intellectual property relating to the technology and techniques associated with these devices and manages a worldwide network of regional headquarters and distribution partners for the sale of its equipment to hospitals and other medical care locations. Uscom Ltd owns 100% of Uscom Inc, a company engaged in the sale and promotion of Uscom products primarily in the United States, and owns 100% of Uscom Kft, a company that manufactures respiratory devices based in Hungary. Uscom Ltd owns 100% of Beijing Uscom Consulting Co. Ltd, a company that manages and sells Uscom products in China, Uscom Ltd owns 100% of Uscom SNG Pte Ltd, a company engaged in the sale and promotion of Uscom products primarily in the Singapore and South East Asia.

Operating result

The loss of the Company after providing for income tax amounted to $2,074,749 (2023: $2,590,888).

Dividends

No dividends were declared or recommended for the financial year ended 30 June 2024 (2023: nil).

Significant changes in state of affairs

There were no significant changes in state of affairs during the financial year.

Corporate Governance Statement

Refer to the investor page of Uscom Limited's website www.uscom.com.au/for-investors.

Operating and financial review

The operating and financial review is stated per the Chairman's letter on pages 3-17.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year to the date of this report, that has significantly affected or may significantly affect the activities of the Consolidated Entity, the results of those activities or the state of affairs of the Company in the ensuing or any subsequent financial year.

Future developments

Other than the business activities described in the annual report and, in particular, those matters discussed in the Operating and Financial Review, the Board is not aware of any likely developments in the foreseeable future which may materially impact on the financial outlook of the Consolidated Entity.

Environmental regulations

The Consolidated Entity's operations are not subject to significant environmental regulation under the law of the Commonwealth and State.

Indemnifying officers

The Company has paid premiums to insure all Directors and Executives against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

Indemnity of auditors

To the extent permitted by law, the Company has not agreed to indemnify its auditors, BDO Audit Pty Ltd, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit. No payment has been made to indemnify BDO Audit Pty Ltd during or since the financial year.

Proceedings on behalf of the Consolidated Entity

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Consolidated Entity, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their audit duties where the auditor's expertise and experience with the Company are important.

The Directors are of the opinion that the provision of non-audit services as disclosed in Note 25 in the financial report does not compromise the external auditor's independence as outlined in the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and
- None of the services undermine the general principles relating to auditor independence as set out in the Code of Conduct APES110 Code of Ethics of Professional Accountants issued by the Accounting.
- Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in management decision making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Refer to Note 25 of the financial statements for details of auditors' remuneration.

The auditor's independence declaration as required under section 307C of the Corporation Act is set out on page 27.

BDO Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

Remuneration report (Audited)

This remuneration report has been prepared by the Directors of Uscom Ltd to comply with the Corporations Act 2001 and the key management personnel (KMP) disclosures required under Australian Accounting Standards AASB 124 – Related Party Disclosures.

Key management personnel

The following were key management personnel of the Entity at the start of the financial year to the date of this report unless otherwise stated:

Non-Executive Directors

Christian Bernecker, Non-Executive Director
Brett Crowley, Non-Executive Director
Xianhui Meng, Non-Executive Director

Executive Directors

Rob Phillips, Executive Director, Chairman, Chief Executive Officer

Senior Executives

Nick Schicht, General Manager

In the Directors' opinion, there are no other Executives of the Entity.

Remuneration policies

The Board is responsible for reviewing the remuneration policies and practices of the Consolidated Entity, including the compensation arrangements of Executive Directors, Non-Executive Directors and Senior Executives.

The Company has adopted remuneration policies based on performance and contribution for determining the nature and amount of emoluments of Board Members and Senior Executives. The objective of these policies is to:

- Make Uscom Ltd and its Controlled Entities an employer of choice

- Attract and retain the highest calibre personnel
- Encourage a culture of reward for effort and contribution
- Set incentives that reward short and medium term performance for the Uscom Ltd and its Controlled Entities
- Encourage professional and personal development

In the case of Senior Executives, a recommendation for compensation review will be made by the Chairman to the Board, which will conduct performance reviews.

Non-Executive Directors

The Board determines the Non-Executive Director remuneration by independent market data for comparative Companies.

As at the date of this report the maximum aggregate remuneration payable out of the funds of the Entity to Non-Executive Directors of the Company for their services as Directors including their service on a committee of Directors is $155,000 per annum.

Non-Executive Directors do not receive any performance related remuneration, therefore they do not receive bonuses or non-cash benefits.

Non-Executive Directors' retirement payments are limited to compulsory employer superannuation.

Executive Directors and Senior Executives remuneration

The Consolidated Entity's remuneration policy directs that the remuneration package appropriately reflects the Executives' duties and responsibilities and that remuneration levels attract and retain high calibre Executives with the skills necessary to successfully manage the Consolidated Entity's operations and achieve its strategic and financial objectives.

The total remuneration packages of Executive Directors and Senior Executives are on a salary basis. In addition to base salary, the Company has a policy of rewarding extraordinary contribution to the growth of the Company with the grant of an annual discretionary cash bonus and options under the Consolidated Entity's Employee Share Option Plan.

Executives are also entitled to be paid for their reasonable travel, accommodation and other expenses incurred in consequence on the execution of duties.

Other than the Uscom Ltd Employee Share Option Plan, the Company does not provide any other non-cash benefits in lieu of base salary to Executives.

Remuneration packages for Executive Directors and Senior Executives generally consist of three components:

- Fixed remuneration which is made up of cash salary, salary sacrifice components and superannuation
- Short term incentives
- Long term incentives which include issuing options pursuant to the Uscom Ltd Employee Share Option Plan.

Fixed remuneration

Senior Executives who possess a high level of skill and experience are offered a competitive base salary. The performance of each Executive will be reviewed annually. Following the review, the Company may in its sole discretion increase the salary based on that Executive's performance, productivity and such other matters as the Board considers relevant. Superannuation contribution by the Company is limited to the statutory level of wages and salaries.

Short-term incentives

The remuneration of Uscom Ltd Senior Executives does not include any short-term incentive bonuses as part of their employment conditions. The Board may however approve discretionary bonuses to Executives in relation to certain milestones being achieved.

Long-term incentives

The Company has adopted an Equity Incentive Plan for the benefit of the Executive Director, an employee, contractor, consultant or any other person whom the Board determines to be eligible to participate in the Plans.

The Board, at its discretion, may approve the issue of options and rights under the Equity Incentive Plan to the Senior Executives. The vesting of options and rights issued may be conditional upon the achievement of performance hurdles determined by the Board from time to time. The Board may propose the issue of options and rights to Directors, however this will be subject to shareholder approval at the Annual General Meeting.

Independent data from applicable sources may be requested by the Board to assess whether the performance hurdles have been met.

Service agreements

The Company has entered into an employment agreement with the Executives that:

- Outlines the components of remuneration payable; and
- Specifies termination conditions.

Details of the employment agreement are as follows:

Each Executive may not, during the term of the employment agreement, perform work for any other person, corporation or business without the prior written consent of the Consolidated Entity.

The employment terms do not prescribe the duration of employment for executives.

Due to the small number of Executives the remuneration committee comprises the Board of Directors which is made up of three Non-Executive Directors. Reference is made to external market information in order to retain the most suitable Executives for meeting the entity's goals. Executive Directors are excluded from discussions on their remuneration. The remuneration of key Executives are not linked with the Consolidated Entity's performance as the focus is on retention of key Executives to ensure growth and traction in what is a new market. The Board of Directors will consider linking executive remuneration to the Consolidated Entity's performance once the Company has sufficient market traction.

Termination

Despite anything to the contrary in the agreement, the Company or the Executive may terminate the employment at any time by giving the other party 3 months' notice in writing.

If either the Company or the Executive gives notice of termination, the Company may, at its discretion, choose to terminate the Executive's employment immediately or at any time during the notice period and pay the Executive an amount equal to the salary due to them for the residual period of notice at the time of termination.

Where the Executive gives less than 3 months' written notice, the Company may withhold from the Executive's final payment an amount equal to the shortfall in the notice period.

The employment of each Executive may be terminated immediately without notice or payment in lieu in the event of any serious or persistent breach of the agreement, any serious misconduct or wilful neglect of duties, in the event of bankruptcy or any arrangement or compensation being made with creditors, on conviction of a criminal offence, permanent incapacity of the Executive or a consistent failure to carry out duties in a manner satisfactory to the Consolidated Entity.

Service contracts have been entered into by the Company with non-executive directors, describing the components and amounts of remuneration applicable on their initial appointment. These contracts are at fixed fees for their service.

Service contracts have been entered into by the Company with key management personnel, describing the components and amounts applicable on their initial appointment, including terms and performance criteria for performance-related cash bonuses. These contracts do not fix the amount of remuneration increases from year to year. Remuneration levels are reviewed generally each year by the Board of Directors to align with changes in job responsibilities and market salary expectations. All contracts are for on ongoing period.

Key management personnel remuneration

Remuneration includes salaries, benefits and superannuation contributions in respect of the financial year 2024.

	Short term benefits				Post-employment benefits	Long term benefits	Equity	Total remuneration	Performance related
	Directors' Base Fee $	Base salary $	Annual leave cash out $	Annual leave accrued $	Superannuation $	Long service leave $	Share-based payment $	$	%
Non-Executive Director									
C Bernecker	38,325	-	-	-	-	-	-	38,325	-
B Crowley	46,982	-	-	-	5,168	-	-	52,150	-
X Meng	38,630	-	-	-	-	-	-	38,630	-
Executive Director									
R Phillips	-	250,755	-	24,110	-	5,224	233,088	513,177	45.4%
Senior Executive									
N Schicht	-	235,000	-	66,185	25,850	23,859	-	350,894	-
Total	123,937	485,755	-	90,295	31,018	29,083	233,088	993,176	23.5%

Remuneration includes salaries, benefits and superannuation contributions in respect of the financial year 2023.

	Short term benefits				Post-employment benefits	Long term benefits	Equity	Total remuneration	Performance related
	Directors' Base Fee $	Base salary $	Annual leave cash out $	Annual leave accrued $	Superannuation $	Long service leave $	Share-based payment $	$	%
Non-Executive Director									
C Bernecker	38,325	-	-	-	-	-	-	38,325	-
B Crowley	34,959	-	-	-	3,670	-	-	38,629	-
X Meng	-	-	-	-	-	-	-	-	-
Executive Director									
R Phillips	-	250,755	16,797	3,214	-	695	167,722	439,183	38.2%
Senior Executive									
N Schicht	-	220,000	-	58,975	23,100	18,218	-	320,294	-
Total	73,284	470,755	16,797	62,189	26,770	18,913	167,222	836,430	20.1%

Equity Incentive Plan

The Company has adopted an Equity Incentive Plan for the benefit of an employee, contractor, consultant or executive director of the Group or any other person whom the Board determines to be eligible to participate in the Plans. The objective of the EIP is to provide reward and incentive to valuable personnel while preserving cash.

The purpose of the Plan is to:

- provide Eligible Persons with an incentive plan which rewards ongoing contribution to the achievement by the Company of its strategic goals thereby encouraging the mutual interdependence of Participants and the Company;
- align the interests of Participants with shareholders of the Company through the sharing of a personal interest in the future growth and development of the Company as represented in the price of the Company's ordinary fully paid shares;
- encourage Eligible Persons to improve the performance of the Company and its total return to Shareholders; and
- provide a means of attracting and retaining skilled and experienced employees.

Under the Plan, the Company will be able to grant short-term incentive and long-term incentive awards to Eligible Employees (including Executive Directors). The Plan will provide the Board with the flexibility to grant equity incentives to Eligible Persons in the form of Plan Shares, rights or Options, will only vest on the satisfaction of appropriate hurdles.

Number of rights over ordinary shares held by Directors and Senior Executives

	Balance	Granted	Exercised	Lapsed / Cancelled	Balance	Total Vested	Total Unexercisable
	1 July 2023 No.	During FY2024 No.	During FY2024 No.	During FY2024 No.	30 June 2024 No.	30 June 2024 No.	30 June 2024 No.
Non-Executive Director							
C Bernecker	-	-	-	-	-	-	-
B Crowley	-	-	-	-	-	-	-
X Meng	-	-	-	-	-	-	-
Executive Director							
R Phillips (a)	3,164,557	4,756,891	(3,164,557)	-	4,756,891	-	-
Senior Executive							
N Schicht (b)	550,000	-	-	-	550,000	-	-
Total	3,714,557	4,756,891	(3,164,557)	-	5,306,891	-	-

Further details of the options and rights are disclosed in Note 19 of the financial statements.

Details of rights outstanding as at end of year

Holders No.	Grant date	Exercisable at 30 June 2024 %	Vesting date	30 June 2024 Outstanding Right No.	Exercise Price $	Issued date fair value $
2 (Executives)	26-Oct-23	0%	1 July 2024	4,756,891	0.00	0.049
	26-Nov-14	100%	1 July 2020	150,000	0.00	0.190
	24-Aug-21	100%	1 July 2022	200,000	0.00	0.145
	01-Apr-22	100%	1 July 2024	200,000	0.00	0.098
Total				5,306,891		

(a) 4,756,891 indeterminate rights were issued to Rob Phillips on the terms and conditions approved by shareholders at the AGM on 26 October 2023 under the Equity Incentive Plan, vesting dependent on performance hurdles on 1 July 2024. Consideration payable upon vesting is $nil. Upon meeting the performance hurdles, a total of 4,756,891 rights were exercised on 2 July 2024 after the reporting date.

(b) 450,000 Performance rights were issued to Nick Schicht on 26 November 2014 under the Equity Incentive Plan, vesting dependent on performance hurdles on 1 July 2018, 1 July 2019 and 1 July 2020. 300,000 were exercised on 28 August 2020 and remaining balance is 150,000 as the reporting date. 200,000 performance rights were granted to Nick Schicht on 24 August 2021 and 200,000 on 1 April 2022 under the Equity Incentive Plan, vesting dependent on performance hurdles on 1 July 2022, and 1 July 2024. Consideration payable upon vesting is $nil.

Number ordinary shares held by Directors and Senior Executives

	Balance 01 July 2023 No.	Received as Remuneration No.	Options/Rights Exercised No.	Subscribed as Non-Renounceable Rights Issue No.	Purchased on market No.	Balance 30 June 2024 No.
Non-Executive Director						
C Bernecker	-	-	-	-	-	-
B Crowley	200,000	-	-	-	-	200,000
X Meng	42,718,650[1]	-	-	12,205,328	-	54,923,978[1]
Executive Director						
R Phillips	44,069,380[2]	-	3,164,557	32,297,936	-	79,531,873[2]
Senior Executive						
N Schicht	720,463[3]	-	-	-	-	720,463[3]
Total	87,708,493	-	3,164,557	44,503,264	-	135,376,314

*Net change other refers to share purchased or sold during the financial year, or cessation of categorisation as a Director or Senior Executive.

(1) All these ordinary shares are held by Smart Top Overseas Limited managed by Citicorp Nominees Pty Limited. Smart Top Overseas Limited subscribed 12,205,328 ordinary shares on 4 March under non renounceable right issue.
(2) R Phillips subscribed 13,495,411 ordinary shares on 4 March 2024 and 18,802,525 on 5 March 2024 under non renounceable right issue.
(3) 5,000 of these ordinary shares are held by a family associate.

Additional Information

The earnings of the Company for the five years to 30 June 2024 are summarised below:

	2024	2023	2022	2021	2020
Sales Revenue ($)	4,213,454	2,664,166	3,858,081	3,479,758	2,844,138
Loss after income tax ($)	(2,074,749)	(2,590,888)	(924,243)	(1,331,335)	(1,389,398)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2024	2023	2022	2021	2020
Share Price at financial year end ($)	0.02	0.05	0.07	0.16	0.22
Total dividends declared (cents per share)	-	-	-	-	-
Basic earnings declared (cents per share)	(1.2)	(1.5)	(1.1)	(0.6)	(0.9)

This concludes the remuneration report, which has been audited.

This Directors' report is signed in accordance with a resolution of the Board of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

Professor Rob Phillips
Chairman
29 August 2024

Financial Report

AUDITOR'S INDEPENDENCE DECLARATION

Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret Street
Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY TINA HAN TO THE DIRECTORS OF USCOM LIMITED

As lead auditor of Uscom Limited for the year ended 30 June 2024, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

Tina Han

Director

BDO Audit Pty Ltd

Sydney

29 August 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

For the Year Ended 30 June 2024

	Note	2024 $	2023 $
Revenue	3	3,726,845	2,664,166
Other Income	3	486,609	492,059
Raw materials and consumables used		(611,150)	(418,703)
Expenses from continuing activities	4	(5,629,626)	(5,294,150)
Loss before income tax		**(2,027,322)**	**(2,556,628)**
Income tax expense	5	47,427	34,260
Loss after income tax	6	**(2,074,749)**	**(2,590,888)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation difference for foreign operations, net of tax		(55,316)	28,466
Other comprehensive income for the year, net of tax		(55,316)	28,466
Total comprehensive (loss) for the year		**(2,130,065)**	**(2,562,422)**
Attributable to:			
Owners of the Company		**(2,130,065)**	**(2,562,422)**
Total comprehensive (loss) for the year		**(2,130,065)**	**(2,562,422)**
Earnings per share attributable to the owners of the Company			
Earnings per share (EPS)			
Basic earnings per share (cents per share)	7	(1.2)	(1.5)
Diluted earnings per share (cents per share)	7	(1.2)	(1.5)

This Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the attached Notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	2024 $	2023 $
Current assets			
Cash and cash equivalents	8	2,519,911	2,178,740
Trade and other receivables	9	301,266	367,890
Inventories	10	623,626	753,758
Tax asset	11	421,555	441,533
Total current assets		3,866,358	3,741,922
Non-current assets			
Other assets	12	83,456	83,456
Plant and equipment	13	24,867	37,842
Intangible assets	14	420,532	497,947
Right-of-use assets	15	739,412	818,944
Total non-current assets		1,268,267	1,438,190
Total assets		5,134,625	5,180,112
Current liabilities			
Trade and other payables	16	709,658	764,483
Provisions	17	269,377	187,706
Lease liabilities	15	299,547	262,783
Total current liabilities		1,278,582	1,214,971
Non-current liabilities			
Provisions	17	105,262	92,309
Lease liabilities	15	689,731	828,804
Total non-current liabilities		794,993	921,112
Total liabilities		2,073,575	2,136,083
Net assets		**3,061,050**	**3,044,029**
Equity			
Issued capital	18	40,423,139	38,509,140
Reserves	19	4,216,230	4,038,458
Accumulated losses	6	(41,578,319)	(39,503,569)
Total equity		**3,061,050**	**3,044,029**

This Consolidated Statement of Financial Position is to be read in conjunction with the attached Notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2024

	Issued Capital $	Options and rights Reserve $	Accumulated Losses $	Foreign Currency Translation Reserve $	Total $
Balance at 1 July 2022	**39,136,673**	**3,638,461**	**(36,912,681)**	**72,804**	**5,935,256**
Loss for the year	-	-	(2,590,888)	-	(2,590,888)
Other comprehensive income	-	-	-	28,466	28,466
Total Comprehensive Income for the year	-	-	(2,590,888)	28,466	(2,562,422)
Transactions with Owners in their capacity as owners:					
Shares issued (Note 18)	(619,679)	-	-	-	(619,679)
Transaction costs on shares issued (Note 18)	(22,854)	-	-	-	(22,854)
Share-based payments (Note 18) (Note 19)	15,000	298,728	-	-	313,728
Balance at 30 June 2023	**38,509,140**	**3,937,189**	**(39,503,569)**	**101,269**	**3,044,029**
Loss for the year	-	-	(2,074,749)	-	(2,074,749)
Other comprehensive income	-	-	-	(55,316)	(55,316)
Total Comprehensive Income for the year	-	-	(2,074,749)	(55,316)	(2,130,065)
Transactions with Owners in their capacity as owners:					
Shares issued (Note 18)	2,000,000	-	-	-	2,000,000
Transaction costs on shares issued (Note 18)	(86,001)	-	-	-	(86,001)
Share-based payments (Note 18) (Note 19)	-	233,088	-	-	233,088
Balance at 30 June 2024	**40,423,139**	**4,170,277**	(41,578,319)	**45,953**	**3,061,050**

This Consolidated Statement of Changes in Equity is to be read in conjunction with the attached Notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2024

	Note	2024 $	2023 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,732,289	2,862,711
Interest received		46,043	55,421
Interest expense (lease)	15	(75,508)	(89,964)
Interest expenses (other)		(41,156)	(723)
Payments to suppliers and employees (inclusive of GST)		(5,264,859)	(4,636,540)
Grant and other income received		439,798	385,073
Net cash (used in) operating activities	21	(1,163,393)	(1,424,022)
Cash flows from investing activities			
Purchase of patents and trademarks	14	(49,678)	(134,747)
Purchase of plant and equipment	13	(7,871)	(17,190)
Net cash used in investing activities		(57,549)	(151,937)
Cash flows from financing activities			
Proceeds from issue of shares	18	804,976	-
Proceeds from shareholder's loan (subsequently settled through share issues)	29	1,195,024	-
Payments for Equal Access Share Buy-Back	18	-	(619,679)
Payment of lease (Principal)	15	(341,067)	(310,430)
Share issue costs	18	(86,001)	(22,854)
Net cash provided by/(used in) financing activities		1,572,932	(952,962)
Net increase/(decrease) in cash held		**351,988**	**(2,528,922)**
Cash and cash equivalents at the beginning of the year		2,178,740	4,704,185
Exchange rate adjustment for opening balance		(10,817)	3,477
Cash and cash equivalents at the end of the year	8	**2,519,911**	**2,178,740**

This Consolidated Statement of Cash Flows is to be read in conjunction with the attached Notes.

NOTES TO FINANCIAL STATEMENTS

For the Year Ended 30 June 2024

Note 1: Summary 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 Company of Uscom Limited and its Controlled Entities ("Consolidated Entity" or the "Group"). Uscom Limited is a listed public company, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the Company 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 financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board ["AASB'] and the Corporations Act 2001, as appropriate for-profit oriented entities.

(i) Statement of compliance

These financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ["IASB"].

(ii) Historical cost convention

- The financial report has been prepared on an accrual basis under the historical cost convention.
- The financial report is presented in Australian dollars, which is the Parent Company's functional and presentational currency.
- The financial statements have been approved and authorised for issue by the Board of Directors on the 28 August 2024.

Going concern

The Company incurred an operating cash outflow of $1,163,393 during the year ended 30 June 2024 (2023: outflow $1,424,022). The total comprehensive loss for the year ended 30 June 2024 was $2,130,065 (2023: $2,562,422) and the cash on hand as at 30 June 2024 was $2,519,911 (2023: $2,178,740).

The Company's forecasts and projections for the next twelve months take into account the current status, operational changes and projected future trading performance, and indicate that, in the directors' opinion, the Company will be able to operate as a going concern. The timing and sales volumes may vary from those forecast by management, however, this forecast is reliant upon the receipt of the regulatory approvals from China and the successful securement of various large customer contracts. Both conditions indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. As such the timing of operating cash flows may differ to those forecast by management. Should the timing of operating cash flow be significantly different to those forecast the Company may need to seek alternative financing to enable it to settle its labilities as they fall due.

Notwithstanding the above, the Directors have historically been successful in obtaining financing through equity raises and are actively managing the expenditure of the Company to ensure that cash is maintained whilst executing the strategy and are confident that should the need arise further funding can be raised through either debt or equity.

Should the Company be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of assets carrying amount or the amount of liabilities that might result should the company be unable to continue as a going concern and meet its debts as and when they fall due.

Principles of consolidation

A Controlled Entity is any entity Uscom Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

In Note 23 Consolidated Entity Disclosure Statement lists all Controlled Entities.

All Controlled Entities contained to the financial statements and have a June financial year-end.

All inter-company balances and transactions between Entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of Subsidiaries have been changed where necessary to ensure consistencies with those polices applied by the Parent Entity.

On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing at the reporting dates. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly. Exchange differences arising, if any, are recognised in the foreign currency translation reserve, and are recognised in statement of profit or loss and other comprehensive income on disposal of the foreign operation.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

New accounting standards and interpretations

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. These standards, amendments or interpretation are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Note 2: Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates – valuation of intangible and other non-current assets

The impairment tests are performed at the level of operating segments. The criteria used for these evaluations include management's estimate of the asset's continuing ability to generate positive income from operations and positive cash flow in future periods compared to the carrying value of the asset, as well as the strategic significance of any identifiable intangible asset in the business objectives. If assets are considered to be impaired, impairment expenses recorded for the amount by which the carrying value of the assets exceeds their fair value. Factors that would influence the likelihood of a material change in the reported results include significant changes in the asset's ability to generate positive cash flow, a significant decline in the economic and competitive environment on which the asset depends, significant changes in the strategic business objectives, utilisation of the asset, and a significant change in the economic and/or political conditions in certain countries.

Key estimates – valuation of employee share option plan shares

At each reporting date, the entity revises its estimate of the number of rights that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to the original estimates, is recognised in profit or loss with a corresponding adjustment to equity. The fair value is measured at grant date and recognised over the period during which the employee becomes unconditionally entitled to the shares or options.

Key Judgements - research and development claim

Judgement is required in determining the amount of grant revenue relating to the research and development claim. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination may be subject to change. The company calculates its research and development claim based on the company's understanding of the tax law. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the profit or loss in the year in which such determination is made.

Note 3: Revenue and other income

	2024 $	2023 $
Operating revenue		
Sale of products	3,692,732	2,590,461
Services revenue	34,113	73,705
	3,726,845	2,664,166
Other income		
Grants - R&D incentive	439,798	429,073
Interest received	46,043	55,383
Sundry income	768	7,604
Total other income	486,609	492,059
Total revenues and other income from continuing operations	**4,213,454**	**3,156,225**

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Australia $	Asia $	Americas $	Europe $	Consolidated $
2024					
Sales of products	1,239,375	1,300,245	253,652	899,460	3,692,732
Services revenue	15,818	217	854	17,224	34,113
Total	**1,255,193**	**1,300,462**	**254,506**	**916,684**	**3,726,845**
Goods transferred at a point in time	1,239,375	1,300,245	253,652	899,460	3,692,732
Services transferred over time	15,818	217	854	17,224	34,113
Total	**1,255,193**	**1,300,462**	**254,506**	**916,684**	**3,726,845**
2023					
Sales of products	740,957	895,745	40,073	913,687	2,590,461
Services revenue	17,330	-	1,412	54,963	73,705
Total	**758,287**	**895,745**	**41,485**	**968,650**	**2,664,166**
Goods transferred at a point in time	740,957	895,745	40,073	913,687	2,590,461
Services transferred over time	17,330	-	1,412	54,963	73,705
Total	**758,287**	**895,745**	**41,485**	**968,650**	**2,664,166**

Recognition and measurement

Revenue is measured at the fair value of the consideration received or receivable. Amounts are disclosed as revenue net of returns, discounts, allowances and goods and services tax (GST).

- Sale of goods
  Revenue from the sale of goods is recognised when control of the products has transferred, being the point in time when the products are delivered to the customer's specified location.
- Revenue from rendering of services
  Rendering of services consists of training, repair and product maintenance supplied to customers. Revenue is recognised when contractual obligations are expired and services are provided.
- Interest revenue
  Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.
- Research and developments tax incentive
  R&D tax incentives are recognised when there is reasonable assurance that the entity will comply with the conditions attaching to them and the rebates will be received. R&D tax incentives are recognised as income on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the rebates are intended to compensate.

Note 4: Expenses from continuing activities

	2024 $	2023 $
Depreciation and amortisation expenses	143,703	144,081
Depreciation – right-of-use assets	242,784	238,593
Employee benefits expense	3,126,857	2,888,595
Research and development expenses	21,943	48,592
Advertising and marketing expenses	1,068,437	953,544
Occupancy expenses	25,051	36,814
Auditors remuneration (audit and review)	117,016	106,800
Regulatory expenses	204,060	234,938
Administrative expenses	541,810	510,003
Exchange losses	6,440	29,273
Finance costs	131,525	102,917
Total expenses from continuing activities	**5,629,626**	**5,294,150**

Employee benefits expenses

Employer contributions to defined contribution superannuation plans are recognised as an expense in the profit or loss as they are paid or payable. Refer to Note 17 for details on provisions for employee benefits. Share based expenses of $233,088 in 2024 contents equity reserves $233,088 (2023: $313,728) are included in employee benefits expenses above.

Research and development expenses

Research & development costs are charged to the statement of profit or loss and other comprehensive income as incurred, or deferred where it is probable that sufficient future benefits will be derived so as to recover those deferred costs.

Note 5: Income tax

	2024 $	2023 $
Major components of income tax		
Current income tax	47,427	34,260
Income tax expense	**47,427**	**34,260**
Reconciliation between income tax credit and prima facie tax on accounting loss		
Accounting loss before income tax	(2,027,322)	(2,556,628)
(Tax benefit) at 25% in Australia, 28% in USA, 12% in Hungary, 25% in China and 17% in Singapore (2023: 25% in Australia, 28% in USA, 12% in Hungary, 25% in China and 17% in Singapore)	(420,570)	(551,819)
Tax effect on non-taxable income and non-deductible expenses	85,411	230,937
Temporary differences not brought to account	80,438	50,839
Deferred tax assets on tax losses not brought to account	302,148	304,303
Income tax expense	**47,427**	**34,260**

The Company currently has carried forward losses of $23.2m (2023: $22.1m). Potential deferred tax assets attributable to tax losses carried forward for the Company, have not been brought to account as the directors believe it is not appropriate to regard realisation of the deferred tax asset as probable. The benefit will only be obtained if:

- The Company derives future assessable income of a nature and amount sufficient to enable the benefits from the deductions for the losses to be realised;
- The Company continues to comply with the conditions for deductibility imposed by the law;
- The losses are available under the continuity of ownership or same business tests;
- No changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the losses.

The table below has summarised the tax losses estimate derived from different jurisdictions.

	Australia $	USA $	Hungary $	China $	Singapore $	Total $
2024						
Tax losses	18,227,665	1,449,881	958,472	858,182	1,711,344	23,205,544
Tax credit	4,556,916	405,729	115,017	214,546	290,929	5,583,137
2023						
Tax losses	18,571,351	1,403,872	629,458	356,417	1,023,887	21,984,985
Tax credit	4,642,838	392,854	69,240	89,104	174,061	5,368,097

Note 6: Accumulated Losses

	2024 $	2023 $
Accumulated losses at the beginning of the financial year	(39,503,569)	(36,912,681)
Loss for the year	(2,074,749)	(2,590,888)
Accumulated losses at the end of the financial year	**(41,578,319)**	**(39,503,569)**

Note 7: Earnings per share

	2024 $	2023 $
Loss after tax used in calculation of basic and diluted EPS	(2,074,749)	(2,590,888)
Weighted average number of ordinary shares during the year used in calculation of basic EPS	176,462,058	173,340,851
Weighted average number of options outstanding	-	-
Weighted average number of rights outstanding	1,527,722	1,447,167
Weighted average number of ordinary shares outstanding during the year used in calculation of diluted EPS	177,989,780	174,788,018
Basic earnings per share (cents per share)	(1.2)	(1.5)
Diluted earnings per share (cents per share)	(1.2)	(1.5)

The options and rights in existence have an anti-dilutive effect on EPS, therefore there is no difference between basic earnings per share and diluted earnings per share as shown above

Note 8: Cash and cash equivalents

	2024 $	2023 $
Cash on hand		
Bank: Cheque accounts	934,710	1,808,299
Bank: Cash management	112,327	70,441
Bank: Term deposits	1,472,874	300,000
Total cash and cash equivalents	**2,519,911**	**2,178,740**

Cash at bank and on hand bears floating interest rates. The interest rate relating to cash and cash equivalents for the year was between 3.25% and 4.01% (2023: between 3.25% and 4.37%)

Note 9: Trade and other receivables

	2024 $	2023 $
Current		
Trade receivables (a)	156,910	134,384
Other receivables (b)	144,356	233,506
Total current receivables	**301,266**	**367,890**

Trade receivables and other receivables represent the principal amounts due at reporting date plus accrued interest and less, where applicable, any unearned income and provision for doubtful accounts. An estimated doubtful debt is made when collection of the full amount is no longer probable.

a. Past due but not impaired and impairment of receivables

Trade receivables are non-interest bearing and on an average of 45-day terms. Customers with balances past due without provisions for impairment of receivables amount to $Nil as at 30 June 2024 ($Nil as at 30 June 2023). The company has recognised a loss of $NIL (2023: $NIL) in profit and loss in respect of impairment of receivables for the year ended 30 June 2024.

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The ECL assessment completed by the Group as at 30 June 2024 has resulted in an immaterial credit loss and no impairment allowance has been recognised by the Group (2023: $Nil).

b. Other receivables

These amounts related to prepayments, accrued interest and net GST refunds receivable. None of these receivables are impaired or past due but not impaired.

c. Fair value and credit risk

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

Information about the company's exposure to fair value and credit risk in relation to trade and other receivables is provided in Note 22.

Note 10: Inventories

	2024 $	2023 $
Current inventories at cost		
Raw materials	454,974	613,911
Finished products	168,652	139,847
Total inventories	**623,626**	**753,758**

Inventories are measured at the lower of cost or net realisable value. Costs are assigned on the basis of weighted average costs. Cost comprises all costs of purchase and conversion and an appropriate proportion of fixed and variable overheads, net of settlement discounts. Overheads are applied on the basis of normal operative capacity. The costs are recognised when materials are delivered to the Company. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories generally have no expiry dates. However various factors affect the assessment of recoverability of the carrying value of inventory including regulatory approvals and future demand for the Company's product. These factors are taken into consideration in determining the appropriate level of provisioning for inventory. Nil provision provided for 30 June 2024 (Nil: 30 June 2023).

Note 11: Tax asset

	2024 $	2023 $
Income tax credit	(17,445)	2,533
R & D tax incentive	439,000	439,000
Total tax asset	**421,555**	**441,533**

Income tax

Income taxes are accounted for using the Balance Sheet liability method whereby:

- The tax consequences of recovering (settling) all assets (liabilities) are reflected in the financial statements;
- Current and deferred tax is recognised as income or expenses except to the extent that the tax relates to equity items or to a business combination;
- A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available to realise the asset;
- Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled.

The charge for current income tax expense/credit is based on the profit or loss for the year adjusted for any non- assessable or disallowed items. It is credited using tax rates that have been enacted or are substantively enacted by the reporting date.

Deferred tax is accounted for using the Balance Sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

R & D tax incentive

The Company is eligible for a research and development (R&D) grant which is received on an annual basis after the Australia Tax Office processes the Company's tax return. The amount of R&D grant receivable is accrued based on eligible expenses incurred during the respective financial year.

Note 12: Other assets

	2024 $	2023 $
Non-Current		
Bank guarantee	83,456	83,456
Total other non-current assets	**83,456**	**83,456**

The parent entity has provided a guarantee in respect of obligations under premises lease of $83,456 (2023: $83,456).

Note 13: Plant and equipment

	2024 $	2023 $
Plant and equipment at cost	740,472	740,472
Accumulated depreciation – including foreign exchange impact	(727,784)	(717,777)
	12,688	22,695
Office furniture and equipment at cost	186,303	186,303
Accumulated depreciation – including foreign exchange impact	(185,361)	(184,620)
	942	1,683
Computer software at cost	69,231	67,797
Accumulated depreciation – including foreign exchange impact	(58,924)	(55,723)
	10,307	12,073
Low value asset pool at cost	38,542	38,542
Accumulated depreciation – including foreign exchange impact	(37,612)	(37,151)
	930	1,391
Total plant and equipment	**24,867**	**37,842**

Movements in carrying amounts	Plant and equipment	Office furniture and equipment	Computer software	Low value asset pool	Total
Useful life	2-7 years $	2-7 years $	3 years $	3 years $	$
Company					
Carrying amount at 1 July 2023	**22,695**	**1,683**	**12,073**	**1,391**	**37,842**
Additions	-	34	7,837	-	7,871
Disposals	-	-	-	-	-
Depreciation expense	(10,742)	(660)	(4,687)	(521)	(16,610)
Effects of foreign currency exchange differences	735	(115)	(4,916)	60	(4,236)
Carrying amount at 30 June 2024	**12,688**	**942**	**10,307**	**930**	**24,867**

Property, plant and equipment are included at cost. Assets in plant and equipment are depreciated on diminishing value basis over their estimated useful lives covering a period of two to seven years.

On disposal of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognised as a gain or loss in the statement of profit or loss and other comprehensive income.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	*Depreciation Rate*
- Plant & Equipment	20% - 25%
- Office Furniture & Equipment	20%
- Computer Software	25%
- Low Value Pool	37.5%

Note 14: Intangible assets

	2024 $	2023 $
Non-current		
Patents at cost	2,296,492	2,246,814
Accumulated amortisation	(1,875,960)	(1,748,867)
Impairment	-	-
Carrying amount at 30 June	**420,532**	**497,947**
Regulatory approvals -acquisitions through business combinations	630,730	630,730
Accumulated amortisation	(630,730)	(630,730)
Carrying amount at 30 June	-	-
Total intangible assets	**420,532**	**497,947**
Movements in carrying amounts		
Patents carrying amount at 1 July	497,947	477,010
Additions	49,678	134,747
Impairment	-	-
Amortisation	(127,093)	(113,810)
Patents carrying amount at 30 June	**420,532**	**497,947**

Recognition and Measurement

Intangibles are carried at cost less accumulated amortisation and impairment losses where applicable. Intangible assets acquired separately are capitalised at cost or if arising from a business combination at fair value as at the date of acquisition.

Intangible Assets comprise Intellectual Property in the form of Patents and Regulatory approvals (NMPA, FDA and CE). Patents and Regulatory approvals have finite useful lives. The current amortisation charge in respect of Patents and Regulatory approvals is included under Expenses from Continuing Activities in the Statement of Profit or Loss and Other Comprehensive Income. Patents and Trademarks are valued in the financial statements at cost of acquisition less accumulated amortisation and are amortised on a diminishing value basis at 12.5% per annum.

Impairment of assets

Intangible assets are monitored by management at the level of the four operating segments identified in Note 26.

A segment-level summary of the intangible allocation is presented below:

	Australia $	Asia $	Americas $	Europe $	Consolidated $
2024					
Patent from cardiovascular products	74,536	27,420	47,394	271,182	420,532
Less: Impairment provided	-	-	-	-	-
Total	74,536	27,420	47,394	271,182	420,532
2023					
Patent from cardiovascular products	74,770	23,655	27,287	372,236	497,947
Less: Impairment provided	-	-	-	-	-
Total	74,770	23,655	27,287	372,236	497,947

The Company tests whether intangible assets have suffered any impairment on an annual basis or any indications present that an asset may be impaired. For the 2024 and 2023 reporting periods, the recoverable amount of the cash-generating units (CGUs) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

No impairment identified from the assessment in 2024 (2023: Nil).

Note 15: Right-of-use assets and Lease liabilities

	2024 $	2023 $
Right-of-use assets	739,412	818,944
Lease liabilities - current	(299,547)	(262,783)
Lease liabilities – non current	(689,731)	(828,804)
	(989,278)	(1,091,587)
Reconciliation of movement in lease liabilities:		
Lease liability recognise at 1 July	1,091,587	1,312,052
Additions	163,250	-
Interest expense	75,508	89,964
Repayment of lease liabilities	(341,067)	(310,430)
Total lease liabilities as at 30 June	**989,278**	**1,091,587**

The Company leases business premises (offices and laboratories). Rental contracts are typically for a fixed period of 12 months to 60 months and may include extension options. From 1 July 2019 leases are recognised as a right of use asset and a corresponding liability at the date at which the lease is available for use by the Company. Assets and liabilities are measured on a present value basis.

Lease payments are discounted using the interest rate implicit in the lease. Where a rate cannot be readily determined from the lease (generally the case) then the lessee's incremental borrowing rate will be used, being the rate the lessee would have to pay to borrow the funds to obtain the equivalent asset. As the Company does not have any borrowings the incremental borrowing rate has been determined using a build-up approach whereby the risk-free rate is adjusted for credit risk, considering factors such as term, country, and currency. Right of use assets are depreciated on a straight-line basis over the term of the lease. The Company has no variable lease payments in its leases.

Lease payments for operating leases of low value items or for a period of less than 12 months, where substantially all the risks and benefits remain with the lessor, are charged as expense in the period in which they are incurred.

Note 16: Trade and other payables

	2024 $	2023 $
Current		
Trade payables	300,935	277,819
Sundry payables and accrued expenses	238,043	338,907
Employee related payables	170,680	147,757
Total payables	**709,658**	**764,483**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

The carrying amounts of the Company's trade and other payables are denominated in Australian Dollars. For an analysis of the financial risks associated with trade and other payable refer to Note 22.

Note 17: Provisions

	2024 $	2023 $
Current		
Provision for annual leave	162,765	151,663
Provision for long service leave	106,612	36,043
	269,377	187,706
Non-current		
Provision for long service leave	30,395	39,303
Provision for warranties	26,650	19,650
Provision for make good	48,217	33,355
	105,262	92,309
(a) Aggregate employee benefits	**299,772**	**227,010**
(b) Movement in employee benefits		
Balance at beginning of the year	227,010	224,194
Additional provision	299,772	210,906
Amounts used	(227,010)	(208,090)
Balance at end of the year	**299,772**	**227,010**
(c) Movement in warranties		
Balance at beginning of the year	19,650	22,150
Additional provision	11,000	180
Amounts used	(4,000)	(2,680)
Balance at end of the year	**26,650**	**19,650**
(d) Movement in make good		
Balance at beginning of the year	33,355	21,124
Additional provision	14,862	12,231
Amounts used	-	-
Balance at end of the year	**48,217**	**33,355**

Short term employee benefits

Short term employee benefits are employee benefits (other than termination benefits and equity compensation benefits) which fall due wholly within 12 months after the end of the period in which employee services are rendered. They comprise wages, salaries, social security obligations, short-term compensation absences, and profit sharing and bonuses payables within 12 months and non-mandatory benefits such as medical care, housing, car and service goods.

The provision for employee entitlements to wages, salaries and annual leave represents the amount that the Company has a present obligation to pay resulting from employee services provided up to reporting date. The provision has been calculated after taking into consideration estimated future increases in wages and salaries and past experience regarding staff departures and includes related on-costs.

The undiscounted amount of short-term benefits expected to be paid is recognised as an expense.

Long term employee benefits

Long term employee benefits include long-service leave, long-term disability benefits, deferred compensation and profit sharing and bonuses payable 12 months or more after the end of the period in which employee services are rendered.

Warranties

Provision is made in respect of the Company's estimated liability on all products and services under warranty at reporting date. The provision is measured at the present value of future cash flows estimated to be required to settle the warranty obligation. The future cash flows have been estimated by reference to the Company's history of warranty claims.

Lease Make Good

A provision for Lease Make Good is recognised in relation to the properties held under operating lease. The Company recognises the provision for property leases which contain specific clauses to restore the property to a specific condition. The provision at balance date represents management's best estimate of the present value of the future make good costs required.

Note 18: Issued capital

	2024 Number	2023 Number	2024 $	2023 $
Ordinary shares				
Fully paid ordinary shares	244,587,610	187,368,999	40,423,139	38,509,140
Total contributed equity	**244,587,610**	**187,368,999**	**40,423,139**	**38,509,140**
Movement in issued capital				
Shares on issue at the beginning of the year	187,368,999	196,768,333	38,509,140	39,136,673
Ordinary share issued for cash **	54,054,054	-	2,000,000	-
Ordinary share issued for in lieu of salary	3,164,557	1,867,551	-	15,000
Ordinary share (Equal Access Share Buy-Back)	-	(11,266,885)	-	(619,679)
Share issue costs	-	-	(86,001)	(22,854)
Issued Equity at the end of the year	**244,587,610**	**187,368,999**	**40,423,139**	**38,509,140**

The Company's authorised share capital amounted to 244,587,610 ordinary shares of no-par value at 30 June 2024.

Fully paid ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders meetings, each ordinary share is entitled to one vote when a poll is called, or via a show of hands.

** On 27 February 2024, the company conducted off-market offer a non-renounceable right issue offer to all shareholders. The offer was set at 3.7c per share. On the offer cessation date 4 March 2024, 54,054,054 ordinary shares were subscribed by the shareholders in return for $804,976 received in cash and $1,195,024 loan payable to the Director that was settled in shares.

Note 19: Options and rights reserve

The Company has adopted an Equity Incentive Plan for the benefit of an employee, contractor, consultant and executive director of the Company or any other person whom the Board determines to be eligible to participate in the Plans. The objective of the EIP is to provide reward and incentive to valuable personnel while preserving cash. The Board may impose conditions, including performance related conditions, on the right to exercise any options and rights granted under the Equity Incentive Plan.

The purpose of the Plan is to:

- provide Eligible Persons with an incentive plan which rewards ongoing contribution to the achievement by the Company of its strategic goals thereby encouraging the mutual interdependence of Participants and the Company;
- align the interests of Participants with shareholders of the Company through the sharing of a personal interest in the future growth and development of the Company as represented in the price of the Company's ordinary fully paid shares;
- encourage Eligible Persons to improve the performance of the Company and its total return to Shareholders; and
- provide a means of attracting and retaining skilled and experienced employees.

Under the Plan, the Company will be able to grant short-term incentive and long-term incentive awards to Eligible Employees (including Executive Directors). The Plan will provide the Board with the flexibility to grant equity incentives to Eligible Persons in the form of Plan Shares, Rights or Options, will only vest on the satisfaction of appropriate hurdles.

	2024 $	2023 $
Options and rights reserves (i)	4,170,277	3,937,189
Foreign currency translation reserves	45,953	101,269
Total reserves	**4,216,230**	**4,038,458**

	2024 Number	2023 Number	2024 $	2023 $
(i) Movement in options and rights reserves				
Opening balance	3,174,557	2,186,782	3,937,190	3,638,461
Granted during the period (a)	4,756,891	3,164,557	-	-
Exercised during the period	(3,164,557)	(1,636,782)	-	-
Lapsed during the period	-	-	-	-
Share-based payment expenses	-	-	233,088	313,728
Fair value of shares issued to employees	-	-	-	(15,000)
Rights at the end of the period	**5,306,891**	**3,714,557**	**4,170,277**	**3,937,189**

(a) 4,756,891 indeterminate rights were issued to Rob Phillips on the terms and conditions approved by shareholders at the AGM on 26 October 2023 under the Equity Incentive Plan, vesting dependent on performance hurdles on 1 July 2024. Consideration payable upon vesting is $nil. Upon meeting the performance hurdles, a total of 4,756,891 rights were exercised on 2 July 2024 after the reporting date.

Performance rights were issued during the year, pursuant to the Equity Incentive Plan. Fair values at grant date are determined using a Black-Scholes Pricing Model that takes into account the exercise price, the term of the rights, the share price at the grant date, the expected volatility of the underlying share, and risk-free interest rate for the term of the option. The model inputs for options granted during the year ended 30 June 2024 are noted below:

Grant date	# Granted	Vesting date	Vesting period (months)	Exercise price	Share price at issue date	Fair value at issue date	Est. volatility	Expected dividend yield	Average risk-free rate
26-Oct-23	4,756,891	01-Jul-24	8	Nil	$0.049	$0.049	67%	0	4.31%
01-Apr-22	200,000	01-Jul-23	12	Nil	$0.098	$0.098	78%	0	2.50%
24-Aug-21	200,000	01-Jul-22	12	Nil	$0.145	$0.145	65%	0	0.34%
26-Nov-14	150,000	01-Jul-20	12	Nil	$0.190	$0.190	76%	0	2.21%

The Company has adopted an Employee Share Option Plan for the benefit of Executive Directors and full-time or part-time staff members employed by the Company.

Goods or services received or acquired in a share-based payment transaction are recognised as an increase in equity if the goods or services were received in an equity-settled share-based payment transaction or as a liability if the goods and services were acquired in a cash settled share-based payment transaction.

For equity-settled share-based transactions, goods or services received are measured directly at the fair value of the goods or services received provided this can be estimated reliably. If a reliable estimate cannot be made the value of the goods or services is determined indirectly by reference to the fair value of the equity instrument granted.

Transactions with employees and others providing similar services are measured by reference to the fair value at grant date of the equity instrument granted.

Note 20: Foreign currency translation reserve

	2024 $	2023 $
Opening balance	101,269	72,804
Translation of financial statements of foreign Controlled Entities	(55,316)	28,466
Closing balance	**45,953**	**101,269**

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The gains and losses from conversion of assets and liabilities, whether realised or unrealised, are included in profit or loss from continuous operations as they arise.

Note 21: Cash flow information

	2024 $	2023 $
(a) Reconciliation of cash		
Cash at bank and on hand	2,519,911	2,178,740
Total cash at end of year	**2,519,911**	**2,178,740**
(b) Reconciliation of cash flow from operations to loss from continuing operations after income tax		
Loss from continuing operations after income tax	(2,074,749)	(2,590,888)
Non cash flows in loss from continuing operations		
Depreciation	16,610	30,270
Amortisation	127,093	113,811
Depreciation on right-of-use assets	242,784	238,593
Share based payment expenses	233,088	313,728
FX Gain & Losses	(55,316)	28,466
(Increase)/decrease in assets		
Trade debtors and other receivables	59,128	(27,377)
Other assets	89,150	(114,085)
Inventories	130,132	118,359
Tax credit	19,978	(45,824)
Increase/(decrease) in liabilities		
Trade and other payables	(54,824)	510,857
Provision	103,533	68
Net cash from/ (used in) operating activities	**(1,163,393)**	**(1,424,022)**

Note 22: Financial instruments

a. Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria of recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in the financial statements.

b. Capital risk management

The Company manages its capital to ensure that its Controlled Entities are able to continue as a going concern. The capital structure of the Entity consists of cash and cash equivalents (Note 8) and equity attributable to equity holders of the Parent Entity, comprising issued capital (Note 18), and accumulated losses (Note 6).

c. Financial risk management objectives

The Company's principal financial instruments are cash and term deposit accounts. Its financial instruments risk is with interest rate risk on its cash and term deposits and liquidity risk for its term deposits.

The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Board is updated monthly by management as to the amounts of funds available to the Company from either cash in the bank or term deposits, and continually monitors interest rate movements.

d. Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. The Company does not have any forward foreign exchange contracts as at 30 June 2024 and is exposed to foreign currency risk on sales and purchases denominated in a currency other than Australian dollars.

The currencies giving rise to this risk is primarily the USD, EUR, HUF, GBP, SGD and CNY. The Company incurs costs in USD for its operations which provide a natural hedge for a portion of income denominated in USD.

The carrying amount of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

	2024	2023
	USD	USD
Cash	673,273	82,207
Current trade debtors	-	-
Current trade creditors	20,571	50,663
	HUF	HUF
Cash	21,116,699	1,602,372
Current trade debtors	225,215	1,041,448
Current trade creditors	918,762	2,855,642
	EUR	EUR
Cash	556,029	348,043
Current trade debtors	36,472	6,938
Current trade creditors	13,213	16,172
	GBP	GBP
Cash	1,953	6,264
Current trade debtors	-	-
Current trade creditors	1,215	2,876
	CNY	CNY
Cash	1,292,742	1,394,566
Current trade debtors	7,148,707	5,463,013
Current trade creditors	6,936,644	5,108,517
	SGD	SGD
Cash	40,763	-
Current trade debtors	-	-
Current trade creditors	58,250	-

e. Foreign currency sensitivity

The Company is mainly exposed to exchange rate risks arising from movements in the US dollar (USD), Euro (EUR), Pound sterling (GBP), Hungarian forint (HUF), Singapore dollar (SGD) and Chinese yuan (CNY) against the Australian dollar (AUD), and the US dollar from the translation of the operations of its Controlled Entity. However the entity earns in these same currencies so there is a natural hedge against currency movements.

The analysis below demonstrates the profit impact of a 10% movement of USD and EUR (*2023: 5%), 5% movement of GBP, HUF, SGD and CNY rates against the AUD with all other variables held constant. 10% and 5% are the sensitivity rates used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates.

	2024 $	2023 $
Sensitivity		
10% change in USD rate	81,948	29,304
10% change in EUR rate*	208,147	50,660
5% change in GBP rate	28	11,548
5% change in CNY rate	41,067	37,773
5% change in HUF rate	1,165	2,510
5% change in SNG rate	275	-
	332,630	131,795
Profit/Loss		
- increase	(332,630)	(131,795)
- decrease	332,630	131,795

f. Interest rate risk management

The Company does not have any external loans or borrowings as at 30 June 2024 and is not exposed to interest rate risks related to debt.

The Company is exposed to interest rate risk as it holds cash and term deposits at both fixed and floating interest rates. The risk is managed by the Company maintaining an appropriate mix between both rates.

Management continually monitors its cash requirements through forecasts and cash flow projections and moves funds between fixed and variable interest instruments to hold the maximum amount possible in instruments which pay the greater rate of interest.

This limits the amount of risk associated with setting a policy on the mix of funds to be held in fixed or variable interest rate instruments.

g. Interest rate sensitivity

A 100-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

	2024 $	2023 $
Profit/Loss - increase 100 basis points	4,604	5,538
- decrease 100 basis points	(4,604)	(5,538)

h. Credit risk management

Credit risk represents the loss that would be recognised if counterparties defaulted on its contractual obligations. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread among approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually. Ongoing credit evaluation is also performed on the financial condition of accounts receivable.

The Company does not have significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics; because the current major counterparties are alliance distributors and public hospitals with approved funds available prior to purchases under most circumstances.

The credit risk on financial assets of the Company, as recognised on the Statement of Financial Position, is the carrying amount, net of any allowance for doubtful debts. Credit risk in respect of cash and deposits is minimised as counterparties are recognised financial intermediaries with acceptable credit ratings determined by a recognised rating agency.

Debtors outstanding but not impaired	2024 $	2023 $
0 - 45 days	156,910	134,384
46 – 90 days	-	-
Over 90 days	-	-
Total	**156,910**	**134,384**

No bad debt was written off during the year (2023: $Nil). There was no doubtful debt provision as at 30 June 2024 (2023: Nil). The outstanding debts $156,910 are not past due to the reporting date. The Company applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Details included in Note 9.

i. Liquidity risk management

The objective for managing liquidity risk is to ensure the business has sufficient working capital or access to working capital as and when required. The Company limits its exposure to liquidity risk by holding the majority of its assets in cash or term deposits which can be quickly converted to cash if required.

The following table details the Company's remaining contractual maturity for its non-derivative liabilities. The table has been drawn up based on the undiscounted cash flows expected to be received/paid by the Company.

Consolidated	Weighted	Fixed interest rate maturing				
	Average effective interest Rate %	Floating interest $	Within 1 year $	1 to 5 years $	Non-interest bearing $	Total $
2024						
Trade creditors	-	-	-	-	300,935	300,935
Payables	-	-	-	-	170,680	170,680
Lease liabilities	6.38	-	303,819	692,043	-	995,862
Total financial liabilities		-	303,819	692,043	**471,615**	**1,467,477**
2023						
Trade creditors	-	-	-	-	277,819	277,819
Payables	-	-	-	-	147,757	147,757
Lease liabilities	6.38	-	251,068	910,447	-	1,161,515
Total financial liabilities		-	**251,068**	**910,447**	**425,576**	**1587,091**

The carrying amounts of financial assets and financial liabilities recorded at cost approximate their fair values.

Note 23: Consolidated entity disclosure statement and related party disclosure

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

For the Year Ended 30 June 2024

Name of entity	Type of entity	Place incorporate	Percentage of share capital held	Australian tax resident or foreign tax resident	Foreign tax jurisdiction
Uscom Limited	Body corporate	Australia	100%	Australian	n/a
Uscom Australia Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Uscom Inc.	Body corporate	U.S.A	100%	Foreign	U.S.A
Uscom Medical Ltd	Body corporate	U.K.	100%	Foreign	U.K.
Uscom Kft	Body corporate	Hungary	100%	Foreign	Hungary
Beijing Uscom Consulting Co. LTD	Body corporate	China	100%	Foreign	China
Uscom SNG Pte. Ltd	Body corporate	Singapore	100%	Foreign	Singapore

Consolidated

The Parent and Ultimate Parent Entity is Uscom Limited.

Key management personnel

The following were key management personnel of the Company at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Non-Executive Directors

Christian Bernecker, Non-Executive Director
Brett Crowley, Non-Executive Director
Xianhui Meng, Non-Executive Director

Executive Directors

Rob Phillips, Executive Director, Chairman, Chief Executive Officer

Senior Executives

Nick Schicht, General Manager

For further remuneration information of key management personnel refer to the remuneration report in the Directors' report on page 22. The aggregate compensation made to Directors and other members of key management personnel of the Company and the Company is set out below:

	2024 $	2023 $
Short-term employee benefits	699,987	623,025
Post-employment benefits	31,018	26,770
Long-term benefits	29,083	18,913
Share-based payment	233,088	167,722
Total key management personnel remuneration	**993,176**	**836,430**

Note 24: Parent entity information

	2024 $	2023 $
Set out below is the supplementary information about the parent entity.		
Statement of comprehensive income		
Loss after income tax	(2,130,057)	(2,562,421)
Total comprehensive income	(2,130,057)	(2,562,421)
Statement of financial position		
Total current assets	4,546,082	3,275,650
Total assets	3,887,151	3,794,798
Total current liabilities	726,062	659,506
Total liabilities	826,101	750,769
Equity		
Contributed equity	40,423,139	38,509,140
Options reserve	4,170,277	3,937,189
Accumulated losses	(41,532,366)	(39,402,300)
Total equity	**3,061,050**	**3,044,029**

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Company.

- Investments in subsidiaries are accounted for at cost, less any impairment, in the Parent Entity.
- Dividends received from subsidiaries are recognised as other income by the Parent Entity and its receipt may be an indicator of an impairment of the investment.

Contingent liabilities

The parent entity has provided a guarantee in respect of obligations under premises lease of $83,456 (2023: $83,456). No liability was recognised by the parent entity or the Company in relation to this guarantee.

Other than the guarantee mentioned above, the parent entity did not have any contingent liabilities as at 30 June 2023 or 30 June 2022.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Company, as disclosed in Note 1.

Note 25: Auditors' remuneration

Audit services	2024 $	2023 $
BDO Audit Pty Limited for audit and review of financial reports	114,320	104,300
BDO Hungary for audit	1,846	1,650
BDO China for audit	850	850
Total remuneration for audit services	**117,016**	**106,800**
Non-audit services	-	-
Total audit and non-audit services	**117,016**	**106,800**

Note 26: Operating segments

Segment information

The Company operates in the global health and medical products industry.

The Company sells two cardiovascular products, the USCOM 1A cardiac output monitor and the Uscom BP+ central blood pressure monitor and a series of pulmonary products the Uscom SpiroSonic spirometers.

Globally the Company has five geographic sales and distribution segments Australia including other regions, Asia, the Americas, Europe. For each segment, the CEO and General Manager review internal management reports on at least a monthly basis.

In 2024, the customers in Asia accounts for approximately 35% of the total sales (2023: 36%). For the current period USCOM 1A comprised $2,062,840 (FY23: $1,890,768), SpiroSonic spirometers $495,645 (FY23: $551,381) and BP+ for $79,506 (FY23: $148,312) of the total sales.

Basis of accounting for purposes of reporting by operating segments

Accounting policies

Segment information is prepared in conformity with the accounting policies of the entity as disclosed in the financial report and accounting standard AASB 8 Operating Segments which requires a 'Management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in no change to the reportable segments as operating segments continue to be reported in a manner consistent with the internal reporting provided to the chief operating decision maker, which is the Board of Directors.

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment. Segment assets include all assets used by a segment and consist primarily of inventories, property, plant and equipment and intangible assets. While most of these assets can be directly attributable to individual segments, the carrying amounts of certain assets used jointly by segments are not allocated. Segment liabilities consist primarily of trade and other creditors, employee benefits and provisions for warranties. Segment assets and liabilities do not include deferred income taxes.

	Australia $	Asia $	Americas $	Europe $	Consolidated $
2024					
Sales to external customers	1,255,193	1,300,462	254,506	916,684	3,726,845
Other income/revenue	482,706	3,129	-	774	486,609
Total segment revenue/income	1,737,899	1,303,591	254,506	917,458	4,213,454
Segment expenses	(3,700,143)	(1,506,680)	(129,112)	(904,841)	(6,240,777)
Segment result	(1,962,244)	(203,089)	125,394	12,617	(2,027,322)
Income tax expenses	-	(462)	-	(46,965)	(47,427)
Consolidated loss after income tax	(1,962,244)	(203,551)	125,394	(34,348)	(2,074,749)
Segment assets	3,775,450	962,623	87,746	308,806	5,134,625
Segment liabilities	1,670,484	200,171	28,594	174,326	2,073,575
Acquisition of plant and equipment and intangibles	(3,559)	7,573	15,177	39,358	57,549
Depreciation and amortisation	192,387	59,080	14,323	120,697	386,487
2023					
Sales to external customers	758,287	895,745	41,485	968,650	2,664,166
Other income/revenue	473,345	11,147	-	7,567	492,059
Total segment revenue/income	1,231,632	906,893	41,485	976,216	3,156,225
Segment expenses	(3,013,564)	(1,363,266)	(474,895)	(861,128)	(5,712,853)
Segment result	(1,781,934)	(456,374)	(433,410)	115,088	(2,556,628)
Income tax expenses	-	70	-	(34,330)	(34,260)
Consolidated loss after income tax	(1,781,934)	(456,304)	(433,410)	80,759	(2,590,888)
Segment assets	3,583,207	1,117,640	77,543	401,722	5,180,112
Segment liabilities	1,798,442	173,760	21,634	142,248	2,136,083
Acquisition of plant and equipment and intangibles	30,933	32,178	13,934	74,892	151,937
Depreciation and amortisation	191,923	58,482	6,237	126,032	382,674

Note 27: Contingencies

Other than the guarantee mentioned at Note 24, the Company did not have any contingent liabilities as at 30 June 2024 or 30 June 2023.

Note 28: Events after the reporting date

No matters or circumstances have arisen since the end of the financial year to the date of this report, that has significantly affected or may significantly affect the activities of the Company, the results of those activities or the state of affairs of the Company in the ensuing or any subsequent financial year.

Note 29: Not-cash investing and financing activities

On 4 March 2024, $1,195,024 director loan payable was settled through subscription of 32,297,936 ordinary shares (3.7c per share) by the director under non renounceable right issue.

DIRECTORS DECLARATION

Uscom Limited and its Controlled Entity

1. The directors of the company declare that: The financial statements, comprising the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, accompanying Notes, are in accordance with the Corporations Act 2001 and:

    a. comply with Australian Accounting Standards and the Corporations Regulations 2001; and

    b. give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the year ended on that date.

2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

3. In the directors' opinion, the consolidated entity disclosure statement required by subsection 295(3A) of the Corporations Act 2001 in Note 23 is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Professor Rob Phillips
Chairman
29 August 2024

INDEPENDENT AUDIT REPORT

Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret Street
Sydney NSW 2000
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Uscom Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Uscom Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, 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 year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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 our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment and carrying value of intangible assets

Key audit matter	How the matter was addressed in our audit

As disclosed in *Note 14 Intangibles Asset* of the financial report, the carrying value of intangible assets were considered significant to our audit as the carrying value of $420,532 on 30 June 2024 is material to the financial statements and requires considerable judgement and estimation by management based on increasing uncertain outcomes of regulatory approvals in all jurisdictions as well as the unpredictable sales performance in the future.	Our audit procedures include amongst other:
	• Evaluated management's assessment of any impairment indicators in accordance with *AASB 136 impairment of assets*.
	• Critically reviewed the Value in Use ('VIU') models prepared by management based on the identified cash generating units ('CGUs') through assessing the following key assumptions:
	    ○ Forecast revenue;
	    ○ Budgeted gross margin;
	    ○ Other operating costs;
	    ○ Discount rate; and
	    ○ Long-term growth rate
	• Re-performed the valuation assessment of projected sales, growth rates, operating expenditures, capital expenditures, terminal values and discount factors used in discounted cash flow valuations based on BDO sensitised results.
	• Together with BDO Corporate Finance team assessed the reasonableness of the discount rate applied by management across the different CGUs.
	• Reviewed patents for appropriate amortisation rates and useful economic life.
	• Evaluated the adequacy of the impairment disclosures in the financial report, particularly those relating to intangible assets and to judgements and estimates.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Uscom Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

TINA HAN
Director

Sydney

29 August 2024

SHAREHOLDERS INFORMATION

Additional information required by Australian Stock Exchange Listing Rules is as follows. This information is current as at 31 July 2024.

Distribution schedules of shareholder

Holdings Ranges	Holders Number	Ordinary Shares Number	%
1 – 1,000	40	4,760	0.000
1,001 – 5,000	23	77,349	0.030
5,001 – 10,000	29	231,789	0.090
10,001 – 100,000	296	10,516,713	4.220
100,001 – 99,999,999,999	126	238,513,690	95.660
Total	514	249,344,501	100.000

There were 88 holders of less than a marketable parcel of 9,804 ordinary shares.

Class of shares and voting rights

All shares are ordinary shares. Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Substantial shareholders

The names of the substantial shareholders listed in the holding company's register as at 31 July 2024 are:

MR ROBERT ALLAN PHILLIPS	33.511%
CITICORP NOMINEES PTY LIMITED	22.239%
NEJA PTY LTD & JETAN PTY LTD <G R PLUMMER SUPER FUND A/C>	10.424%

Twenty largest registered holders – ordinary shares

Balance as at 31 July 2024	Ordinary Shares Number	%
MR ROBERT ALLAN PHILLIPS	83,556,804	33.511
CITICORP NOMINEES PTY LIMITED	55,452,884	22.239
NEJA PTY LTD	17,633,368	7.072
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	8,539,336	3.425
JETAN PTY LTD <G R PLUMMER SUPER FUND A/C>	8,357,143	3.352
INVIA CUSTODIAN PTY LIMITED <BOZWALD PTY LTD A/C>	4,228,931	1.696
INVIA CUSTODIAN PTY LIMITED <RIVERBEL FAMILY NO 3 A/C>	3,490,141	1.400
MR DAVID LEROY BOYLES	3,000,000	1.203
MS PAMELA JACK	2,845,212	1.141
MR DOUGLAS JAMES CAMERON	2,672,432	1.072
MR DONGJUN SUN	2,414,125	0.968
MRS CHRISTINE QUYE	2,268,150	0.910
MR RUTHERFORD JAMES BROWNE & MRS SHEBA ELIZABETH MARJORIE BROWNE	2,121,991	0.851
MR PERRY JULIAN ROSENZWEIG	1,820,711	0.730
MR DEAN LEON BURROWS & MRS KERRY ANN BURROWS	1,500,000	0.602
MR CHRISTOPHER JAMES WERE & LOCKHART TRUSTEE SERVICES NO 17 LIMITED <CHRISTOPHER WERE FAMILY A/C>	1,424,095	0.571
TRENTHAM SUPER PTY LTD <TRENTHAM SF A/C>	1,351,000	0.542
DR CHOON-JOO KHO	1,317,718	0.528
MR DONALD ALLAN HAMMOND	1,225,000	0.491
MR DOUGLAS JAMES CAMERON	1,206,505	0.484
Total Securities of Top 20 Holdings	206,425,546	82.787
Total Securities	**249,344,501**	

Registered office and principal place of office

Suite 2, Level 8, 66 Clarence Street
Sydney NSW 2000 Australia
Tel: 02 9247 4144

Company secretary

Brett Crowley

Registers of securities

Boardroom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000 Australia

GPO Box 3993
Sydney NSW 2001 Australia

Tel: 1300 737 760
Fax: 1300 653 459
www.boardroomlimited.com.au

Stock exchange listing

Quotation has been granted for 249,344,501 ordinary shares of the Company as at 31 July 2024 on all Member Exchanges of the Australian Stock Exchange Limited.

Unquoted securities

Rights over unissued shares as at 31 July 2024

550,000 rights over ordinary shares are on issue to an executive under the Equity Incentive Plan.

Uscom

Uscom Limited

ASX: UCM

Level 8, 66 Clarence Street Sydney,
NSW 2000 Australia

Uscom – Growth and Vision

FY2024 www.uscom.com.au