

**November 2015 – Investor Presentation** 

### Uscom (UCM) – Global Medical Devices and Revenue Growth

### **Rob Phillips**

PhD(med), MPhil(med), FASE, DMU(cardiol) Associate Professor, Critical Care Research Group, School of Medicine, The University of Queensland Executive Chairman/CEO

### The Measure of Life

## Disclaimer

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### Uscom

"A rapidly growing Australian medical device company with world leading products and a strategic global vision..."



### Uscom

### "Products generate profit"

**Outstanding science** Experienced and sector leading people High growth (+50% pa), innovative medical device company Key cardiovascular pulmonary markets with multiple products De-risked technology Strategic growth from recent acquisitions Valuable IP with high margins (75+%) Growth from US focus and reimbursement Marketing of new product lines Fundamentals to drive value Value investment







### Uscom vision

AusBiotech Company of the Year, 2014 Johnson & Johnson Innovation Industry Excellence Awards

"A milestone driven, rapidly growing global medical device company, with real products, real revenue, real growth and an aggressive growth strategy"

Johnson Johnson INNOVATION





## **Current Business**

- Premium noninvasive cardiovascular and pulmonary monitoring devices
- Addressing the growing threat of superbugs, heart failure, hypertension and asthma
- Validated, clinically accepted, cost and life saving devices with critical applications
- IP protected with regulatory approvals
- Uscom BP+ for market 2016 \$7m over 5years Chinese contract in place
- +50% revenue growth in Asia and Europe, with US market ahead

#### Corporate

- ASX listed (UCM)
- Headquartered in Sydney
- Market cap of \$15m
- 92m shares on issue
- Rob Phillips, Founder and CEO, holds 20% of company

#### **Board & Management**

- Rob Phillips, Chairman & CEO
- Sheena Jack, Director (HCF, Moneytime Health)
- Christian Bernecker, Director (Stream)
- Nick Schicht, General Manager

#### **Financials**

- Sales +59% 2015
- Revenue +48% 2015 (\$2+m)
- Cash consumption <\$1m</p>
- Gross Margins ~ 78%
- Cash ~ \$2m



## Strategic growth

### Complementary products and technology



- US 1.3bn market\*
- CAGR of 7.6% \*
- CE, FDA, TGA, CFDA

### **Hypertension & Vascular Health**

- US 1.7bn market\*
- CAGR of 11.5% \*
- CE, FDA, TGA



- US 400m market\*
- CAGR of 6.5%\*
- CE, TGA, FDA

### **USCOM 1A Cardiac Output Monitoring**

## **BP+**

### **SpiroThor Pulmonary Monitoring**



# **Blood Pressure Monitoring**

Acquired July 2013

Acquired Sept 2015



### USCOM 1A

### Non invasive, accurate, compact technology platform solution Heart failure, hypertension, sepsis



Cardiac stroke volume

Systemic vascular resistance

Left + right heart measurement



Works with all other hospital equipment

Intuitive touch screen

Real time data

Platform technology with multiple uses

Non invasive, real time, beat-to-beat haemodynamics







Central BP - New Wave Supra-systolic Oscillometry Central Blood Pressure and Pulse Pressure Wave Analysis The new standard for hypertension

- FDA, CE Mark, TGA approvals
- Supra-systolic
   Central BP+
- Reliable and
- accurate
- Central and
- Brachial BP
- Replaces sub-systolic methods (cuff)



- Home or clinic
- PPW Analysis
- Results in 30 seconds
- No training required
- Platform technology with multiple uses

#### Stand alone, non invasive, accurate, compact system

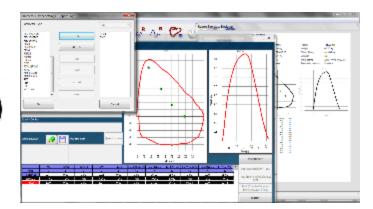


## Uscom SpiroSonics (Thor)

### Uscom SpiroSonic (Thor) – High fidelity digital Ultrasonic spirometry For asthma, COPD, and drug compliance monitoring

- Digital ultrasonic spirometry
- Multi-path ultrasonic sensing
- FDA, CE, and TGA approvals
- Reliable and accurate
- Auto calibration
- Research, home and clinic
- Wireless transmission
- SpiroReporter analysis software
- FloFree tube low resistance
- Software guided examination and report
- Simple disinfection
- Platform sensors with medical and industrial applications

Stand alone, non invasive, accurate, compact system





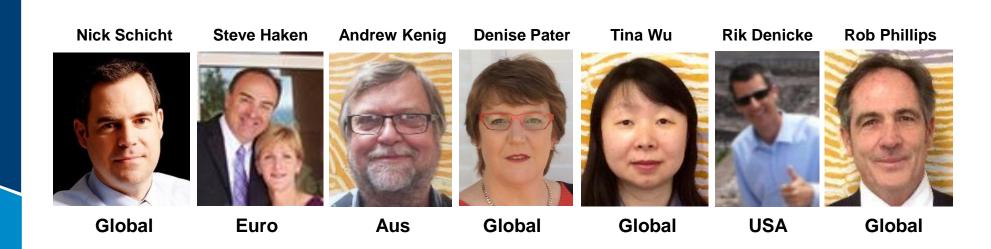
## **De-Risked technology**

### Featured in 450+ peer reviewed publications and presentations





## **Global People**

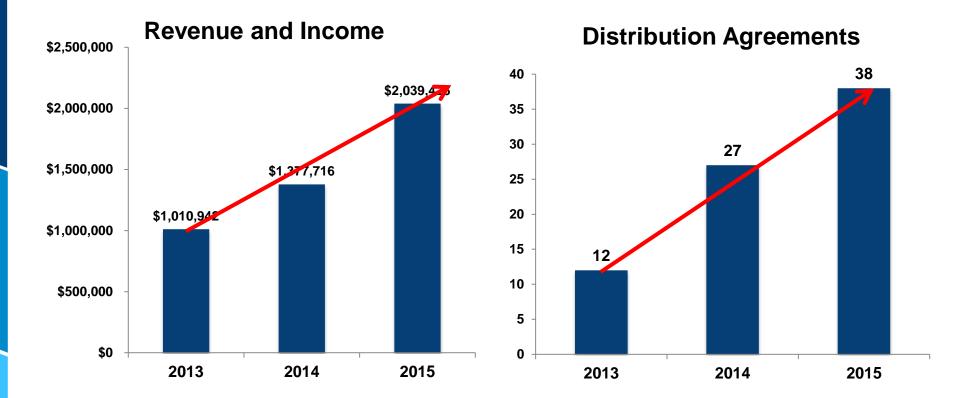


Bev Jacobson Richard Scott Hanna Maartensson George Tang Lindy Belleza George Ferenczi Hagay Gilad Steve Wilson





## **Results - Growth**

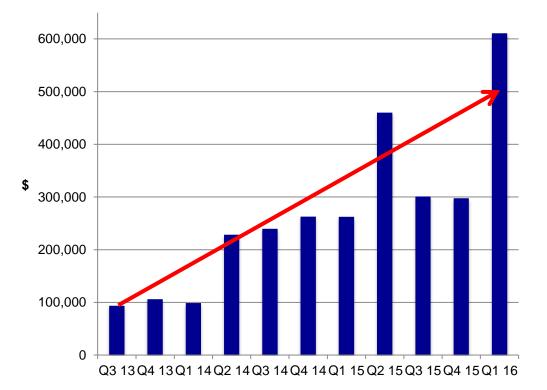


*Current revenue only from USCOM 1A BP+ and Thor revenue in 2016 Distribution – sales – revenue* 



## **Results - Growth**

#### **Quarterly Cash Receipts**



*Current revenue only from USCOM 1A BP+ and Thor revenue in 2016 Distribution – sales – revenue* 





### Uscom has acquired 100% of Thor Laboratories - Asthma<sup>\*</sup>

#### **Company Overview**

- High fidelity digital Doppler spirometers
- Established manufacturing 15 years
- Global reach
- Reimbursement in multiple markets
- Strong R&D and grant history
- Seeking partners in US Home Care + Asthma

### **Uscom benefits**

- Cash flow positive, revenue of \$500k
- Accredited international manufacturing
- 4 + 3 products, CE, FDA, TGA approvals
- Global distribution
- Technical R&D team 16 engineers
- Marketing and management

### Synergy of science, operations and strategy



## New Products – Asthma & COPD

### **Products in Market**

### **Digital Doppler Spirometer**

Home use



Digital wifi spirometer



#### **Professional System**

Desktop with advanced software analytics

### **New Products**

### **New - SpiroSpacer**

Drug delivery measure Telemetry to iPhone app Smart spacer Patient interactive



### **New - SpiroNet**

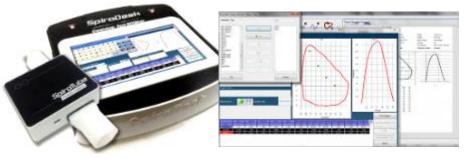
Digital wifi spirometer Remote clinical monit Cloud diagnosis



### **New - Whistle** Neonatal Asthma dia







## **Thor Manufacturing**



- Global approvals
- Manufacturing and R&D
- Experienced engineers
- Established reputation
- USCOM and BP+ reserve
- University Budapest links









### Internationally ISO accredited medical device manufacturing



# Uscom + Thor (1 + 1 = 3) THUR

| 1. George Ferenczi     | Thor and product development       |
|------------------------|------------------------------------|
| 2. Nikolett Makovinski | General Manager                    |
| 3. Nora Sima           | Marketing Manager                  |
| 4. Zoltan Rozsnyik     | Software developer                 |
| 5. Gergely Csiszler    | Electronics Development            |
| 6. Attila Stefan       | Embedded systems engineer          |
| 7. Gyorgy Salanki      | Production Manager                 |
| 8. Aniko Gyori         | Quality Management and sales       |
| 9. Adam Szabo          | Mechanical Engineer                |
| 10. Gabor Marko        | Electrical Engineer                |
| 11. Robert Pataki      | Design and electronics<br>engineer |

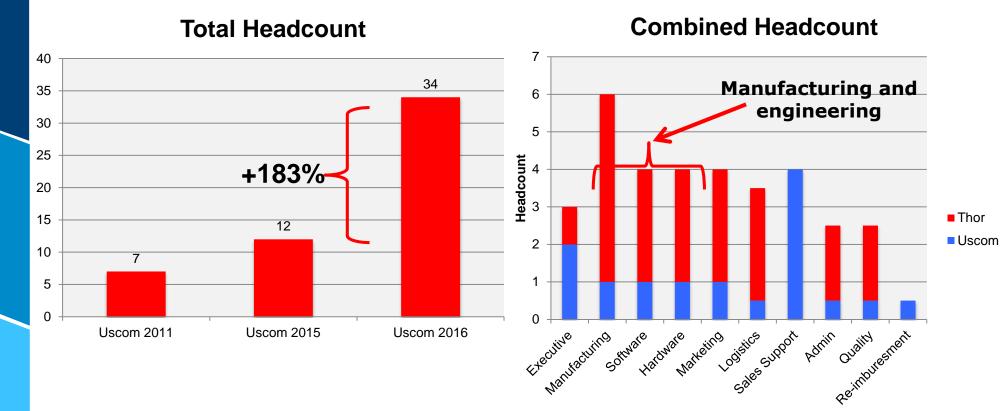
| 12. Balazs Herczeg      | Mechanical engineer,<br>product dev |
|-------------------------|-------------------------------------|
| 13. Szabolcs Reichhardt | Quality Assurance                   |
| 14. George Szabo        | Software developer                  |
| 15. Szabolcs Hogye      | Software developer                  |
| 16. Balazs Szakolczai   | Mechanical engineer and design      |
| 17. Zsolt Nemeth        | Regulatory                          |
| 18. David Krcs          | Software                            |
| 19. Hunor Racz          | Web Developer (PT)                  |
| 20. Ferenc Nagy         | Med Device Auditor (PT)             |
| 21. Daniel Gizella      | Product Design (PT)                 |

Thor (Uscom Budapest) = 18 full time, 3 part time



## **People and Manufacturing**

Post acquisition headcount



More people and More Manufacturing = More Revenue



## Maintaining growth

### **Operations growth**

- 1. Uscom Aus
- 2. Uscom UK
- 3. Uscom Budapest
- 4. Uscom USA

Key Markets

AsiaPAC - 65%
 2/3. Europe - 27%
 4. Nth America - 8%

### **US Focus 2016**

Stephen Wilson – Former VP Corporate Development Welch Allyn appointed

## **US** Marketing



Determination of the Info-Austorn comunal

the international transmission of the second s

SPIRODESK

Stand-alone Cardio-Pulmonary Diagnostic Station



Uscom

Specifications

Communication process Recent Hand 38
In the transferred Bay costs support synthesis

Animates medical - sua cation system.

Autor in consoling the
Desire with 2000g Dimensione 240 x 3/0 x 4/ mm

- Cardio Polinenary Eligenetic Desiriep Station

complete with an Osimeter, ou bein librates DKG and

Induces reaction for each property makes with a spin stream. The cardinal measure (the stream product steps of the steps o

Power subplic Bettery 0/000 mAns or 0.59 bit adapter

· Configurable meanal report system with E. I. Fredoric of the

Rebranding – Renaming – Repricing - Releasing

## **Multiple Products**

### Three product ranges entering profit phase

|           | Concept      | Product      | Pilot        | Validation   | Regulatory   | Revenue      | Global<br>Distribution | Profit<br>2016 |
|-----------|--------------|--------------|--------------|--------------|--------------|--------------|------------------------|----------------|
| USCOM     | $\checkmark$           | ±√             |
| Uscom BP+ | $\checkmark$           | ±√             |
| Thor      | $\checkmark$           | $\checkmark$   |

### Investment

to



**Profit** 

IP shifting to profit

## **US CPT Code Status**

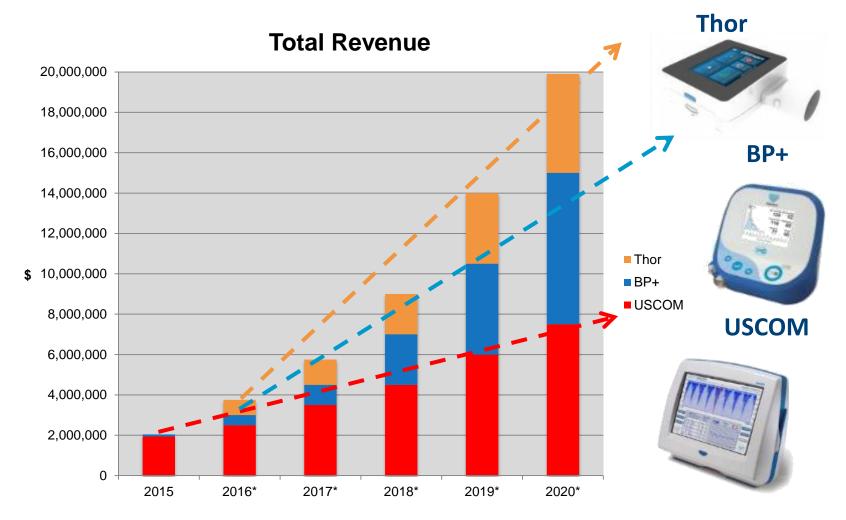
### **US Reimbursement Codes for Uscom Technologies**

| Uscom<br>Products | CPT<br>Code | Descriptor   | Value<br>(USD) |
|-------------------|-------------|--|----------------|
| Uscom BP+         | 93050       | Central BP and PPWA*                                   | \$17.91        |
| SpiroThor         | 94010       | Spirometry   | \$36           |
|                   | 94060       | Pre and post bronchodilator administration, spirometry | \$61           |
|                   | 94375       | Respiratory flow volume loop                           | \$40           |
| USCOM 1A          | 76999       | Unlisted ultrasound services - TDM** and EDM           | \$76           |



\* Pending 510k update \*\* In review

## **Revenue Targets**





*\$20m revenue by 2020 - 5 year CAGR of 58%* 

### The Future

### Value Cascade

#### **Products**

USCOM 1A Uscom BP+ Spirotube Otthon SpiroDesk SpiroSpacer SpiroNet ThorSoft

#### Sales

New appointments Current distribution Thor distribution New distribution Major partners Re-imbursement US market focus

#### **Operations**

Global operations Increased products Increased scale Cost effective manufacture Revenue growth Profitability

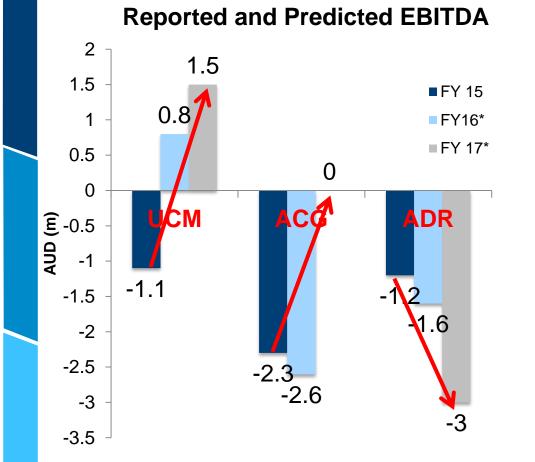
#### **Opportunities**

Share price growth Dividend Transaction

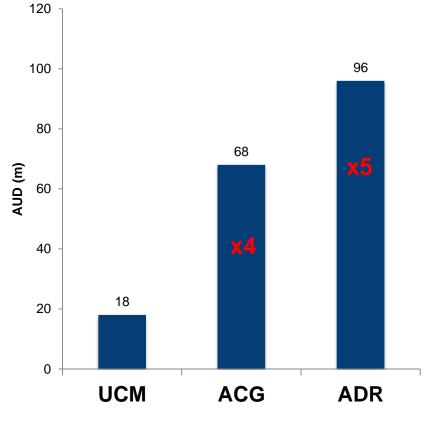
**Products – Sales – Revenue - Opportunities** 



### Industry comparators









UCM -Ben Kakoschke – 5<sup>th</sup> October, 2015 ADH –John Hester – 15<sup>th</sup> October, 2015 \* estimate

27

### ASX:UCM

### Investment - Right sector, right Company, right time....



### Unsustainable disconnect between performance and price!



9

### New Research

### Investment - Right sector, right Company, right time....

#### USCOM LIMITED

Research Note

GLOBAL LAUNCH OF EXPANDED PRODUCT PORTFOLIO

Investment Highlights

5 October 2015



**12** month Projections and price and cap value targets



### Uscom

Value investment 🗸 Experienced management  $\checkmark$ Strong underlying business  $\checkmark$ Strong growth phase  $\checkmark$ Invested in future growth  $\checkmark$ Premium global markets 🗸 Diversified and lifesaving technologies Aggressive global growth strategy  $\checkmark$ Two new product ranges for market in the next  $12mths\sqrt{}$ Right time – as Q1 2016 results indicate 🗸





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### Thanks

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### **USCOM 1A Competitive Advantage**

| Method                 | Manufacturer | Technology        | Rel+Rep  | Non-<br>invasive | Simple   | Cost | Portable | SV beat<br>to beat |
|------------------------|--------------|-------------------|----------|------------------|--|------|----------|--------------------|
| USCOM 1A               | Uscom        | Doppler           | 1        | 1                | 1  | 1    | 1        | 1                  |
| BioZ                   | Samsung      | BioImpedance      | ×        | 1                | <ul> <li>Image: A second s</li></ul> | ×    | 1        | ×                  |
| NiCOM                  | Cheetah      | BioReactance      | ×        | 1                | 1  | ×    | 1        | ×                  |
| Nexfin                 | Bmeye        | APP               | ×        | ~                | <b>~</b>   | ~    | 1        | ×                  |
| CardioQ                | Deltex       | Doppler           | ~        | ×                | ~  | *    | 1        | ×                  |
| LiDCO                  | LiDCO        | LiCl dilutio +APP | <b>~</b> | ×                | ×  | ×    | ×        | ×                  |
| LiDCOrapid             | LiDCO        | APP               | ×        | ×                | <ul> <li>Image: A second s</li></ul> | ×    | ×        | ×                  |
| PiCCO<br>(mod Tx + PP) | Pulsion      | APP               | ~        | ×                | ×  | ×    | ×        | ×                  |
| FloTrac                | Edwards      | APP               | ×        | ×                | ×  | ×    | ×        | ×                  |
| PAC (Tx)               | Many         | Thermodilution    | ×        | ×                | ×  | ×    | ×        | ×                  |



## **Testimonials**

"This machine is saving lives, there are no two ways about it."

Professor Brendan Smith, Anesthetist, Intensivist and Emergency Physician, N.S.W. Dept of Health, Australia

*"USCOM has changed the way I look at the cardiovascular status of my patients.* It's part of the initial shock evaluation and monitored regularly thereafter.... USCOM has now been established as the standard of care."

Dr Akash Deep, Director of Paediatric ICU, King's College Hospital, London

"The USCOM device is a simple method of accurately and noninvasively measuring central circulation, a goal of cardiology for many years. The device has the potential to change the way we approach management of sepsis, heart failure and hypertension."

Professor Malcolm West, Cardiologist, Mayne Professor of Medicine at The University of Queensland School of Medicine, Brisbane, Australia and Uscom Medical Advisory Board Member.

"I have used USCOM for over 5 years now on our very sick children, and use it to guide management. We are now beginning multi-centre, global research which will define the way USCOM is used in Paediatric Departments across the world."

Dr Joe Brierley, Consultant Intensivist, Great Ormond Street Hospital for Sick Children, London, UK.

### "The USCOM device is really good; I use it in all my aneasthetics. I think there should be one on every ICU bed and on every anaesthetic patient."

Dr Steve Woodford, Consultant Anaesthetist, circulatory researcher at Australian School of Advanced Medicine, and Uscom Investor,

"To parents and doctors this machine, USCOM, is priceless. This machine is thought to have saved baby Abbie's life.

BBC Documentary "New machine helps save babies life", 2010, Nottingham Children's Hospital



## **BP+ Competitive Advantage**



| Uscom BP+                     | TensioMed              | BPLab               | IEM                 | Centron           | AtCor             |
|-------------------------------|------------------------|---------------------|---------------------|-------------------|-------------------|
| Australia                     | Hungary                | Russia              | Germany             | UK                | Australia         |
| USD 3,500                     | USD 6,000              | USD 7,000           | USD 7,000           | USD 6,300         | USD 20,000        |
| 1 min                         | 2 min                  | 2 min               | 2 min               | 1 min             | 1 min             |
| Stand-alone                   | ABP, needs computer    | ABP, needs computer | ABP, needs computer | Stand-alone       | Needs computer    |
| CE, FDA, TGA                  | CE                     | CE                  | CE, FDA             | CE                | CE, FDA           |
| Aortic + brachial<br>waveform | Central systolic BP    | Rough waveform      | Rough waveform      | Rough waveform    | Rough waveform    |
| Physical model                | Statistical regression | Transfer function   | Transfer function   | Transfer function | Transfer function |

Uscom



### Independent research from Cambridge University, Weill Cornell, University of California, Wales Heart Institute – BP+ = Four stars

| Method of waveform<br>recording | Device                              | Company             | Method of calibration   | Method of estimation         | Clinical<br>applicability |
|---------------------------------|-------------------------------------|---------------------|-------------------------|------------------------------|---------------------------|
| Radial tonometry                | BPro <sup>86,87</sup>               | HealthSTATS         | Brachial-radial cuff BP | GTF (radial-aortic)          | ++                        |
|                                 | SphygmoCor <sup>12,88</sup>         | AtCor Medical       | Brachial-radial cuff BP | (i) GTF (radial-aortic)      | +                         |
|                                 |                                     |                     |                         | (ii) Late systolic shoulder  | +                         |
|                                 | HEM9000AI <sup>39,77</sup>          | Omron               | Brachial cuff BP        | (i) Algorithm                | ++                        |
|                                 |                                     |                     |                         | (ii) Late systolic shoulder  | ++                        |
| Brachial cuff PVP               | *ARCsolver <sup>89,90</sup>         |                     | Brachial cuff BP        | GTF (brachial-aortic)        | +++                       |
|                                 | Centron cBP301 <sup>35,91</sup>     | Centron Diagnostics | Brachial cuff BP        | GTF (brachial-aortic)        | ++++                      |
|                                 | Vicorder <sup>92</sup>              | Skidmore Medical    | Brachial cuff BP        | GTF (brachial-aortic)        | +++                       |
|                                 | XCEL                                | AtCor Medical       | Brachial cuff BP        | GTF (brachial-aortic)        | +++                       |
|                                 | Method of Sung et al. <sup>42</sup> |                     | Brachial cuff BP        | Algorithm                    | ++                        |
| Suprasystolic                   | Arteriograph <sup>37,93</sup>       | TensioMed           | Brachial cuff BP        | Late systolic wave amplitude | +++                       |
| brachial cuff PVP               | Cardioscope II <sup>36,94</sup>     | Pulsecor            | Brachial cuff BP        | Algorithm                    | ++++                      |

#### Table I Indirect, non-invasive methods for estimating central pressure

PVP, pulse volume plethysmography; GTF, generalized transfer function.

\*Incorporated in Mobil-O-Graph PWA device (IEM GmbH).

<sup>†</sup>Personal view based on experience, operator-dependency, need for computer/software interface, with + indicating limited applicability to routine clinical practice and + + + + indicating high applicability.

#### **BP+** is on the international space station





## **Thor Competitive Advantage**













| Uscom Thor  | Welch Allyn            | Schiller               | Sibelmed               | Vitalograph            | MIR   | Carefusion             | NDD                            |
|---|------------------------|------------------------|------------------------|------------------------|---|------------------------|--------------------------------|
| Australia   | USA                    | Switzerland            | Spain                  | USA                    | Italy   | USA                    | Switzerland                    |
| SpiroSonic  | SpiroPerfect           | Spirovit SP-1          | Dataspir Touch         | Pneumotrac             | Spirodoc  | Microloop              | EasyOne PLus                   |
| USD 1,990   | USD 2,100              | USD 1,850              | USD 2,300              | USD 2,030              | USD 1,580   | USD 2,180              | USD 1,990                      |
| Multi-Path<br>Ultrasound  | Diff Pressure          | Diff Pressure          | Turbine                | Diff Pressure          | Turbine   | Turbine                | Single Path<br>Ultrasound      |
| Accurate<br>Auto calibration<br>SpiroReporter<br>Fully digital<br>FreeFlo sensor<br>Hygeinic<br>SpO2<br>Bluetooth<br>Rechargeable | Multiple<br>iterations | Multiple<br>iterations | Multiple<br>iterations | Multiple<br>iterations | Multiple<br>iterations<br>Conssumable<br>turbines | Multiple<br>iterations | Accurate<br>Consumable<br>tube |



## **CPT Codes and Re-Imbursement**

| Product    | Measure        | Region    | Code      | Price (AUD)                 | Status       |
|------------|----------------|-----------|-----------|-----------------------------|--------------|
| Uscom BP+  | Central BP     | USA       | 93050     | \$25.60                     | <b>S</b> *   |
| USCOM 1A   | Cardiac Output | USA       | 76999     | \$107.00                    | <b>S</b> **  |
|            | Cardiac Output | China     | 310701023 | \$44.00                     | $\checkmark$ |
|            | Cardiac Output | China     | 220600010 | \$13.50<br>+ \$2.50 measure | √            |
|            | Cardiac Output | Australia | TBD       | TBD                         | <b>S</b> **  |
| Uscom Thor | Spirometry     | USA       | 94010     | \$51.43                     | $\checkmark$ |
|            | Spirometry     | USA       | 94060     | \$87.14                     | $\checkmark$ |
|            | Spirometry     | USA       | 94070     | \$87.00                     | $\checkmark$ |
|            | Spirometry     | USA       | 94375     | \$57.14                     | $\checkmark$ |
|            | Spirometry     | Australia | 11506     | \$20.55                     | $\checkmark$ |
|            | Spirometry     | Australia | 11509     | \$35.65                     | $\checkmark$ |
|            | Spirometry     | Australia | 11512     | \$61.75                     | $\checkmark$ |

**S**\*Subject to Software modification and FDA notification

**S**\*Under submission – in review

TBD – To be determined

14

