

Uscom Strategic Partnership with Foxconn China

- Partnership with global manufacturing and technology leader
- New manufacturing, R&D and regulatory centre in Beijing
 - Three new USCOM devices for Foxconn manufacture
- Increased manufacturing scale and reliable global supply chain
 - Expanded distribution and reduced manufacturing cost

Monday 4th April 2022: Uscom Limited (ASX code: UCM) (the **Company** or **Uscom**) advises that Uscom China, a wholly owned subsidiary of Uscom Limited, has executed an agreement for the manufacture of Uscom products in Beijing with one of the world's largest electronics manufacturers Foxconn via its subsidiary Futaijing Precision Electronics. This partnership will provide increased manufacturing capacity, decreased manufacturing cost, increased global market access and world leading supply chain management. The agreement includes the manufacture of USCOM 1A and three new Uscom devices, and will expedite regulatory approvals and sales under the new local manufacturing requirements of China.

Background:

Foxconn is one of the world's largest technology companies and the manufacturer of approximately 40% of all global precision electronics with an international footprint covering over 20 countries and an annual revenue of ~\$300b AUD. Foxconn is the largest employer in China and has over 1.3m employees worldwide. It has a capacity to manufacture >500,000 iPhones/day in its Shenzhen factory alone.

Foxconn has more than 12 factories in China alone with many more worldwide, and counts Apple, Huawei, Xiaomi, Amazon, Sony, Toshiba, Microsoft, Intel and Google among its partners. Foxconn is expanding its activities in high level medical technology, and Uscom is designated as a National High Technology Enterprise by the High Torch arm of the Chinese Ministry of Science and Technology, and currently has in the order of 30 active IP approvals or submissions covering novel devices and concepts for new products in China.

The new Uscom facilities, in the Foxconn Technology Industry Zone in Beijing, will become the global manufacturing headquarters for Uscom Limited. Combined with our current Chaoyang administration and sales centre, this Foxconn partnership locates Uscom firmly in Beijing, a preferred centre for high technology development by the Chinese Government. With the establishment of the new Beijing Stock Exchange for SME's late last year, there exists a strategic corporate opportunity to further expand Uscom's capital footprint as operations expand in Beijing and global revenues grow.

Operations:

Outsourcing manufacturing is an innovative approach to global operations, allowing Uscom to partner with the world's leading manufacturer while preserving capital and limiting the significant risks associated with the increasingly complex and demanding regulatory requirements of global manufacturing, while constraining uncontrolled costs.

Foxconn Futaijing will provide Uscom with a production site, manufacturing facilities, access to a new R&D facility, and a manufacturing system that includes assembly and regulatory staff to accelerate manufacturing accreditation and NMPA regulatory approvals. The facility is expected to deliver domestically approved and manufactured devices to market in 6 months, with three new Uscom

devices listed for manufacture by Foxconn in the agreement. The agreement was led by Uscom's Beijing based Director of International Operations and General Manager of Uscom China Ms Teresa Guo.

This partnership will provide scale and capacity for expanded device manufacturing to meet the expected demand from the rapidly growing China market and for export through Uscom's new regional HQ in Singapore to international markets. The current Foxconn partnership centres on manufacturing, while its global mandate includes R&D, product development, sales and marketing, and capital investment for preferred partners.

Moreover, Foxconn's advanced know-how and experience in technical consolidation and volume manufacture, will accelerate the development and expansion of Uscom's innovative product pipeline. This expanded resource will drive synergies that will enable Uscom to utilize its talents and creativity in future product developments, creating multiple new devices with unique specifications to suit different hospital budgets and unmet clinical needs.

Uscom will establish its China manufacturing and R&D programme at Foxconn's Technology Industry Zone in the Beijing Economic & Technology Development District in Beijing.

This manufacturing agreement leverages invested capital from the rights issue on December 21st, 2021 to Uscom shareholders and was a stated use of funds for the \$4.36m fully subscribed issue.

Commentary:

Executive Chairman of Uscom, Professor Rob Phillips said *"Modern medical manufacturing increasingly requires experts of scale like Foxconn, leaving innovators like Uscom to create science and technology that changes medicine. This partnership solves Uscom's domestic manufacturing challenges while expanding Foxconn's commitment to precision medical technology manufacturing in China."*

The Foxconn partnership is also recognition of the potential scale of Uscom's world leading cardiovascular and pulmonary science and technology, and provides Uscom with access to the world's most reliable and cost-effective manufacturing and global supply chain. Foxconn also has extensive experience in quality control and system maintenance, thus ensuring Uscom's products will be manufactured with first-class quality, while Foxconn's facilities, capabilities and connections will enhance Uscom's national and international profile and product demand.

Local manufacture is now essential for medical device sales in China, and this partnership re-opens the door for Uscom's Chinese sales, particularly as the first task for Foxconn will be for the manufacture of three new specialised products currently undergoing NMPA regulatory assessment for the Chinese market. Under the "Made in China 2025" China Government national strategic plan giving locally manufactured goods preferentially market support.

Uscom is a Chinese Government designated National High Technology Enterprise and Foxconn will provide experienced manufacturing staff and facilities as well as R&D laboratories for development of new IP and new devices in Foxconn's Beijing Technology Industry Zone, nearby to our current Beijing regional HQ. Uscom's expanded Chinese operations will all now be centred in Beijing, where the Beijing Stock Exchange began trading in November 2021 as a specialised bourse for small medium high value technology enterprises, and this may provide future strategic corporate opportunities for Uscom."

References:

<https://www.foxconn.com/en-us/>

<http://www.chinadaily.com.cn/a/202105/01/WS608c9670a31024ad0babba3c.html>



About Uscom

Uscom Limited (UCM): An ASX listed innovative medical technology company specialising in development and marketing of premium non-invasive cardiovascular and pulmonary medical devices. Uscom has a mission to demonstrate leadership in science and create noninvasive devices that assist clinicians improve clinical outcomes. Uscom has three practice leading suites of devices in the field of cardiac, vascular and pulmonary monitoring; the USCOM 1A advanced haemodynamic monitor, Uscom BP+ central blood pressure monitor, and the Uscom SpiroSonic digital ultrasonic spirometers. Uscom devices are premium resolution, noninvasive devices which deploy innovative and practice leading technologies approved or submitted for FDA, CE, CFDA and TGA regulatory approval and marketing into global distribution networks.

The USCOM 1A: A simple to use, cost-effective and non-invasive advanced haemodynamic monitor that measures cardiovascular function, detects irregularities and is used to guide treatment. The USCOM 1A device has major applications in Paediatrics, Emergency, Intensive Care Medicine and Anaesthesia, and is the device of choice for management of adult and paediatric sepsis, hypertension, heart failure and for the guidance of fluid, inotropes and vasoactive cardiovascular therapy.

The Uscom BP+: A supra-systolic oscillometric central blood pressure monitor which measures blood pressure and blood pressure waveforms at the heart, as well as in the arm, information only previously available using invasive cardiac catheterisation. The Uscom BP+ replaces conventional and more widespread sub-systolic blood pressure monitors, and is the emerging standard of care measurement in hypertension, heart failure and vascular health. The Uscom BP+ provides a highly accurate and repeatable measurement of central and brachial blood pressure and pulse pressure waveforms using a familiar upper arm cuff. The BP+ is simple to use and requires no complex training with applications in hypertension and pre-eclampsia, heart failure, intensive care, general practice and home care. The Uscom BP+ is supported by the proprietary **BP+ Reporter**, an innovative stand alone software solution that provides a digital platform to archive patient examinations and images, trend measure progress over time, analyse pulse pressure waves and generate summary reports.

Uscom SpiroSonic digital multi-path ultrasonic spirometers: High fidelity, digital, pulmonary function testing devices based on multi path ultrasound technology. They require no calibration, are simple to disinfect, and are simple and accurate to use providing research quality pulmonary function testing in small hand held devices that can be used in research, clinical and home care environments. The devices can be coupled with mobile phone apps and proprietary SpiroSonic software, **SpiroReporter**, with wireless interfacing to provide remote tele-monitoring of pulmonary disease. The devices are specialised for assessment of COPD, sleep disordered breathing, asthma, occupational lung disease and monitoring of pulmonary therapeutic compliance.

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

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

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