

Uscom (UCM) – Global Medical Devices

Global growth June 2016

Rob Phillips

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The Measure of Life

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Uscom

"Uscom has acquired global assets to ensure reliable revenue growth for investors for the coming decade."



Summary

- Non-invasive cardiovascular pulmonary device manufacturer
- World leading technologies
- Global partners, nearing profitability (±\$3m revenue)
- Rapid growth (+40% for 4 years), before transformational revenue and partnerships
- Uscom BP+ and SpiroSonic for market and revenue FY 2017
- Transformational partnership with China CIIC \$65m over 5 years
- Growth foundations set for the coming decade
- Annual results imminent
- Unrecognised investor value



Business Background

- 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
- Aggressive global growth strategy
- IP protected and FDA, CE and CFDA regulatory approvals
- Uscom BP+ and SpiroSonic for market FY 2017
- Transformational partnerships evolving

Corporate

- ASX listed (UCM)
- Headquartered in Sydney
- Market cap of \$28m
- 108m shares on issue
- Rob Phillips, Founder and CEO, holds 18% of company

Board & Management

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

Financials

- Sales +59% 2015
- Revenue +48% 2015 (\$2+m)
- Cash consumption \$1m
- Gross Margins ~ 78%
- Cash ~ \$2.7m



Strategic growth



Three world leading technologies merged under one operating entity Debt free acquisitions – scrip, raising and operations Rapidly strengthening balance sheet Acquisitive, strategic and diversified entity Scientific, operational and strategic synergy New product suites developed and funded from operations UK entity founded, Hungarian manufacturing integrated Preparing to market and volume manufacture BP+ and SpiroSonic New revenue streams - BP+ and SpiroSonic in 2017



Uscom Recognition

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 formon INNOVATION





Products and Market

Multiple high fidelity noninvasive digital medical devices



- 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



• CE, TGA, FDA

USCOM 1A Cardiac Output Monitoring



* Source: MedTech Insight; Transparency Market Research

BP+ Blood Pressure Monitoring

SpiroSonic Pulmonary Monitoring



Uscom – Devices the experts use





Products - USCOM 1A

Heart failure, hypertension, sepsis, fluid Non invasive, accurate, compact, platform technology



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



Uscom – Devices the experts use

Products - Uscom BP+



Hypertension, heart failure and vascular disease Central Blood Pressure and Pulse Wave Analysis The new standard for hypertension



Replaces sub-systolic methods (cuff)

No training required

Home or clinic

PPW Analysis

Results in

30 seconds

Platform technology with multiple uses

Stand alone, non invasive, accurate, compact system with BP+Reporter



Products - Uscom SpiroSonic

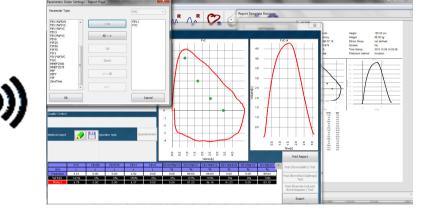
Asthma, COPD, Occupational Lung Disease and drug compliance monitoring

- High fidelity 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 with SpiroReporter



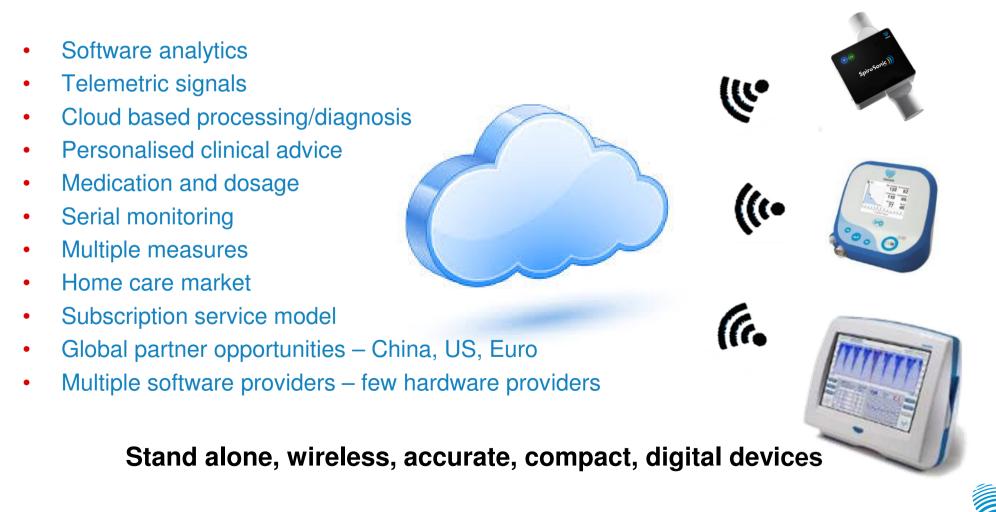
Uscom – Devices the experts use





Big Data

Big data needs high quality sensors Uscom specialises in high quality non-invasive sensors



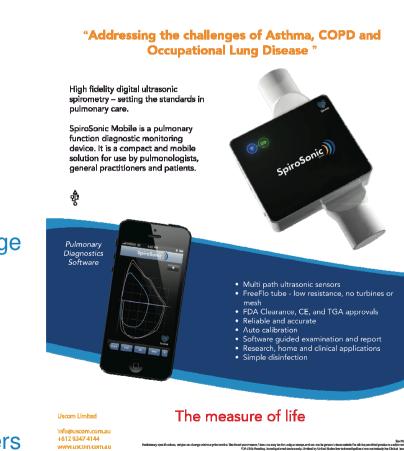
Uscom – Devices the experts use

Uscom

New - tSpiro

Uscom selling technologies others are researching High fidelity telemetric spirometer The future for asthma and COPD

- CE, FDA and TGA. CFDA in train
- US revenue (more than 400)
- Software analytics
- Telemetric signals to cloud via iphone
- Cloud based processing/diagnosis
- Connecting patients to clinicians
- Personalised clinical advice medication and dosage
- Serial monitoring
- Multiple measures
- Home care market
- Capital and subscription revenue
- Global partners China, US, Euro
- Multiple software providers few hardware providers



Uscom

SpiroSonic)

MOBILE

Resapp (RAP) – Cap \$240m, Adherium (ADR) – Cap \$77m, Uscom (UCM) – Cap \$28m

New SpiroSonic Series

Improved diagnosis, management and monitoring of pulmonary diseases tSpirometers - high fidelity telemetric pulmonary monitoring



For launch FY 2017



Regulatory

Uscom is preparing a new generation of products for regulatory approval across multiple jurisdictions for marketing in 2017

	USCOM 1A	BP+	Uscom BP+	Thor	SpiroSonic
CE (Europe)			Preparation		Preparation
FDA (USA)	 Image: A second s		Preparation		Preparation
CFDA (China)	 Image: A second s	-	Preparation	-	Preparation
TGA (Aus)			Preparation		Preparation









Uscom – Devices the experts use

128 92 119 85

BioTechnology Leader





	Uscom	BP+	Thor
Granted	12	21	3
Pending	4	1	1

Patents - Real IP, real value, product pipeline



Uscom – Devices the experts use

De-Risked Technology

Featured in 500+ peer reviewed publications and presentations







Multi-Products

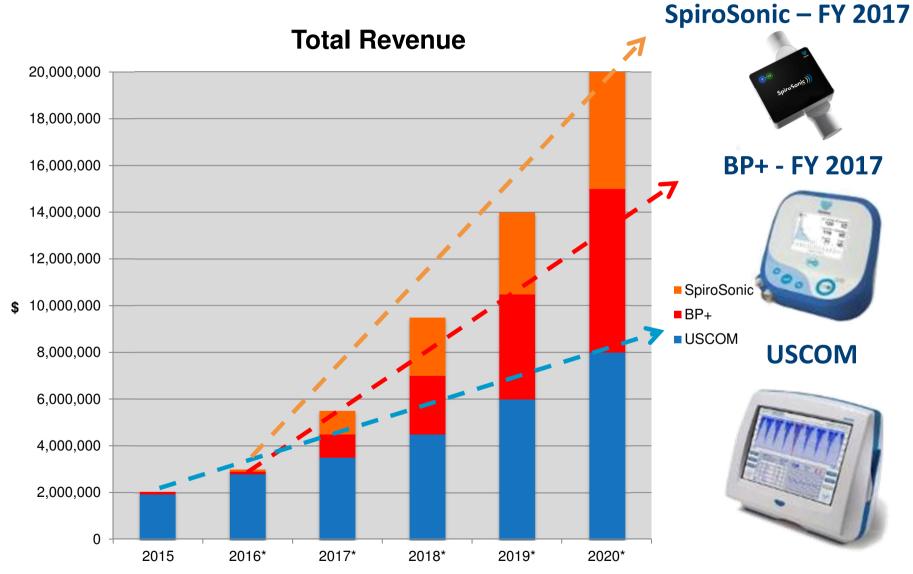
Three world leading product ranges entering profit phase

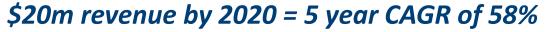
	-				-			
	Concept	Product	Pilot	Validation	Regulatory	Revenue	Global Distribution	Profit FY17
USCOM 1A	\checkmark	±√						
Uscom BP+	\checkmark	±√						
SpiroSonic	\checkmark	\checkmark						
	1				l			X
Investment					to		Pro	ofit >

IP transformed into profit



Revenue Targets







The Future

Value Cascade

Products	Sales	Operations	Opportunities
USCOM 1A Uscom BP+ BP+Reporter SpiroSonic Smart Mobile Tube Tele SpiroReporter	New appointments Current distribution Thor distribution New distribution Major partners Re-imbursement US market focus	Global operations Increased products Increased scale Cost effective manufacture Revenue growth Profitability	Share price growth Dividend Transaction

Converting off balance sheet assets to revenue.



Global Operations

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

Key Markets 1/5. AsiaPAC

2/3. Europe4. Nth America

Focus FY 2017

Asia – Establish CIIC US – BP+ and SpiroSonic release Global tSpiro partnerships



China Growth



David He joins UCM Board Formerly J&J China, McKinsey Shanghai

China Health Spend (USD) GDP=12,000,000,000 Health=5.4%=648,000,000,000 Objective=12%=1,400,000,000,000 **Growth(+6.6%)=\$792,000,000,000**

Uscom China Targets (USD) Population = 1.35b 3 provinces < 10% pop = \$10m 31 Provinces = 100% 10 x current UCM revenue = \$10m 2 new products = \$20m Total revenue China = \$30m USD

Uscom positioning to grow with China - \$30m pa revenue target



News - Uscom CIIC China







It was a pleasure to join Prof Rob Phillips, Chief Executive Officer of ASX listed company Uscom and Wenan Zhu, General Manager of Shanghai CIIC Science and Technology Development following their signing an agreement expected to generate \$30 million in sales over the next five veas

Prof Phillips was a member of the strong team of health leaders who accompanied me on a trade visit to China in April.

The partnership will help market the Australian designed cardiovascular and pulmonary health devices in China.

This is another terrific example of the benefits to be gained for our high quality, globally recognised inventors developing export partnership into the huge Chinese market to the advantage of patients everywhere.

Pictured here with Prof Phillips and Wenan Zhu



Five year importation and wholesale agreement with Shanghai CIIC Science and Technology Development Corp targeted to generate USD\$48.2m (≈A\$65m) in sales.











CIIC S&T – State owned company CIIC revenue – \$10b USD, Med Device Division \$250m USD



Uscom – Medical devices the experts use

CIIC China





"We plan to make Uscom one of the leading medical device brands in China over the next five years."

Daniel Sun, Head of BD and Marketing, Shanghai CIIC Science and Technology, Medical Device division

Shareholder value, if targets achieved - \$1.40 per share.

(\$13m sales, \$6m costs, profit \$7m, PE x 20, 108m shares)



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Increasing recognition





Alan KohlerPeter SwitzerFox TV

CNBC Asia

With improved operational performance has come increased media and international investor interest



Increasing recognition

BUSINESS

Uscom on the cusp of greatness

EXCLUSIVE

SARAH-JANE TASKER HEALTHCARE

Australian medical device company Uscom has pushed through a domestic start-up environment that is littered with more death stories than tales of survival, and is on the verge of what founder Rob Phillips says is a "major transformation".

Mr Phillips, executive chairman of the developer of cardiac, vascular and pulmonary monitoring devices, has plans to turn the \$20 million company — it counts the International Space Station as a customer — into a \$1 billion stock.

"We started in cardiovascular pulmonary because that is what I know. I've spent my whole life developing concepts, ideas and mathematics around physiology. That's my love and life."

He said when he started Uscom people told him it was a great idea but would never work.

Fast forward to today and Mr Phillips says the company, which has made two acquisitions and is rapidly expanding its global reach, is on the cusp of a major transformation.

"Things are changing quickly for us. There was about 15 years of clinical and research work that was followed by 15 years of direct work in the company. These things don't just happen, you in-



Rob Phillips says manufacturing in Australia is harder than anywhere else

THE AUSTRALIAN *

With improved operational performance has come increased media and international investor interest

The Australian, 5-3-16 Sarah-Jane Tasker



Current objectives

- Realise CIIC targets
- Maintain USCOM 1A growth
- Deliver BP+, BP+Reporter, SpiroSonic and SpiroReporter to worldwide markets (products, regulatory and manufacturing)
- Continue partnership discussions
 - Distributors with high reach and reputation
 - Develop specific application distribution eHealth, maternal health, paediatric sepsis, etc.
- Consolidate global entity and operations
- Manage rapid growth



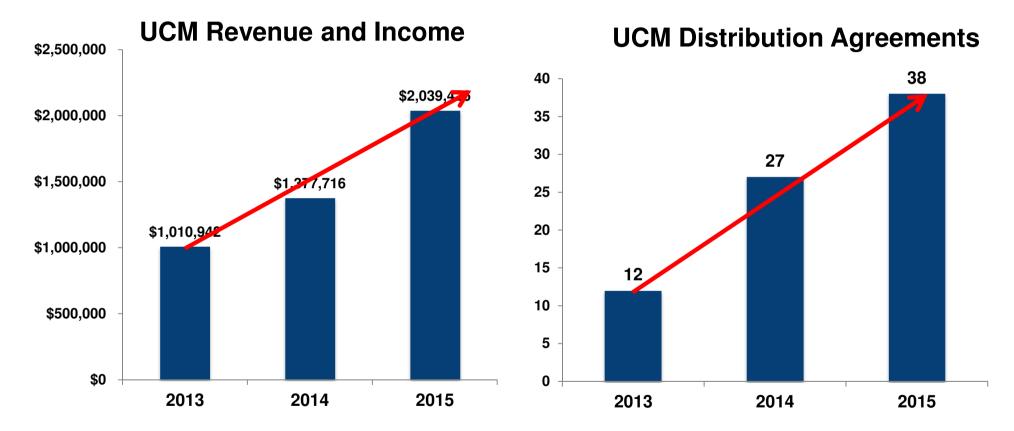
Operational risks

- Global medical markets unpredictable
- Product development/regulatory slower and more costly than expected
- Distribution slow to achieve revenue goals and integrate new products
- Costs for acquisitions, product development and production in advance of revenue
- Competition risks and patent breaches difficult to predict and monitor competitors
- Complexity of operating in multiple jurisdictions China, US, UK, Hungary, Australia
- Preserving current revenue growth as new products developed for market
- International accounting & auditing expensive, complex and time consuming
- New product lines and new marketing time to learn
- Transitioning Budapest to volume manufacture



UCM – Growth trend

A blue sky story with de-risked operations



Current revenue from USCOM 1A BP+ and SpiroSonic revenue in FY 2017



UCM – Growth trend



2016 - Revenue + cash receipts continue to rise ($40 \pm \%$ for 4 years) Share price +77% Transformational CIIC deal and new products yet to be accounted by market

Right company, right time.....

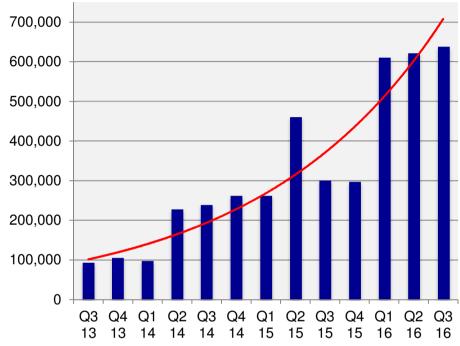


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Profitability?

Revenue rising 40% YOY for last 4 years 400,000 \$ **Margins 60-80%** 300,000 2016 YOY cash receipts rising: 200,000 Q1 up 133%, H1 up 71%, Q3 up 112% Q3 cash outflow \$55k (near breakeven) 100,000 2016 costs include once off costs: Q3 Thor acquisition (\$700k) Integration of Thor - audit, restructure and reporting **Regulatory preparation for BP+ and SpiroSonic** Marketing and distribution Transformational CIIC deal for \$15m pa (6m costs - \$7m pa profit) New global deals in discussion

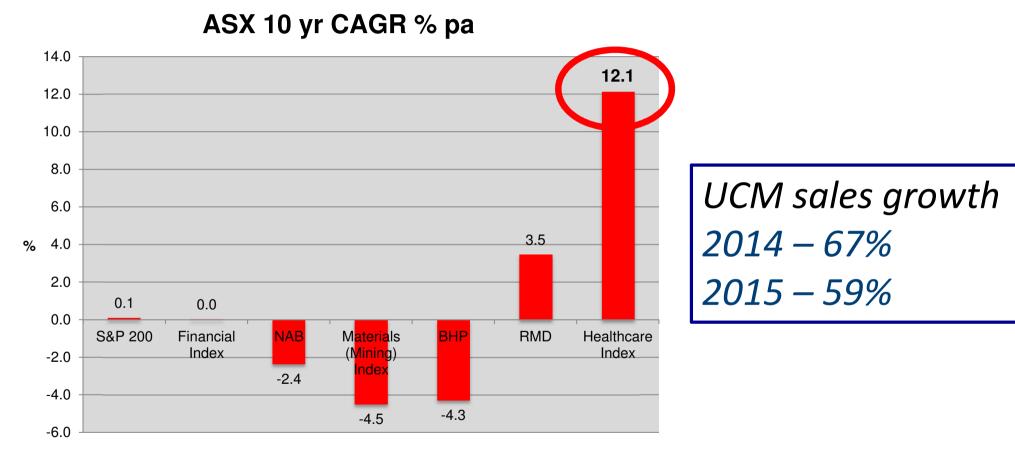
UCM Quarterly Cash Receipts



Right company, right time.....



Right Sector - Long Term Growth



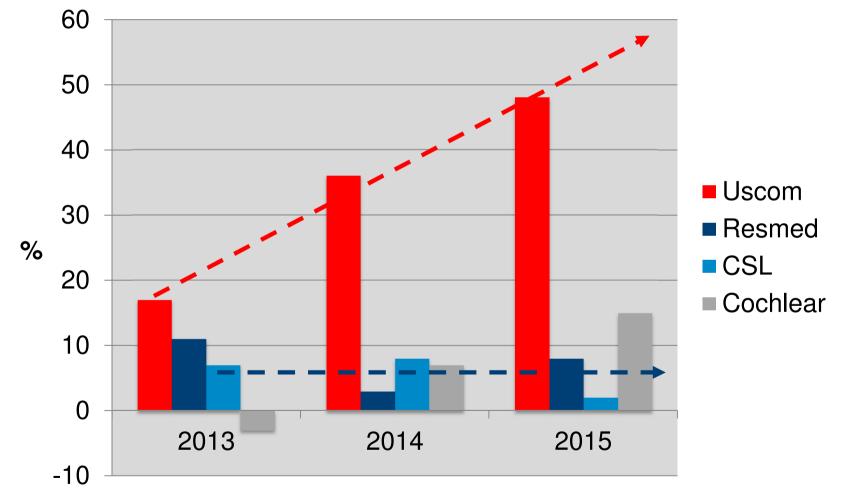
- 1st Feb 2006 1st Feb 2016
- Exclusive of dividends

Healthcare, right sector



Right Time for Growth

Revenue Growth % pa



Right company, right time.....



UCM outperforms market





9

June 2016 **2016 year to date performance....**

Uscom

Value investment 🗸 Experienced management \checkmark Strong underlying business \checkmark Strong growth phase \checkmark Invested in 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 – 2016 results imminent √





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Uscom (UCM) – Global Medical Devices

Global Growth June 2016

Thank You

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

Uscom – Medical devices the experts use

USCOM 1A Competitive Advantage

Method	Manufacturer	Technology	Rel+Rep	Non- invasive	Simple	Cost	Portable	SV beat to beat
USCOM 1A	Uscom	Doppler	1	1	1	1	1	1
BioZ	Samsung	BioImpedance	×	<i>✓</i>	<i>✓</i>	×	<i>✓</i>	×
NiCOM	Cheetah	BioReactance	×	~	~	×	~	×
Nexfin	Bmeye	APP	×	1	1	>	>	×
CardioQ	Deltex	Doppler	\$	×	√	×	\$	×
LiDCO	LiDCO	LiCI dilutio +APP	√	×	×	×	×	×
LiDCOrapid	LiDCO	APP	×	×	 Image: A second s	×	×	×
PiCCO (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 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 – Medical devices the experts use

Uscom



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

Method of waveform recording	Device	Company	Method of calibration	Method of estimation	Clinical applicability [†]
Radial tonometry	BPro ^{86,87}	HealthSTATS	Brachial-radial cuff BP	GTF (radial-aortic)	++
	SphygmoCor ^{12,88}	AtCor Medical	Brachial-radial cuff BP	(i) GTF (radial-aortic)	+
				(ii) Late systolic shoulder	+
	HEM9000AI ^{39,77}	Omron	Brachial cuff BP	(i) Algorithm	++
				(ii) Late systolic shoulder	++
Brachial cuff PVP	*ARCsolver ^{89,90}		Brachial cuff BP	GTF (brachial-aortic)	+++
	Centron cBP301 ^{35,91}	Centron Diagnostics	Brachial cuff BP	GTF (brachial-aortic)	++++
	Vicorder ⁹²	Skidmore Medical	Brachial cuff BP	GTF (brachial-aortic)	+++
	XCEL	AtCor Medical	Brachial cuff BP	GTF (brachial-aortic)	+++
	Method of Sung et al. ⁴²		Brachial cuff BP	Algorithm	++
Suprasystolic	A	TensieMed	Brachial cuff BP	Late protolie wave amplitude	
brachial cuff PVP	Cardioscope II ^{36,94}	Pulsecor	Brachial cuff BP	Algorithm	++++ (P

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

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

[†]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



McEniery CM, Cockcroft JR, Roman MJ, Franklin SS, Wilkinson AB. Central blood pressure: current evidence and clinical importance. Euro Heart J 2014;doi10.1093/ eurojeartj/eht565

SpiroSonic Competitive Advantage











Uscom SpiroSonic	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 1,890	USD 2,100	USD 1,850	USD 2,300	USD 2,030	USD 1,580	USD 2,180	USD 1,990
Dual Path Ultrasound	Diff Pressure	Diff Pressure	Turbine	Diff Pressure	Turbine	Turbine	Single Path Ultrasound
Accurate Auto calibration SpiroReporter Fully digital FreeFlo sensor Hygeinic SpO2 Bluetooth Rechargeable	Multiple iterations	Multiple iterations	Multiple iterations	Multiple iterations	Multiple iterations Conssumable turbines	Multiple iterations	Accurate Consumable tube



CPT Codes and Re-Imbursement

Product	Measure	Region	Code	Price (AUD)	Status
Uscom BP+	Central BP	USA	93050	\$25.60	S *
USCOM 1A	Cardiac Output	USA	76999	\$107.00	S **
	Cardiac Output	China	310701023	\$44.00	\checkmark
	Cardiac Output	China	220600010	\$13.50 + \$2.50 measure	✓
	Cardiac Output	Australia	TBD	TBD	S **
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

TBD – To be determined