

ASX release

8 August 2017

AtCor share placement

AtCor Medical Holdings Limited (ASX:ACG), the developer and marketer of the SphygmoCor® system for advanced hypertension management, today announced that it has raised \$825,000 before costs from sophisticated and institutional shareholders at \$0.025 per share.

The funds will be used to provide additional working capital to support the key initiatives outlined in the company's strategic review update announced on 2 August 2017. These include an increased focus on advancing strategic options and securing new sales; restructuring operations to maximise profitability; and working to realise the wearables opportunity for SphygmoCor® technology in both the high-end consumer and prescription based markets.

Taylor Collison acted as lead manager for the placement.

FY2017 commentary

Preliminary unaudited FY2017 results are set out over page, with the following key highlights:

- US non Pharma sales grew 22% over the prior year (constant currency basis)
- Global non Pharma sales grew 13% over the prior year (constant currency basis)
- The Pharmaceutical trials business, while soft in FY2017, is on track for strong growth in FY2018 and \$0.8 million in new Pharma trial contracts were announced to the market on 12 July 2017.
- Negotiations have commenced for inclusion of AtCor's SphygmoCor® XCEL in 2 large heart failure trials in FY2018.
- On 31 July 2017 a third IDN (integrated healthcare delivery network) agreement was announced which included an initial order for 5 systems. This will provide a strong foundation for clinical up-take in New York City and more IDNs are being targeted for FY2018.
- Three new patents were lodged in 2017 which have the potential to fundamentally change the measurement of blood pressure, including with wearables.
- Costs have been further reduced. The 2H2017 expense run rate was reduced significantly and more savings are being implemented in the current quarter in order to bring costs into line with revenue with the aim of achieving break-even (excluding any one-off expenses associated with the restructuring).

FY2017 unaudited financial results

<i>(AUD'000s)</i>	<u>1H2017</u>	<u>2H2017</u>	<u>FY2017</u>
Sales	1,839	2,488	4,327
Gross Profit	1,371	1,940	3,311
Expenses	(4,295)	(3,454)	(7,749)
Subtotal	(2,924)	(1,514)	(4,438)
<i>Other income/expenses</i>			
R&D Tax refund	470	-	470
FX gain/(loss)	586	(982)	(396)
Net Loss	(1,868)	(2,496)	(4,364)

Cash balance at 30 June 2017 was \$678,000.

About AtCor Medical

AtCor Medical develops and markets products for the early detection of target organ damage and management of cardiovascular and renal disease. Its technology allows researchers and clinicians to noninvasively measure the central arterial pressure waveform, central aortic pressures and pulse wave velocity. Central arterial pressure waveform analysis, as measured by the company's SphygmoCor® system, provides clinicians with better prognostic and diagnostic information to determine the need for and type of interventions, effects which cannot be detected with standard brachial blood pressure measurements. SphygmoCor® is essential for hypertension diagnosis and management.

More than 4,000 SphygmoCor® systems are currently in use worldwide at major medical institutions, research institutions and in various clinical trials with leading pharmaceutical companies. The company's technology has been featured in over 1,000 peer-reviewed studies published in leading medical journals and thousands of citations. AtCor Medical has operations in Australia, the United States, and Europe. For further information, please visit our web site at www.atcormedical.com.

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