



GROWING GLOBAL

Prof. Rob Phillips

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Sydney, Australia



UCM - Investor Update October 2019



INTRODUCTION

“Uscom continues to build an international growth asset, and finished FY 2019 with record revenue, increased sales for all product suites, and expanded operations across four continents. Our improving fundamentals and investment in our global strategic expansion is planned to accelerate growth into 2020 and beyond as our new products achieve worldwide regulatory approval.”



USCOM



- **ASX Listed Cardiovascular and Pulmonary Medical device Company**
- **Established growth trends – 6 year sales CAGR 29% pa and 358% in total**
- **International expansion across 4 continents**
- **Rapidly expanding Chinese operations**
- **Approaching profitability with 7 imminent approvals for new products in major markets**
- **New products and new IP**
- **Management focused on optimal growth in difficult global conditions**
- **Invested management**



THE USCOM MISSION



Who We Are

Uscom are the experts in circulation delivering innovative, practice changing non-invasive cardiovascular and pulmonary monitoring devices to market.



Our Vision

To improve clinical care in cardiovascular and pulmonary medicine and address the challenges of global disease.



Our Drive

A commercial ambition to become a leader in the global healthcare business, and establish an enduring growth culture.

Ambitious and growth driven



THE USCOM MARKETS



600M

people suffer from **asthma and COPD**, and are common diseases among children. More than 3 million people die each year from **COPD**, an estimated 6% of all deaths worldwide.

Asthma, COPD



17.7M

people die every year due to **cardiovascular disease**. By 2030, almost 23.6 million people will die from CVDs, being 31% of all deaths. CVDs are projected to remain the single leading causes of death.

Heart Failure, Sepsis



1.13B

people are affected by **hypertension**. Complications of raised blood pressure include stroke, heart failure, peripheral vascular disease, renal impairment and visual impairment.

Hypertension

USCOM assists diagnosis and management of diseases responsible for ~75% of all global deaths



THE USCOM PRODUCTS



Uscom SpiroSonic
Uscom digital ultrasonic spirometers are high fidelity, digital, pulmonary function testing devices based on multi-path ultrasound technology.
ASTHMA, COPD, OLD



USCOM 1A
A non-invasive advanced hemodynamic monitor that measures cardiovascular function using Doppler ultrasound to detect abnormalities and guide treatment.
HEART FAILURE, SEPSIS, FLUID



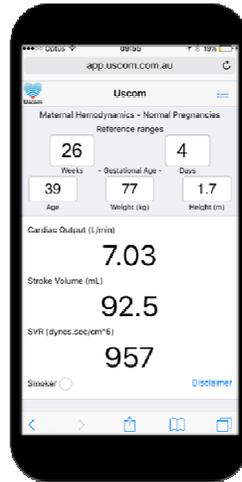
Uscom BP+
Provides central and brachial blood pressure and pulse pressure waveforms for analysis, information only previously available using invasive cardiac catheterization.
HYPERTENSION

Multiple products into multiple jurisdictions

USCOM DEVICES



USCOM 1A



Advanced
Haemodynamics APP



BP+ Reporter



BP+



SpiroO₃



SpiroSonic
SMART



GROWING GLOBAL



Operations

- Sydney
- Beijing
- Budapest

Offices

- Singapore
- Auckland
- London
- LA

Defensive for applications, currencies and economics



USCOM TEAM



Rob Phillips



Nick Schicht



Teresa Guo



Lucy Lu



Lebron Wei



Denise Pater



Rik Denicke



George Ferenczi



Kyana Chan



Scarlett Zhang



Curt Grosse



Daniel Kenig



Richard Scott



Zsafia Kertesz



Hagay Gilad



George Tang



Nancy Wang



Andrea Marosan



Szabolcs Hogye



Szabo Gergo



Catherine Gao



Leo Luo



Helen Zhang

38 employees - 4 continents



USCOM BUSINESS

Increasing global complexity - Multiple products across 4 continents



- Concept
- IP
- Prototype
- Validation
- Clinical trials
- Publications

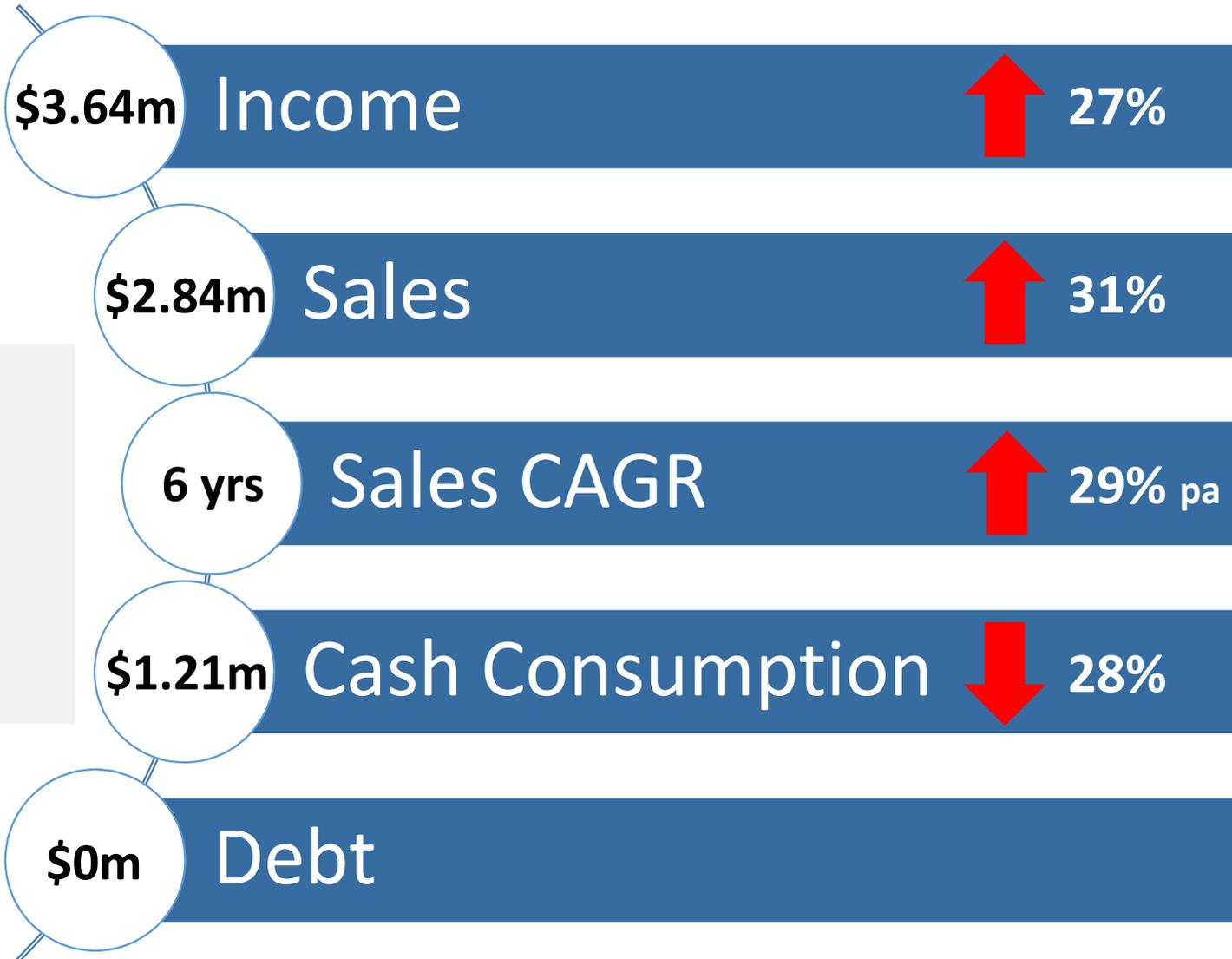
- Regulatory (Man)
- Assembly
- Quality
- Supply chain
- Packaging
- Transport/logistics

- Regulatory (sales)
- Regional operations
- Management/registrations
- Pricing
- Marketing
- Staff
- Distributors/sales
- Clinical/technical support

Uscom is a medical device development and marketing platform for multiple new products



2019: RESULTS



6 Year Growth

Total income up 260%

Sales up 358%

Good results despite global headwinds



Uscom

2019: RESULTS

Total expenses - \$4.34m Total Income - \$3.64m (growing at 27% pa) Deficit - \$0.7m pa



Income up 27%

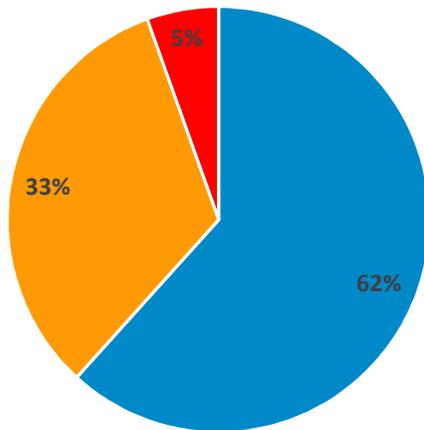
Expenses up 3%

Loss reduced 29%

Improving Fundamentals

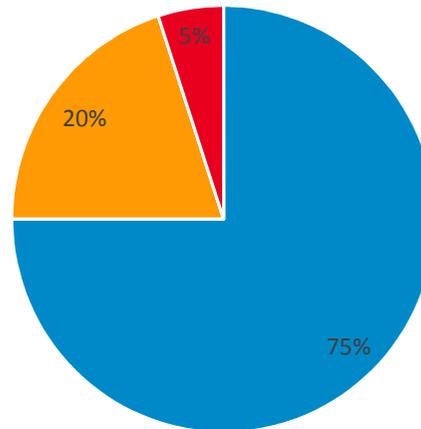
2019: REGIONAL AND PRODUCT SALES

Regional Sales % 2019



■ China/Asia ■ Europe ■ USA etc.

Product Sales % 2019



■ USCOM 1A ■ SpiroSonic ■ BP+

China is the major Uscom market, and USCOM 1A the lead product. This will change as regulatory approvals are received for BP+ and SpiroSonic devices, particularly in China

Regional and product diversification



2019: MILESTONES

- ✓ **Uscom** record sales and growth for all Uscom products
- ✓ **Uscom China** expanded to support USCOM 1A, BP+ and SpiroSonic devices
 - Wholly owned Beijing based subsidiary
 - Regulatory applications for eight new China products approaching final stages
 - Approval of sales license for all NMPA Type II medical devices (Uscom and non-Uscom)
 - Importation process established for all Uscom and non-Uscom devices
 - Expanded team - admin, finance, marketing, sales, technical and clinical
- ✓ **Uscom Kft** (Budapest)
 - Record income
 - Operation renamed, relocated, products rebranded
 - New Uscom European hub established - sales, marketing, technical and clinical support
 - SpiroSonic AIR released
- ✓ **Singapore** office opened
- ✓ **US BP+ and SpiroSonic** trials with major technology and innovation companies
- ✓ **US** sales innovation - dealer-led distribution



NEW PRODUCT

AIR
by SpiroSonic

AIR
by SpiroSonic

BT4 digital ultrasonic
spirometer

MY
AIR
SpiroSonic

Home care solution AIR
spirometer and My AIR
software Connected to
cloud or SpiroReporter



Revolutionising diagnosis and management of asthma and COPD



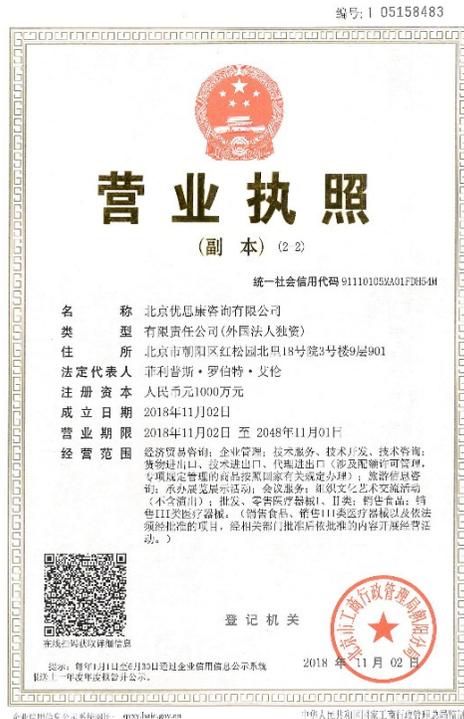
USCOM CHINA



“China remains the fastest growing medical device market worldwide”

1. Business and finance registration
2. Import licences
3. NMPA progress to final stages
4. Expanded dealer networks – increased numbers and margins
5. Type II medical devices sales certification*
6. IP registration
7. Progressing local manufacture strategies, clinical and technical support, etc.

* Sell all type II NMPA Approved Medical devices in China - ultrasound, MRI and X-Ray, respiratory, anaesthetic and emergency medical devices



Uscom China business registration

*CFDA is now National Medical Products Administration (NMPA)

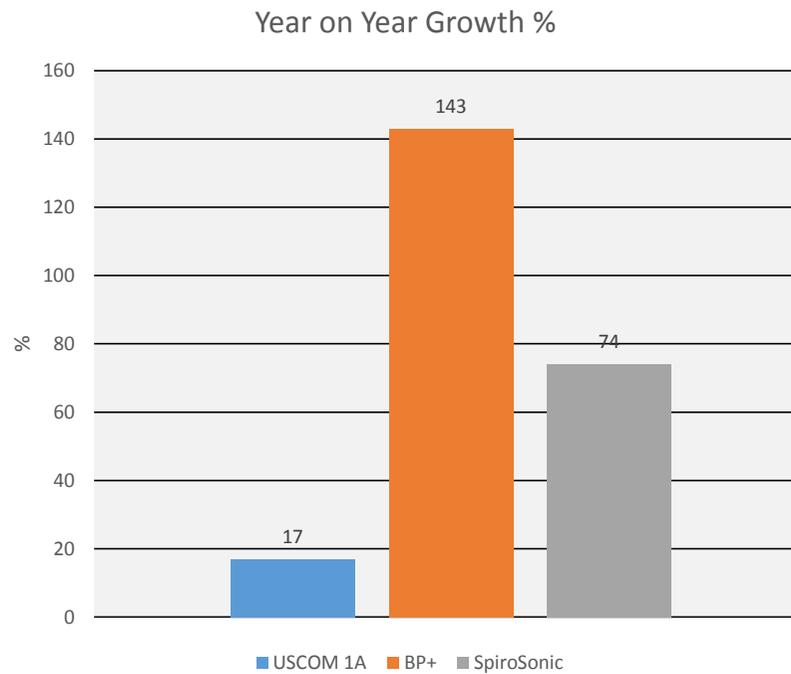


Type II Med Device Sales Registration



RECORD Q4 MANUFACTURE

Uscom BP+



USCOM 1A



Year on year increase USCOM 17%, BP+ 143%, SpiroSonic 74%

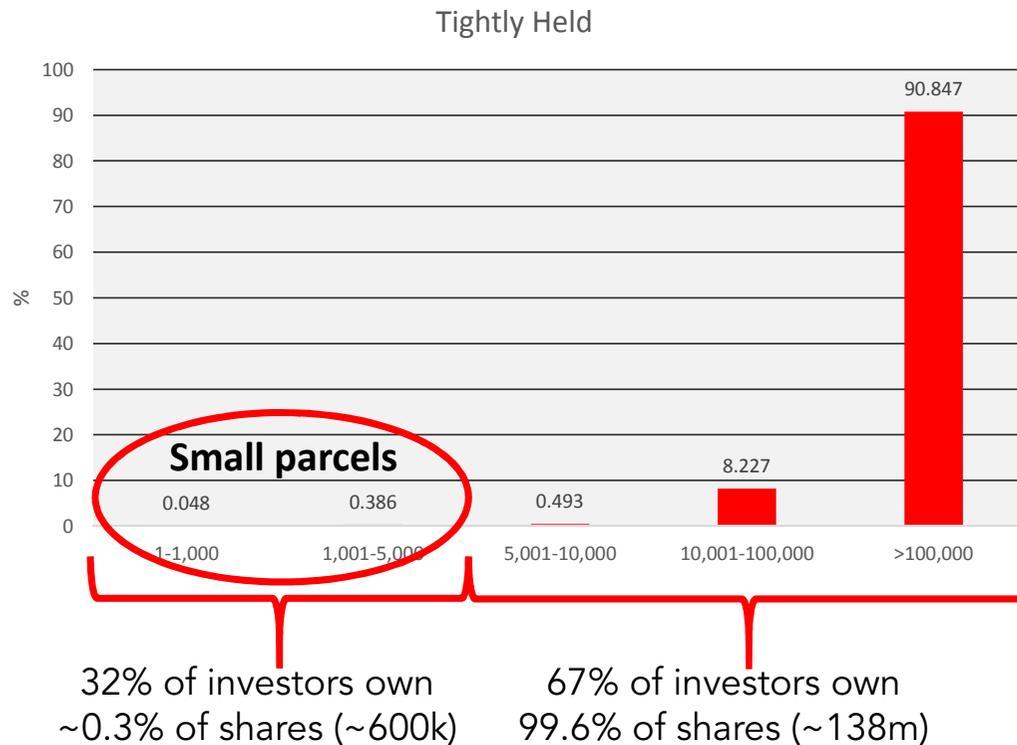
2020: STRATEGY



- ✓ **Rapid operational growth –**
- ✓ Deliver multiple products into multiple global markets
- ✓ Consolidate China market - grow marketing and sales collateral, clinical and technical support, expanded distribution partners - new distribution models/pricing
- ✓ Develop European and US markets – new distribution models/pricing
- ✓ **Efficient global operations –**
- ✓ Co-ordinate manufacturing, distribution and sale of our world leading technologies
- ✓ Transition from a micro-manufacturer, to a cost efficient global manufacturer of scale
- ✓ Focus on cost and profit – labour and operational rationalisation
- ✓ **Corporate –**
- ✓ Rationalise register
- ✓ Creative strategic opportunities to optimised shareholder value

CAPITAL INITIATIVES

\$16M	100%	\$0.15
CAP VALUE	FREE FLOAT	VWAP 2019



Small parcel consolidation – rationalising the register

Structure

~793 shareholders

142M shares on issue

3 shareholders hold ~40%

20 shareholders hold >67%

Initiative

Small parcel consolidation (<\$500)

32% of investors (252) hold less than \$500

Simplify register and decrease costs

21st October 2019



CAPITAL INITIATIVES



- **Private placement** for growth capital – 4 investors take 7% of UCM (\$1.05m)
 - CEO/Chairman - Prof Rob Phillips (~20% of UCM)
 - Director of China operations – Ms Teresa Guo
 - Mr Meng – Beijing based international bio-investor (~20% of UCM)
 - Lead Australian Investor (~5%)
- Use of funds – manufacture new devices for sale in 2020 with approvals
- Best predictor of corporate performance is management investment

Growth capital from management and lead investors for 2020 manufacturing

NOBEL PRIZE



Greg Semenza, Peter Ratcliffe and William Kaelin Jr



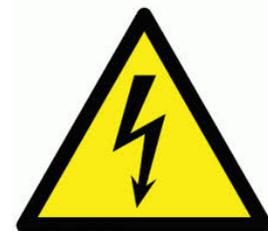
Nobel Prize for Medicine

- Professors Greg Semenza, John Ratcliffe and William Kaelin Jr, received the Nobel Prize for Physiology and Medicine
- How cells sense and adapt to oxygen availability. Every cell is an oxygen sensor feeding back to the brain to regulate the supply of oxygen. This effects the body in health and disease, particularly in cancer.
- The Uscom OxyCOM device was developed specifically for non-invasive measurement of the delivery of oxygen and is leading in this field.
- A recent paper from Kings College in London and the University of Pittsburgh, Pittsburgh, found that Uscom OxyCOM measures of oxygenation predicted paediatric mortality in fluid resistant septic shock. Current studies are determining how to use these measures to direct management to save the lives of sick children.

."Goonasekera CD, Carcillo JA, Deep A. Oxygen delivery and oxygen consumption in pediatric fluid refractory septic shock during the first 42 hours of therapy and their relationship to 28-day outcome. Front Pediatr 2018. doi: 10.3389/fped.2018.00314."
(<https://www.nobelprize.org/prizes/medicine/2019/press-release/>).



2020: RISKS



- ✓ **Unpredictable global markets** – Trade wars, US recession and health contraction, Brexit, China slow down, Mid-East instability, North Korea etc. potentially create revenue and capital volatility
- ✓ **Scale up stress** – Rapid global growth may challenge cash flow management and capital adequacy
- ✓ **Operational changes**– Change in sales, operations and manufacturing regulations impact us as we adjust our distribution channels
- ✓ **Distribution** – Uscom has revised our global sales strategy as we move to take a more direct role in all our territories using a direct dealer access which may delay revenue during adoption
- ✓ **Regulatory** – Regulatory certification is becoming increasingly complex, expensive and time consuming in all jurisdictions
- ✓ **Key personnel** – Uscom is dependent on a small and vital team working to ensure and manage ongoing rapid growth
- ✓ **Other risks** – Competitor risks and patent breaches are also potential threats

SUMMARY



- **Established 6 year sales growth 29% pa CAGR (358%)**
- **Investment - Two corporate acquisitions and global operations**
- **Multiple products – USCOM 1A, BP+ and SpiroSonic (8 devices)**
- **Multiple jurisdictions – China, Europe, US and Australia**
- **Multiple currencies – USD, Eu, AUD, RMB**
- **Record Q4, slower Q1, but rapidly increasing pipeline**
- **Approaching profitability with growth strategy in difficult global conditions**

CONCLUSION



“Uscom has an established growth history, and our rapidly transforming fundamentals provide us with the opportunity to leverage strategic opportunities to prepare Uscom for global growth.

Management is committed to developing strategies to optimise capital and shareholder value, and this involves an open minded review of all aspects of partnership, manufacturing, distribution and capital and corporate structure. These strategies will create exciting opportunities for Uscom and its investors.”

Rob Phillips CEO





Uscom

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USCOM GLOBAL

Tim Cook appointed in August 2011

Net Income 2012-2018

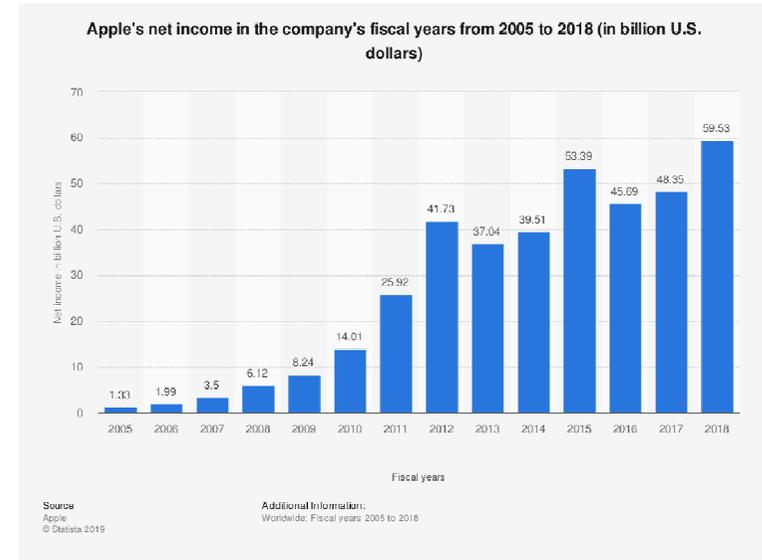
6YR CAGR –6% pa

\$41.73B to \$59.53B

Share Price 2012-2018

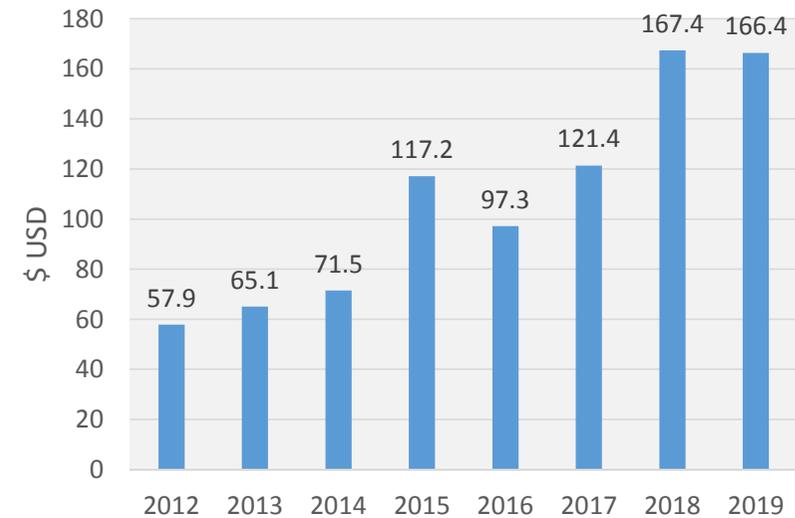
6YR CAGR –29% pa

\$57.9 to \$167.4



Apple Share Price

Nasdaq – AAPL



	Sales - 6yr CAGR	Shareprice – 6yr CAGR
Apple (AAPL)	6% pa	19% pa
Uscom (UCM)	29% pa	3.8% pa

