



**Uscom**

ASX Media Release

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## Uscom agreement with CIIC Shanghai

- Five year agreement targets US\$48.2m revenue
- Agreement to accelerate path to market for BP+ & SpiroSonic devices

**Sydney, Australia: 16th June 2016:** Uscom (ASX code: UCM) (the **Company** or **Uscom**), a revenue stage, cardiovascular and pulmonary health technology company, has executed an agreement with China International Intellectech Corporation (CIIC) which is targeted to generate USD\$48.2m (≈A\$65m) in sales from China over the next five years.

Shanghai CIIC Science and Technology Development Company specialises in importing high quality medical devices into China and will assist with the China CFDA registration and distribution of the new Uscom BP+ and SpiroSonic devices.

The importation and wholesale agreement with (CIIC) Science and Technology Development Company of Shanghai is designed to accelerate the path to the Chinese market for the Uscom BP+ and SpiroSonic series of devices and will include the establishment of an Uscom office in Shanghai. The contracted sales targets are for US\$48.2m over 5 years, following CFDA approval, with first revenues expected in Q1 FY17. Total Uscom revenue for 2015 was A\$2.0m, however unaudited figures for the current year published in the March 4C demonstrate a cumulative receipt from customers for the first 9 months of 2016 of A\$1.87m.

CIIC is a state-owned enterprise managed by the Chinese Central Government generating annual revenue estimated to be 7.5b USD (≈A\$10.5b). The company is headquartered in Beijing, with 126 subsidiaries and branches focusing on international cooperation in the fields of economy, technology and talent in China and 76 countries. Shanghai CIIC is the most profitable of the CIIC subsidiaries contributing approximately 65% of total revenues and ranked as number 30 on the 2015 top 100 Shanghai enterprise list with profit growth of more than 20% pa for the last 10 years. The Shanghai based CIIC Science and Technology Development division of the company, specializing in medical device distribution, has previously partnered with Medtronic, Philips, Zoll and Covidean for distribution of medical devices into China, and last year generated revenues in excess of A\$340m USD.

Uscom develops and manufactures high accuracy disruptive cardiovascular and pulmonary devices, and addressing diseases which are responsible for approximately 75% of the 55.3m Chinese deaths per year. Uscom's noninvasive devices all generate digital outputs that can be adapted to eHealth and home care applications, a sector that is rapidly gaining focus in China.

The NSW Health Minister, The Honorable Jillian Skinner said: *"High quality, globally recognized Australian innovations, with export partnerships into high value international markets are a platform for success and the economic transformation of Australia. China is a market of the future for Australian business, and remains largely untapped. This partnership in health and technology confirms the feasibility and value of investing in China, something our Government actively advocates."*

Mr Wenan Zhu, General Manager for Shanghai CIIC Science and Technology Development said: *"CIIC Science and Technology Development are the leaders in medical device distribution in China and are rapidly growing, while cardiovascular disease, asthma and COPD are becoming increasingly common health care challenges. Our focus is on distributing practice leading technologies to improve medical care of these diseases in China and the Uscom products fit our needs and growth strategy well. Uscom is an established brand with a*



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*reputation for scientific leadership and with this agreement we are planning to improve medical care and make Uscom a brand leader in China.”*

Uscom CEO Associate Professor Rob Phillips said: *“This agreement is transformational for Uscom and is a platform from which we can deliver profitability and reliable revenue growth to investors for the coming decade. China is a massive and rapidly growing market, but complex for foreigners. A relationship with a Chinese Government owned distributor with scale and credibility will ensure we achieve the market penetration and revenues our products deserve. We will now proceed to register and market the new Uscom BP+ central blood pressure monitor and the SpiroSonic series of pulmonary testing devices with CIIC. We will continue to support and grow our current successful USCOM 1A distribution channels, as we expand our China operations. We believe the CIIC agreement is the key to long term business development and revenue growth, and our joint business plans are based on access to the rapidly growing, and increasingly health care conscious Chinese market. We currently derive approximately \$1m revenue from China and believe we can rapidly increase this ten-fold with our new China strategy and two new product lines.”*

With the population of China now more than 1.35b, coupled with its Government planning to increase its health spend by approximately 33% in the next five years (from approximately 6% to 8% of GDP), businesses addressing healthcare needs are presented with an outstanding opportunity in the region. The projected growth will increase healthcare spending from an estimated \$720b to \$1.23t USD over the next 5 years.

Uscom manufactures and markets the USCOM 1A, the Uscom BP+, and Uscom SpiroSonic digital ultrasonic spirometry technologies. These premium digital devices are changing the way we diagnose and treat cardiovascular and pulmonary diseases, including hypertension, heart failure, asthma, COPD and sleep disorders. The products are integral for optimising management of sepsis, guidance of fluid, inotropes and vasoactive therapies in critical care monitoring, and in clinical and home care delivered asthma and COPD medications.



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### About Uscom

Uscom Limited (UCM) is an ASX listed innovative medical technology company specialising in development and marketing of premium non-invasive cardiovascular and pulmonary medical devices. Uscom has three practice leading suites of devices in the field of cardiac, vascular and pulmonary monitoring; the USCOM 1A, Uscom BP+ and the Uscom SpiroSonic spirometers. All Uscom devices are premium resolution, and deploy innovative and practice leading technologies with FDA, CE, CFDA and TGA regulatory approval, and which are currently being marketed into global distribution networks.

The USCOM 1A is 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, inotrope and vasoactive cardiovascular therapy.

The Uscom BP+ is a supra-systolic oscillometric Central Blood Pressure monitor which measures blood pressure and blood pressure waveforms only previously available using 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, heart failure, intensive care, general practice and home care.

Uscom SpiroSonic digital ultrasonic spirometers are high fidelity, digital, pulmonary function testing devices based on multi path ultrasound technology. They are simple and accurate to use and provide research quality pulmonary function testing in small hand held devices that can be used in research, clinical and home care environments. The devices are specialised for assessment of COPD, sleep disordered breathing, asthma, industrial diseases and monitoring of pulmonary therapeutic compliance.

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

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