



Investor update

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AtCor Value Proposition

Built & positioned for sustainable growth

US CPT1 code breakthrough positions AtCor for US primary market growth

Takes effect 1 January 2016

US Center for Medicare & Medicaid Services (CMS) sets US\$17.91 per test average reimbursement

Opens >US \$800m clinical practice market for AtCor - massive opportunity!

Favourable metrics and doctor - healthcare system imperatives support strong up-take

Cardiovascular disease a leading cause of premature death & disability

70m American adults have hypertension (high blood pressure)

Additionally an estimated 1 in 3 Americans are pre-hypertensive

US private payers and government strongly focused on incentivising doctors to reduce cardiovascular disease

AtCor's SphygmoCor system is the market leader

Non-invasive measurement of central aortic blood pressure waveforms and indices

Relatively low cost, information rich tool to both identify disease early and optimise drug therapy

Recognised as global gold standard in its field

US \$2.1B global market with >US\$800m clinical practice market in US

Platform technology - application to many products/market segments

Solid clinical footing

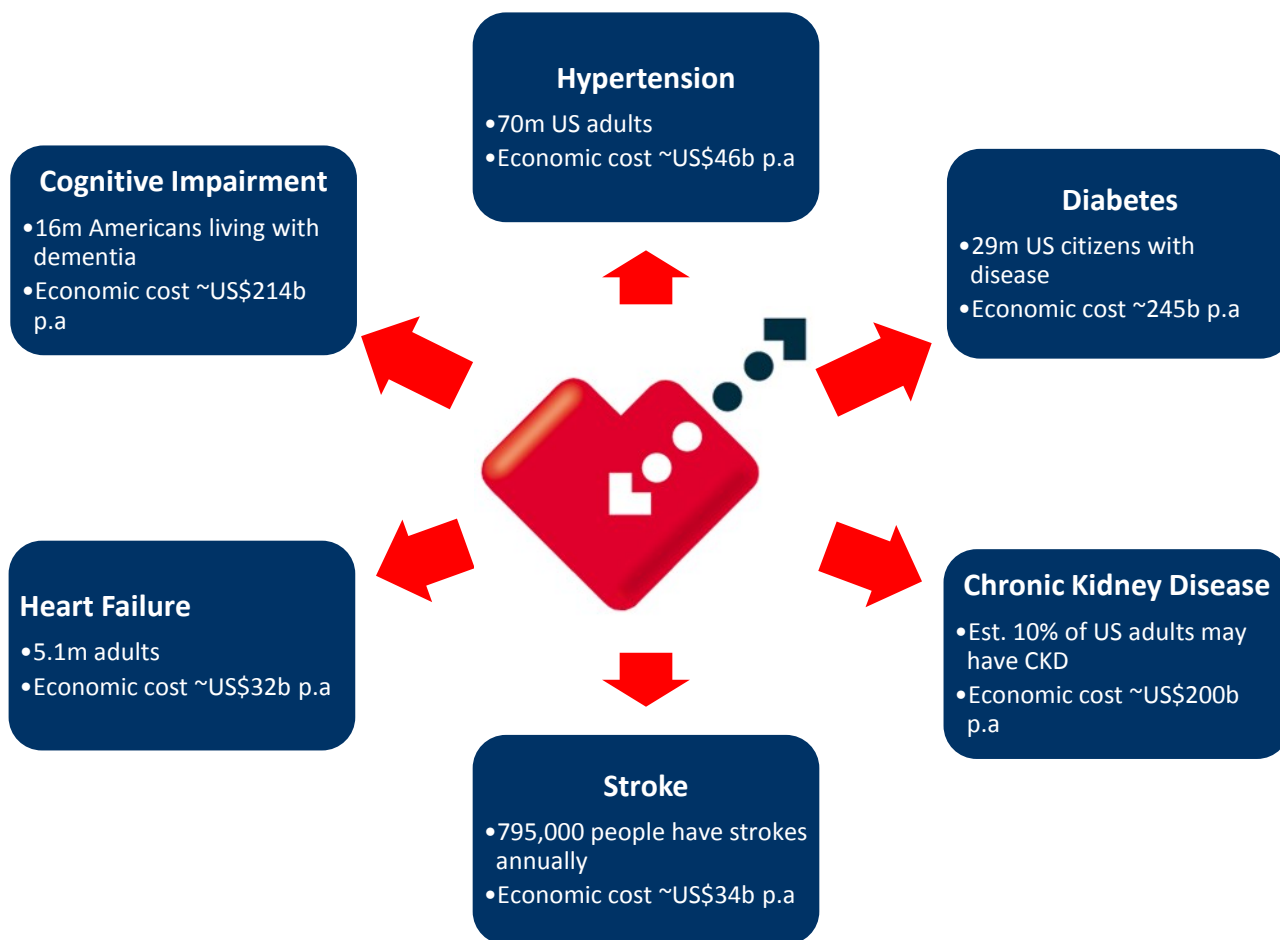
Over 900 peer-reviewed publications utilising SphygmoCor

More than 3,800 systems in use globally to date

Deep relationships with key opinion leaders

Target diseases for SphygmoCor

Total economic costs exceed US\$700b per annum



Reimbursement

Value proposition for doctors

Reason for doctors to adopt SphygmoCor

- Central aortic pressure waveform analysis better informs blood pressure management
 - Eminent medical societies endorsed measurements as valuable for patient management
 - Patient outcomes improved through better targeting and selection of therapies
- Compelling economic argument
 - Strong financial incentives from payers for doctors to control cardiovascular disease
 - Practice can recover system cost within 12 months
 - Competitive tension - doctors are looking for ways to differentiate their practice
 - Doctors earnings – additional income stream
- Gold standard product
 - Strong Brand awareness
 - More than 3,800 systems already in use around the world
 - >900 peer-reviewed clinical papers using SphygmoCor

CMS payment – US\$17.91

Number of tests per week	Payback period (Months)
15	13
20	10
25	8
30	7

Assumptions:

- US\$15,000 purchase price for base clinical system
- Device useful life: 60 months.
- Payback period in months, depending on patient numbers

Adult Hypertension Profile in USA

Favourable Metrics for Adoption

Target population for SphygmoCor test – 105m

Current hypertension population – 70m

Medicare covered lives with hypertension – 30m

Pre-hypertensive's – 70m
(those with high-normal brachial SBP 130-139 est.35m)

Anglo-Cardiff Collaborative trial found ~ 70% of those with high-normal BP could be classified as stage 1 hypertensive

Who treats hypertension

Physician profile

Discipline	No. of practices	No. of practices with 10+ physicians
Cardiology	5,879	3,132
Nephrology	3,335	1,580
Endocrinology	623	329
General Practice (incl. Internists)	26,087	11,874
Hospitals	5,759	5,759
Other	4,993	2,189
Total	46,676	24,863

Source: Frost & Sullivan

Game changing technology- delivered on 3 distinct platforms

Gold standard technology & strong innovation



SphygmoCor EM series

Primary focus is research and clinical specialist market. Provides central pressures, pulse wave velocity & heart rate variability.

Cleared for sale in all major markets, including USA (FDA), Europe (CE Mark), Australia (TGA), Canada, Japan, China, Brazil



SphygmoCor XCEL series

Main markets are clinical practice and pharmaceutical trials. Provides brachial blood pressure, central pressures and pulse wave velocity.

Cleared for sale in most major markets: USA (FDA), Europe (CE Mark), Australia(TGA), Canada, China



Oscar 2 with SphygmoCor Inside

24 hour ambulatory blood pressure monitor w/central pressures. Largest market is pharmaceutical trials followed by clinical practice and research.

Recently received CE Mark, FDA application in process.

SphygmoCor non-invasively measures central aortic pulse waveforms to determine central aortic pulse pressure, augmentation index, reflected wave magnitude (a key measure of arterial stiffness) and pulse wave velocity

How will AtCor maximise market penetration

Resources in place

■ US Commercial operations

- Strong, tenured nucleus developed over 10 plus years - have built the clinical market
- Core competence in direct selling, reimbursement procedures and policies
- Strong KOL support - influencers for adoption and education

■ Installed base

- Over 700 US accounts - many with multiple systems (200+ clinical, 500+ research)
- Forms reference base for new customers

■ Clinical Evidence

- Essentially all published clinical evidence has been generated using SphygmoCor
- Only SphygmoCor has outcomes data

■ Private payers

- Consultant in place
- Arranging meetings with major and regional private health insurers for coverage of SphygmoCor test
 - Initial targets >60% of 200m+ covered lives

Moving Forward

Taking commercialisation to the next level

■ Building on the installed base

- Re-engage with large database of customers who indicated interest once reimbursement available
- Target multi-physician centred practices with high Medicare patient mix
- Focus on integrated healthcare delivery networks - multiple system purchase potential
- SphygmoCor billing activity - ensure billing from installed base under new code from 1 January
- Evidence of local payment will accelerate sales in that geographic region
- Direct sales resources - redeploy when private payers adopt coverage
- Distribution - supplementary strategy to drive lead generation - feet on street/number of contacts per day

■ New investment

- Adding sales and support resources to meet increased demand
- Investment commensurate with rate of market uptake
- Strong processes and training in place to onboard new talent quickly and effectively as needed

■ Product development

- New features for SphygmoCor XCEL - January 2016

Clinical utilisation

US SphygmoCor installed base includes:



All 15 Hospitals on US News & World Reports Best Hospitals Honor Roll use the SphygmoCor system

- | | | |
|--|--|--|
| 1. Massachusetts General Hospital, Boston MA | 6. Brigham & Women's Hospital, Boston MA | 11. Northwestern Memorial Hospital, Chicago IL |
| 2. Mayo Clinic, MN | 7. New-York Presbyterian University Hospital of Columbia and Cornell, NY | 12. NYU Langone Medical Center, NY |
| 3. Johns Hopkins Hospital, Baltimore MD | 8. UCSF Medical Center, San Francisco CA | 13. UPMC- University of Pittsburgh Medical Center PA |
| 4. UCLA Medical Center, Los Angeles CA | 9. Hospitals of the University of Pennsylvania – Penn Presbyterian, PA | 14. Duke University Hospital, Durham NC |
| 5. Cleveland Clinic, OH | 10. Barnes-Jewish Hospital/Washington University, St Louis MO | 15. Stanford Healthcare-Stanford Hospital, CA |

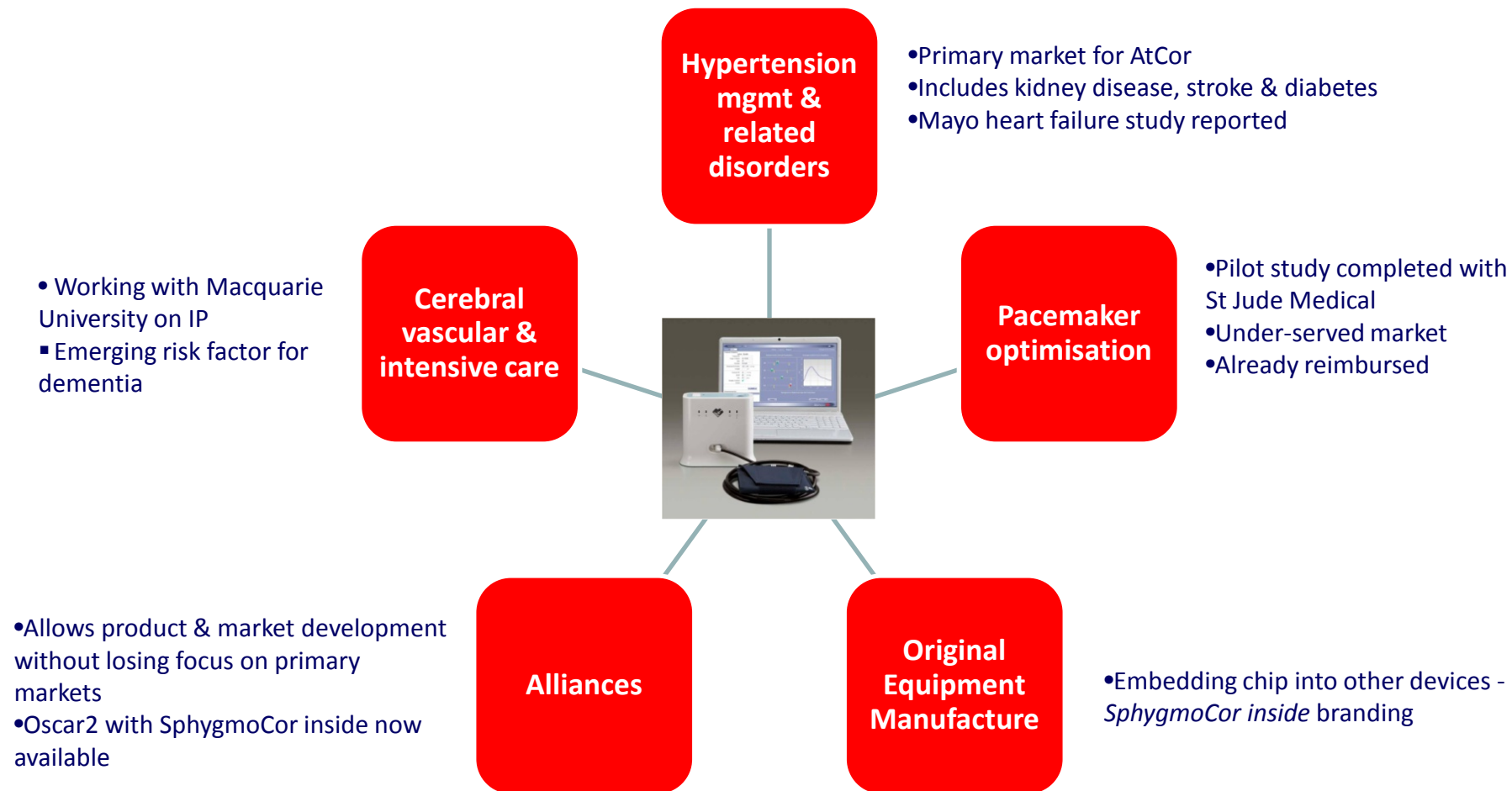
Other business

Pharmaceutical trials

- Fully developed business segment
- >10 years active data management in trials across all phases for small and large pharma players
 - Disease states include – hypertension, COPD, kidney, gout, psoriasis, other inflammatory processes
- SphygmoCor XCEL featured in Hot Line presentation at European Society of Cardiology 2015
 - Superior central blood pressure reduction by Novartis LCZ696 (Entresto) in a hypertensive population
- Best in class service offering
- Reference standard product
- Currently impacted by the macro issues faced by the pharmaceutical industry
 - Patent expiry
 - Pipeline disappointments
 - De-emphasis of hypertension drug development
- Can be attractive long term business
 - Greater adoption in clinical practice will support need to test drugs pre-market

Leveraging Technology and IP – Partnering

SphygmoCor is proven platform technology - competitive advantage

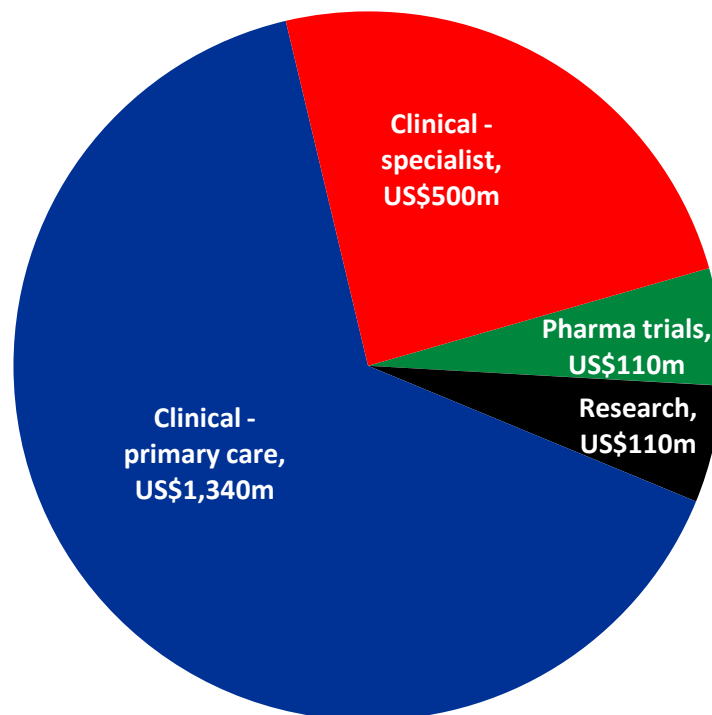


Four Distinct Market Segments

.... **Global market potential US\$2.1B**

Clinical - Primary Care

- GPs, internal medicine, executive health, etc.
- >26,000 practices & >5,500 hospitals in USA
- Future market opportunity (**0%** converted)



Clinical Specialists

- Cardiologists, Hypertension specialists, Nephrologists (kidneys), Endocrinologists (diabetes), others
- >14,000 practices in USA
- Only **2%** of potential market converted

Pharmaceutical trials

- Cumulative 5 year sales \$16m or approx. **3%** of potential market converted

Research - Academia

- Universities & Hosp. Affiliated
- **15%** of potential market converted

Early Days - Big Runway Ahead!

2015 Milestones

Progress to date

- **Reimbursement**
 - New codes to be released August-October – *now released, Medicare coverage commences from 1 January*
 - 2016 Medicare payment rates announced November – *successful*
 - Expanded go-to market plans being put in place – *in place*
 - Commencing education of regional and private payers on new code and clinical utility to gain coverage – *active and ongoing*
- **Improved performance in pharma - predictability of results**
 - Large sales funnel - *reduced due to major COPD trial missing mortality end-point - still pursuing reasonable book of business*
 - Diversification with new clients – *discussions underway with 3 groups who have not contracted with AtCor previously*
 - Anticipate stronger deal flow late Q4 & FY2016 – *still a challenging environment*
- **Clinical studies & evidence**
 - Central Pressures meta analysis completed. Publication to follow – *manuscript submitted. Awaiting publication*
 - 3 position papers on central pressures and arterial stiffness from relevant US Societies – *2 released*
- **Launch new products and market segment presence**
 - Joint development with SunTech Oscar 2™ with SphygmoCor inside – CE mark complete. FDA later in 2015 – *in final stages*
 - Sales into new market segments & disease states – *will be enabled with reimbursement*
- **Advance new business & IP development**
 - Complete cerebral vascular feasibility studies with European partner – *European partner still undertaking trial.*
 - Continue discussions on collaboration with other potential partners – *underway*
 - Exploit current and new IP – *new IP approval expected within 6 months*

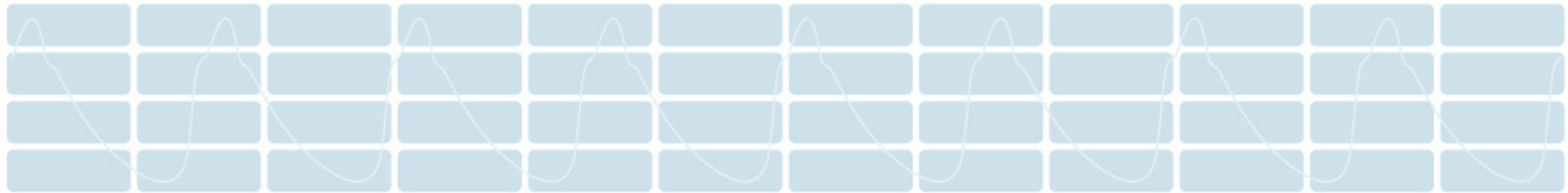
Summary

- ✓ Well managed business - significant upside
- ✓ Strong, commercially oriented management team schooled at Fortune 500 device companies
- ✓ Strong operating leverage – high gross margins
- ✓ We have built and know US clinical market
- ✓ Key alliance partners for core markets & OEM
- ✓ True platform technology
- ✓ US\$ 2.1 Billion global market opportunity, US\$800m US clinical practice opportunity - massive runway
- ✓ CPT I success has significantly opened access to largest global market
- ✓ Quality Board & senior management team

Former executives with Baxter, Boston Scientific, Johnson & Johnson, St Jude Medical

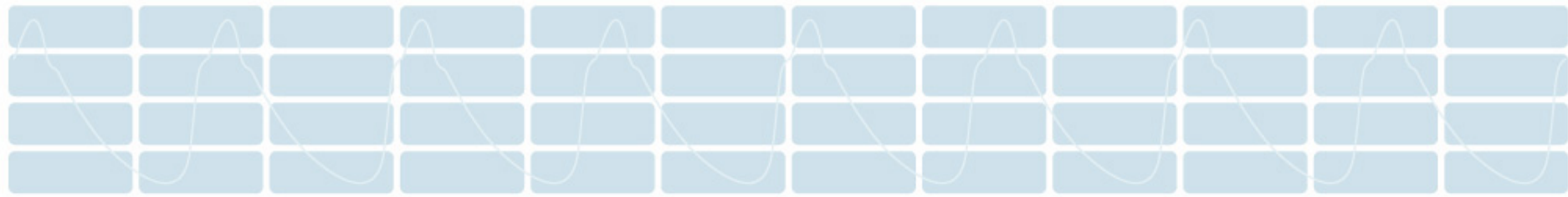
SphygmoCor
AtCor Medical





AtCor

M E D I C A L



Appendix

Investment Summary

ASX Code: **ACG**

Ordinary Shares on Issue: **198.8m**

Market Capitalisation @ \$0.23: **\$45.7m**

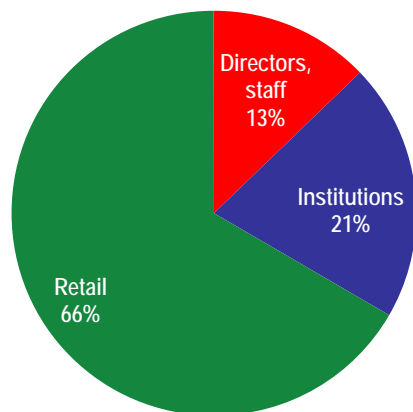
Options on Issue: **21.7m**

2015 share price range: **\$0.091 - \$0.345**

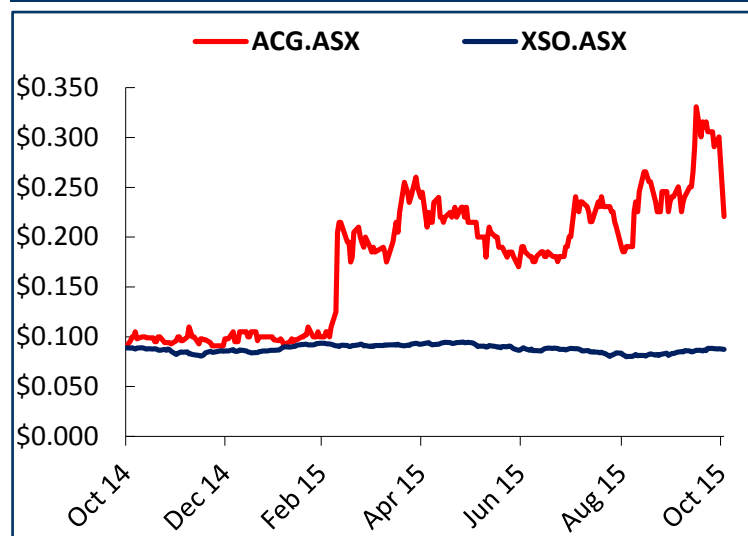
Average Monthly Volume (Yr Rolling): **7.5m**

Cash 30 Sep: **\$5.4m**

Shareholder Register by Investor Type



ACG v ASX Small Ordinaries (12 month)



Substantial Shareholders

Substantial Shareholders	(%)
CB Co Pty Ltd (Curran family)	8.6
Australian Ethical Investors	6.7
Directors & staff	12.8
Top 20	42.2

Financial Performance – FY2015

Profit & Loss (A\$m)

Cash Flows (A\$m)

Summary Financials

Period	FY14A	FY15A	Change (%)
Revenue	5.1	5.5	8%
Gross Profit	4.1	4.6	12%
Other Income (govt. grants, R&D tax rebates, FX gains)	0.5	1.5	93%
Sales & Marketing	(3.7)	(3.7)	2%
Other Expenses	(3.5)	(3.8)	-6%
Depreciation & Amortisation	0.09	0.08	11%
EBIT	(2.7)	(1.4)	46%
NPAT	(2.7)	(1.4)	46%
EPS (c)	(1.7)	(0.9)	188%
EV/Sales (x)	1.9	6.6	
NTA per Share (c)	2.1	2.4	

Summary Cash Flows

Period	FY14A	FY15A	Change (%)
<u>Operating Cash Flows</u>			
Receipts from Customers	6.2	5.8	-7%
Payments to Suppliers	(8.0)	(8.2)	-2%
Other (govt. grants, R&D tax rebates)	0.5	0.5	5%
	(2.0)	(1.4)	30%
<u>Investing Cash Flows</u>			
Payments for plant & equipment	0.04	0.04	-%
<u>Financing Cash Flows</u>			
Share issue & option proceeds	0.7	3.0	302%
Net Increase (Decrease) in Cash	(0.7)	1.0	
Cash at beginning of period	2.9	2.2	
Effect of FX rate changes	0.3	(0.04)	N/a%
Cash at end of period	2.2	3.5	59%

CPT1 and Reimbursement

What does it mean?

■ Common Procedural Terminology (CPT) code 1

- Is a listing of descriptive terms and identifying codes for reporting medical services and procedures
- Highest level code attainable-has displayed clinical efficacy & widespread support from medical societies
- Managed by the American Medical Association
- Renal Physicians Association (RPA) were successful in their application for a Category 1 code – 93050

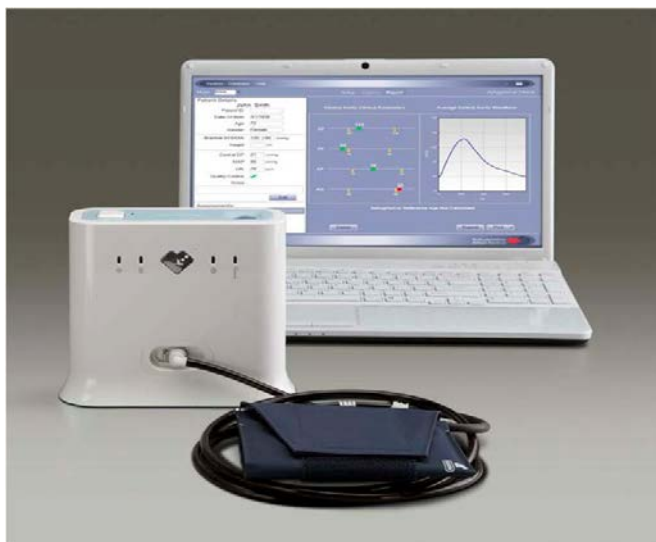
“Arterial pressure waveform analysis for assessment of central arterial pressures, includes obtaining waveform(s), digitization and application of nonlinear mathematical transformations to determine central arterial pressures and augmentation index, with interpretation and report, upper extremity artery, non-invasive”

■ Centers for Medicare & Medicaid Services (CMS)

- US government agency who provide health insurance for 50 million retirees and those with disabilities, 30 million of whom are hypertensive
- Have assigned US\$17.91 as the national average reimbursement for the test
- Allows physicians to recover the cost of their time and overhead for performing the test

The SphygmoCor[®] Product

What does SphygmoCor do?



- Addresses the key cardiovascular risks:
 - Heart failure, Heart attack, Stroke
- Provides key heart function parameters of cardiovascular function and risk :
 - Blood pressure at the heart
 - Load on the heart
 - Coronary artery pressure
 - Detailed central aortic wave form
 - Timing of the heart pumping cycle, and
 - Measures of arterial stiffening
 - Reference standard aortic pulse wave velocity

Such central data is only otherwise available via an invasive catheter into the ascending aorta of the heart

So why are Central Pressures of Such Importance Clinically?

- Clinical evidence is now well established that central pressure is a stronger predictor of future cardiovascular events than traditional brachial (cuff) pressures and drug effects can be dramatically different centrally.
 - Majority of the clinical evidence generated is the direct result of clinical studies undertaken using AtCor's SphygmoCor device across longitudinal studies and randomised controlled trials which to date encapsulates **tens of thousands of patients**
 - SphygmoCor detects cardiovascular diseases earlier and substantially improves patient management
 - Competitor products all lack this kind of clinical evidence, which constrains adoption in favour of the industry standard (SphygmoCor)

The SphygmoCor[®] Product

How does it work?



SphygmoCor Central Pressures

- Records the **blood pressure pulse waveform at the arm**, non-invasively
- Using this recording, it **derives the blood pressure pulse waveform at the heart**
- From this pressure pulse waveform at the heart, **SphygmoCor then calculates:**
 - *central aortic blood pressures*
 - *certain key heart function parameters*
- Clinician **reviews waveform quality, features** and key indices to **assess CV status, diagnose and treat.**



Pulse Wave Velocity

- Considered gold standard measure of arterial stiffness
- Based on the pulse transit time from carotid to femoral artery
- SphygmoCor is the reference device, most widely used and published

Current Target Disease States

US Statistics

Hypertension

- Also known as high blood pressure
- 70m US adults and only 50% have condition under control
- Nearly 1 in 3 Americans have pre-hypertension or “high-normal” BP – a key target area for SphygmoCor measurements
- Economic cost – US\$46b p.a.

Diabetes

- 29m US citizens suffer from diabetes
- 1.7m new cases were diagnosed in 2012
- Management of the disease is closely linked to reducing cardiovascular disease risk factors
- Economic cost – US\$245b p.a.

Chronic Kidney Disease

- A condition where the kidneys are damaged and cannot filter blood as effectively as a healthy kidney
- Est. 10% of US adults may have CKD
- 1 in 5 of those with CKD also have hypertension and this is a leading cause of CKD.
- Economic cost chronic kidney disease >\$US200b p.a.

Stroke

- 795,000 strokes occur each year and of these approx. 130,000 deaths result.
- 35% of strokes are in people younger than 65
- High blood pressure is a major factor.
- Economic cost – US\$34b p.a.

Heart Failure

- Describes a condition where the heart cannot pump enough blood around the body.
- 5.1mill adults suffer from this.
- Half those who develop HF will die within 5 years.
- Economic cost – US\$32b p.a.

Cognitive Impairment

- More than 16m Americans living with the disease.
- Currently no cure though research underway to look at hypertension and arterial stiffness as contributing, modifiable factors.
- Economic cost Alzheimer's alone US\$214b p.a.