Uscom Limited

2014 Annual General Meeting

Wednesday 26 November 2014

Suite 1, Level 7, 10 Loftus Street, Sydney

The Measure of Life

Agenda

- Quorum / Open meeting
- Chairman’s Welcome, Introduction of Board Members
- Chairman’s Presentation
- GM Operations Update
- Notice of Meeting – Taken as Read
- Consideration of Reports
- Business – Resolutions 1 - 6
- Close of Meeting

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Introduction

Board of Directors:

Dr Rob Phillips

Ms Sheena Jack

Mr Christian Bernecker

Company Secretary – Ms Catherine Officer

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Executive Chairman's Report

Dr Rob Phillips

PhD(Med), MPhil(Med), FASE, DMU(Cardiol)

Executive Chairman, Chief Executive Officer, Head Clinical Science

2014 Strategy

Distribution. Sales. Revenue.

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Achievements - 2014

- Integrated Pulsecor assets and operations - BP+ doubled company
- Appointed global sales manager
- Manufactured first Uscom BP+
  - Product improvements
  - Regulatory transfers and approvals
  - Manufacturing specs
- Distribution – 15 new distributors (+125%) - $12m+ revenue from 3
  - $7m 5 year China ($1.3m pa after CFDA)
  - $2.35m 3 year Deltex ($780k pa)
  - $2.7m 3 year SMT ($900k pa)
  - New distribution – more in discussion
- Science – 36 new publications
- Revenue
  - Q2, Q3, Q4 – Year on year growth 150-200%
  - Approaching profitability

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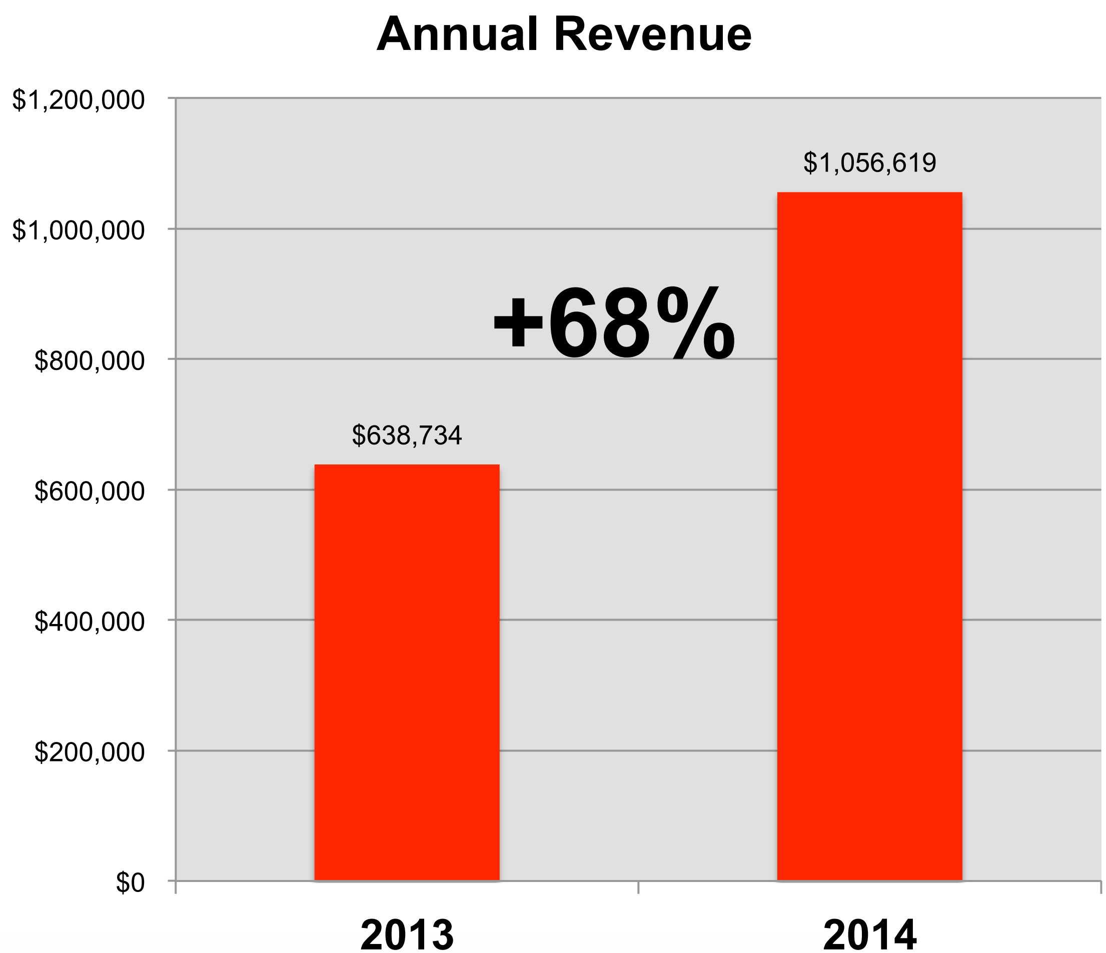
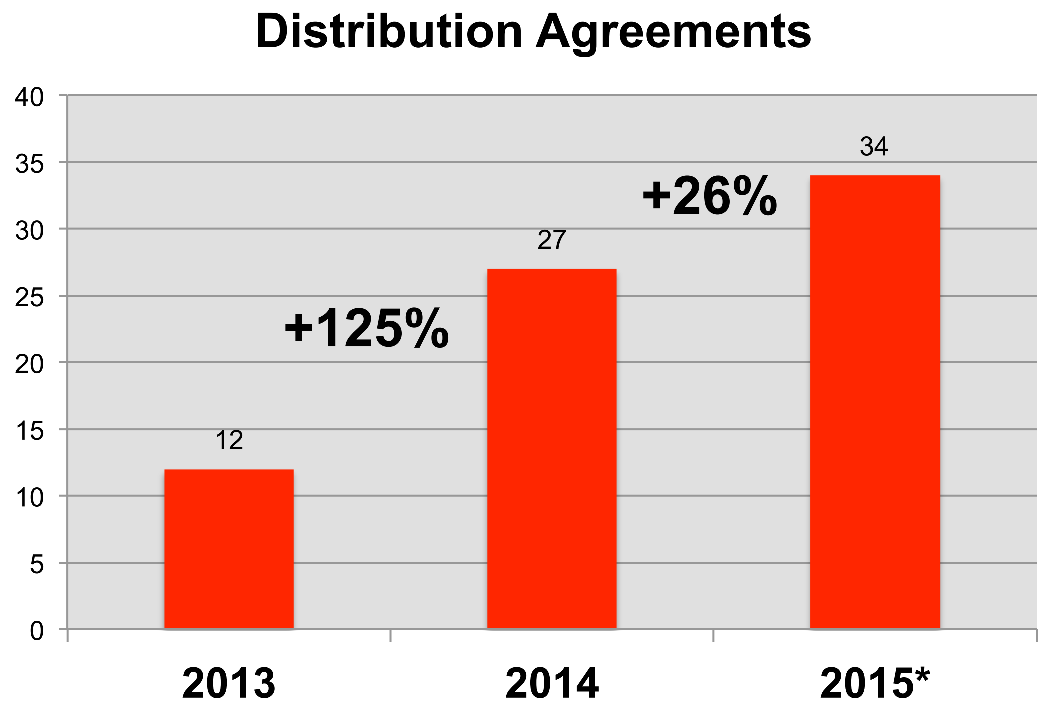
UCM – Revenue Growth



"Tipping point"

UCM – Distribution Growth



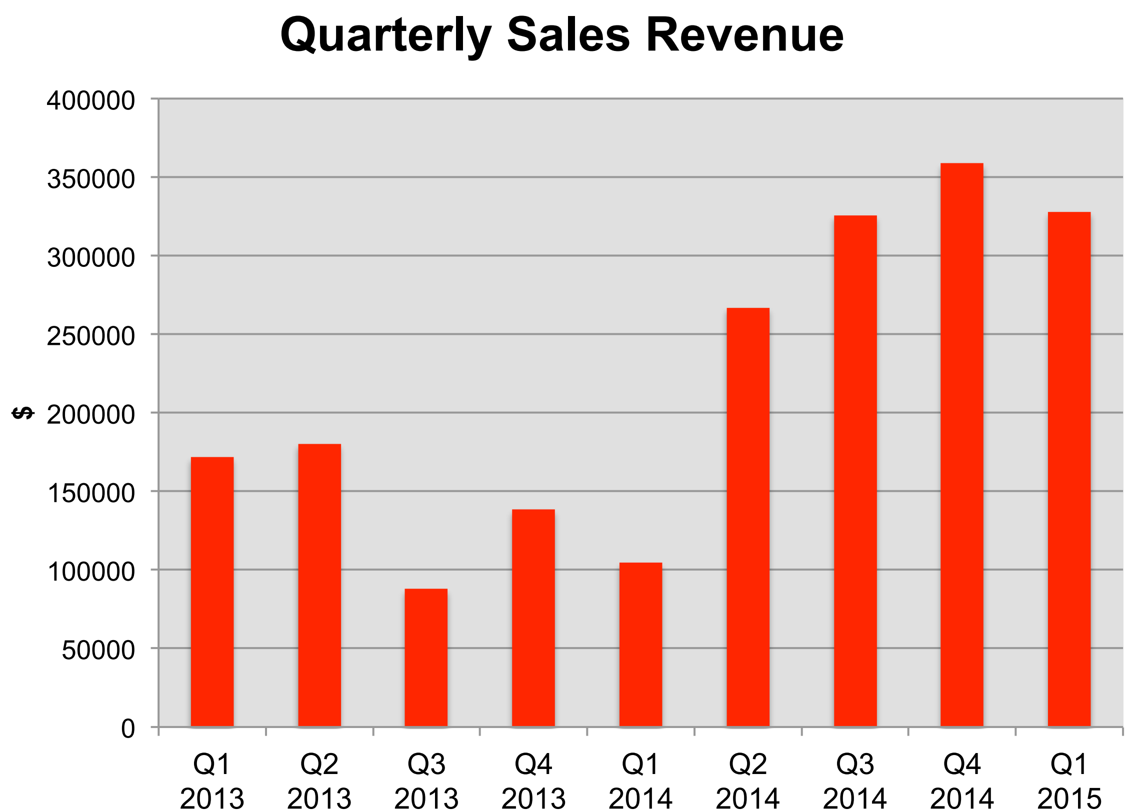
* FY to date

Growing distribution

Growing revenue

2 year lag time

UCM – Sales Growth

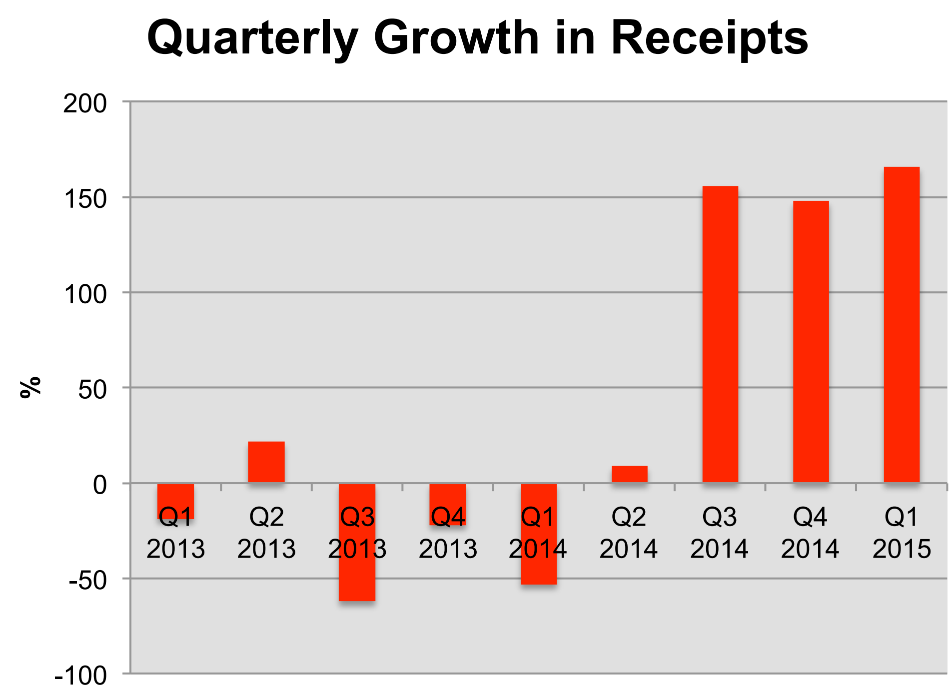


"Tipping point"

Impact of new distribution strategy

Corresponding Q on Q comparison – av $120k to $300k

UCM – Growth Rate

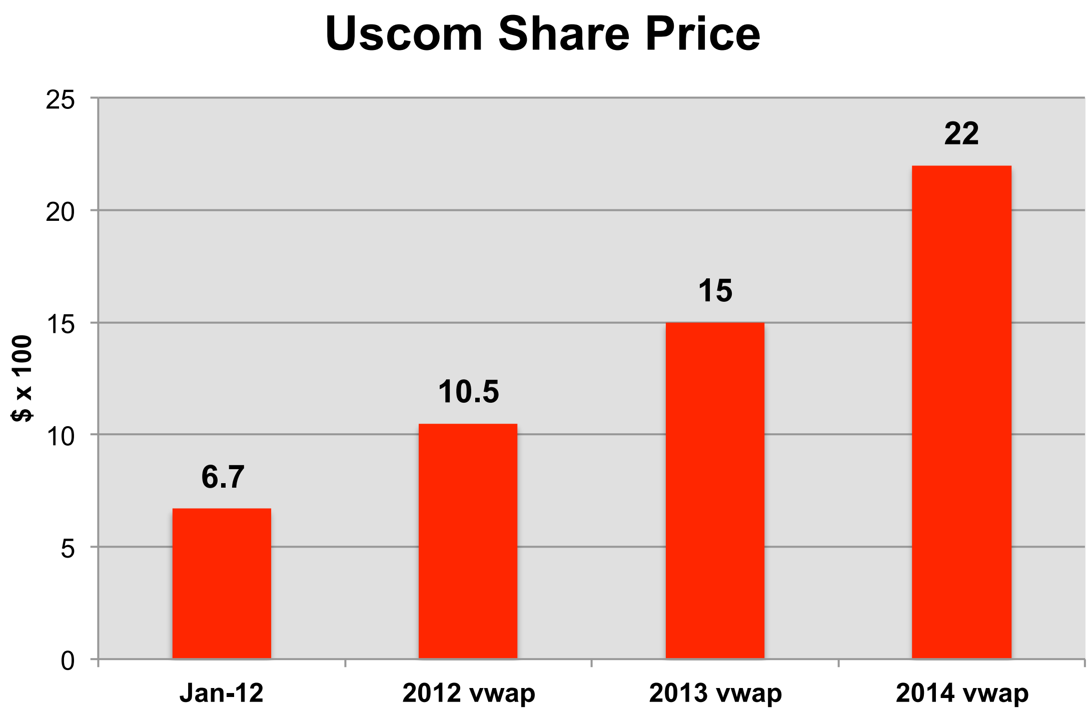


Average % growth 150-200% for Q on Q receipts for last 3 quarters

“Tipping point”

Impact of new distribution strategy

UCM - Investment



+49% pa

3 year trend growth = 49% pa

Unrecognised value following BP+ acquisition and sales growth

Significant price re-alignment as revenue recognised

Tightly held – difficult to buy volume

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UCM – Investor Research

Lodge Partners Research
ABN: 25 053 432 769
AFSL: 246271

BUY	12 Month Target	45 cents	**Uscom Limited (UCM)**
	Price	28 cents	
	Implied Return	60%	

Company Details

ASX Code:	UCM
Price:	28 cents
Shares on Issue:	76m
Market Capitalisation:	$21m
12-Month Price Range:	14 – 32 cents
Monthly volume (shares, Mar 14)	1.1m

Financials

Year ending Jun	2013	2014F	2015F	2016F
Lodge adj profit	(1.4)	(1.1)	0.7	1.7
Reported profit (pre abn)	(1.4)	(1.1)	0.7	1.7

Research – published 31st Mar 2014

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UCM – Investor Research

"……. in the hot biotech sector, **Uscom** appears to be **flying under investors' radars**."

proactiveinvestors AUSTRALIA

http://www.proactiveinvestors.com.au/companies/news/52663/uscoms-central-blood-pressure-device-named-as-gold-standard-for-measurement-in-global-study-52663.html

Research – published 10th Feb 2014

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Manufacture and Sales BP+

2014

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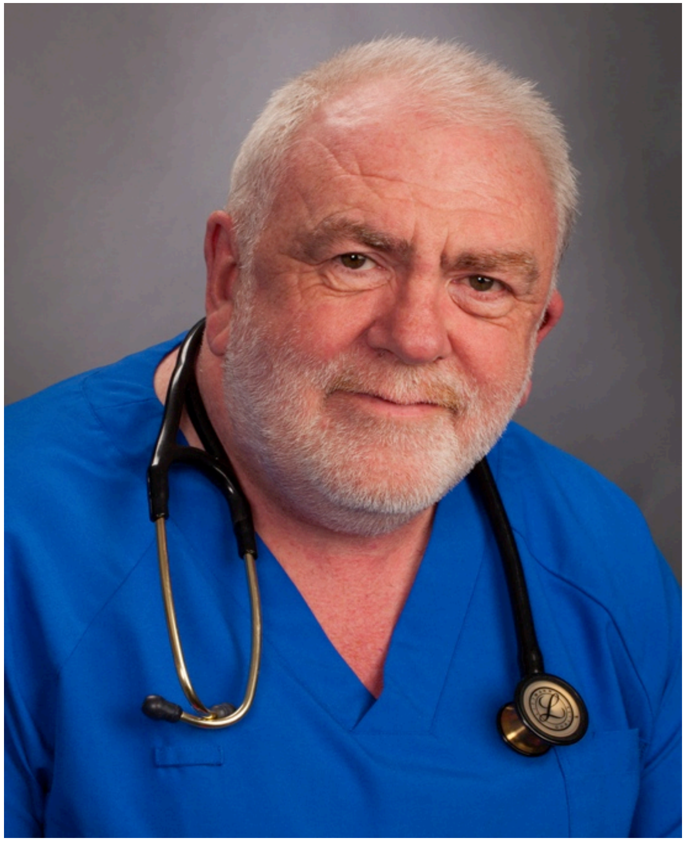
Australian of the Year

Finalist - 2015



Professor Brendan Smith

Saving lives using USCOM Haemodynamics In sepsis

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Biotech Company of the Year

October 2014

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Johnson & Johnson INNOVATION

AusBiotech
AUSTRALIA'S BIOTECHNOLOGY ORGANISATION

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Testimonial

"We bought our USCOM about 3 years ago, and we use it routinely to manage fluid and sepsis, and we love it; it's changed the way we see and manage haemodynamics

The physicians all use the USCOM, and many of the senior trainees.

Echocardiography is difficult and inaccurate, and takes so much training its not feasible for us, and paediatric cardiologists are never around at 2am in the morning when things go wrong

We have had many patients whose lives were saved directly through use of the USCOM"

Dr Eniko Ujhelyi – Director, Infectious diseases PICU, Szent Istven and Szent Laszlo Hospitals, Budapest

Strategy - 2015

Meeting the demand…..

Distribution. Sales. Revenue.

General Manager

Nick Schicht

Manufacturing Strategy

Three phase manufacturing growth strategy

1 Uscom – In house assembly and testing

2 Outsourced – Local purchase + manufacture

3 Outsourced – International logistics + manufacture

Depends on demand and volume – shifting as required

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Current Manufacturing

Phase 1

- USCOM 1A and BP+ - manufactured, tested and quality controlled by Uscom
- Sub assemblies are outsourced (local and international)
- Build to minimal inventory
- Component lead time - 2 to 15 weeks
- Minimum quantity orders are delivered in drops which can be called in for peaks in demand

Future Manufacturing

- Phase 2
  - Local volume manufacturer
  - Uscom involvement in logistics
- Phase 3
  - High volume manufacture
  - Asian/European based
  - Full procurement
  - Global supply chain

Executive Chairman's Report

Summary

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2015

- Maintaining momentum and growth – increased management
- Expanding distributor numbers
- Increasing distribution effectiveness
- Bring BP+ to large volume distribution partners
- Manufacturing to meet orders
- Institutionalising the share register
- Growing the science – KOLs and education programmes

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Risks

- Global medical markets unpredictable
- Product development/regulatory slower and more costly than expected
- Distribution slow to achieve revenue goals
- Competitive risks and patent breaches
- Supplying stock to meet orders

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Achievements & Targets

2014 Achievements

- **Operations** – Revenues from activities up 67%, and cash on hand **up 292%**
- **Growth** – Successful integration of Pulsecor IP, systems and assets
- **Milestones** – Manufacture/sale of Uscom BP+, USA BP+ patent, and CE approval
- **Distribution** – Increased distributors from 12 to 27 (125%) with more in negotiation
- **Science** – 36 new publications for USCOM 1A and BP+

2015 Targets

- **New sales and distribution** partners for increased coverage 2015
- **New partnerships** – strategic opportunities for licensing and manufacturing
- **Volume manufacturing** – to meet anticipated demand
- **Expanding management team** – to support global expansion
- **Strengthening balance sheet** - demonstrable milestones/value inflection points
- **Approaching Profitability – FY2015**

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Strategy - 2015

Meeting the demand…..

Distribution. Sales. Revenue.

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2014 Annual General Meeting

Questions and Discussion

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