

# MARKET ANNOUNCEMENT

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## Uscom announces \$1.95m capital raise & acquisition

- **Completion of Private Placement to raise \$1.55m**
- **Acquisition of Thor Laboratories KFT**
- **Share Purchase Plan to be underwritten for an additional \$0.4m**

**Sydney, Australia: Monday, 20<sup>th</sup> July 2015:** Uscom Limited (ASX code: UCM) (the **Company** or **Uscom**) is pleased to announce the completion of a \$1.55m Placement to professional and sophisticated investors (**Placement**). The company is also pleased to announce a Share Purchase Plan (**SPP**) to be underwritten up to \$400k by Patersons Securities Limited (**Patersons**). The proceeds from the capital raise will be used to fund the acquisition of Thor Laboratories KFT (**Thor**), integration of Thor's operations into Uscom's existing operations, and for working capital.

### Capital Raising

The Placement was led by Patersons and was completed at an issue price of 15 cents per share. This represents a discount of 18.0% to the VWAP of 18.3 cents over the previous five days on which UCM shares traded and a 16.7% discount to the last traded price of 18 cents. The Placement also includes one free attaching unlisted option for every three shares subscribed for under the Placement, exercisable at 25 cents on or before 31<sup>st</sup> July, 2017. The securities in the Placement are expected to be issued on or around 22 July 2015, and the shares will rank equally in all respect with existing ordinary shares currently on issue.

### Acquisition

Uscom has entered into an agreement to purchase 100% of Thor operations and intellectual property, subject to the completion of satisfactory due diligence. Thor is a cash flow positive medical device manufacturer with current annual revenues of approximately A\$500k and specialises in high fidelity digital Doppler technology for measurement of respiratory function. Thor is based in Budapest, Hungary, a key centre for European medical device manufacture. Thor manufactures a number of devices with specific application in the assessment of asthma, COPD<sup>1</sup>, and other respiratory disorders, with new potential applications in sleep medicine.

The Thor devices have a range of approvals in various jurisdictions including CE certification and TGA approval, with some devices under FDA submission. Thor founder, Mr George Ferenczi, will become a full time employee of Uscom as part of the transaction, continuing to manage the Thor operations and contribute to an expanded product development programme for Uscom.

The Company considers the Thor acquisition to be a key strategic growth opportunity, providing additional revenue, internationally accredited manufacturing and R&D capabilities, distribution and a respirometric product suite to Uscom.

Consideration for the acquisition of Thor and its assets is a total of AUD\$1 million, comprising \$700k in upfront cash, and \$200k in cash earn-outs and \$100k in equity earn-outs over a three year period from the date of acquisition. The total assets of the company were valued at \$361k at 31<sup>st</sup> December 2014, and an additional \$100k of cash will be left in the company as working capital. The IP, the operations and global certificates and approvals were not included in the valuation.

The acquisition was led by K&L Gates, Sydney, Australia.

### Share Purchase Plan

The Company is pleased to offer eligible shareholders the opportunity to apply for new shares under a Share Purchase Plan. The SPP will be open to shareholders with registered addresses in Australia or New Zealand who were holders of UCM Shares at 5.00pm AEST on 17 July 2015 and (**Eligible Shareholders**). Eligible Shareholders will be able to apply for up to \$15,000 worth of new Uscom Shares at the Placement issue price of 15 cents per share.

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<sup>1</sup> Chronic obstructive pulmonary disease.



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The SPP is to be underwritten by Patersons. Patersons will underwrite the subscription of the first 2,666,667 New Shares under the SPP Offer, limited to a total underwriting commitment of no more than \$400,000.05. For every three shares Patersons underwrites under the underwriting agreement, it will receive one free option on the same terms and conditions as the options issued under the Placement. Subject to the ASX Listing Rules, the Directors reserve the right to accept applications in excess of the underwritten amount.

The complete terms and conditions of the SPP will be mailed to all eligible shareholders shortly. Shareholders are encouraged to read the SPP terms and conditions in their entirety before deciding whether to participate in the SPP.

Uscom CEO, Associate Professor Rob Phillips said, *“This acquisition is transformational, growing Uscom’s revenue and providing international manufacturing, distribution, additional skilled personnel, and a new suite of products ready for sale with CE and TGA regulatory approvals and some regional reimbursement. The Thor products complement the current USCOM 1A and BP+ devices and can be sold side by side into hospitals, clinics and ultimately the lucrative and rapidly growing home care markets of the US and China.*

*The Thor acquisition is revenue positive and value accretive for Uscom shareholders, and advances Uscom’s strategy to build a company of world leading non-invasive technologies for accurate measurement of heart, lung and vascular function, and improved management of cardiovascular and pulmonary care. The transaction has operational, technologic and clinical synergies and so provides ideal incremental growth for Uscom.*

*We are delighted with the capital support from established and new shareholders for the Thor acquisition, and the timing of the acquisition is excellent. Just as Uscom is transitioning to profitability off USCOM 1A sales, and the Uscom BP+ is set for market release, we have acquired an expanded distributor workforce and enhanced manufacturing capability.”*

*George Ferenczi is a world leading Bio-engineer and will ensure the seamless integration of the acquisition and contribute to the ongoing success of the business. George plans to feed the USCOM 1A, Uscom BP+ and the Thor suite of products into the combined Uscom/Thor distribution network, ensuring full revenue value is extracted from the growing distributor channels.”*

*George Ferenczi said “It has taken me 12 years to develop Thor and its products, and bringing Thor together with Uscom creates scale and commercial opportunity that the two companies alone could not achieve. I’m looking forward to joining the Uscom team and accelerating the growth of the combined business.”*

Uscom technologies will now hold practice leading positions in cardiac, vascular and pulmonary applications with new investor funding applied to advance new marketing initiatives for the flagship USCOM 1A, and the Uscom BP+, and the new Thor devices.



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## About Uscom

Uscom Limited (UCM) is an ASX listed cardiovascular medical device company. Uscom is an innovative developer and manufacturer of premium cardiovascular devices and has two practice leading technologies in the field of cardiovascular monitoring, the USCOM 1A and the Uscom BP+. Both devices are clinically validated with FDA, CE and TGA regulatory registration, and are currently being marketed into global distribution networks.

The USCOM 1A is a simple, cost-effective and non-invasive device that measures heart function, detects circulatory abnormalities and guides 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, heart failure, and for the guidance of fluid therapy.

The Uscom BP+ is a supra systolic Central Blood Pressure monitor and replaces older and more widespread sub systolic Blood Pressure monitoring technology. Central Blood Pressure is emerging as the new standard of care in hypertension and heart failure. The Uscom BP+ provides a highly accurate and repeatable measurement of central and brachial blood pressure and arterial pulse pressure waveforms, measures otherwise only available by cardiac catheterisation. The Uscom BP+ is simple to use and measures from a familiar upper arm cuff, and requires no complex training, and has applications in cardiology, intensive care, general practice and home care.

For more information, please visit: [www.uscom.com.au](http://www.uscom.com.au)

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