COMPUMEDICS®

CORPORATE PRESENTATION

OCTOBER 2019

> SLEEP DIAGNOSTICS & TREATMENT

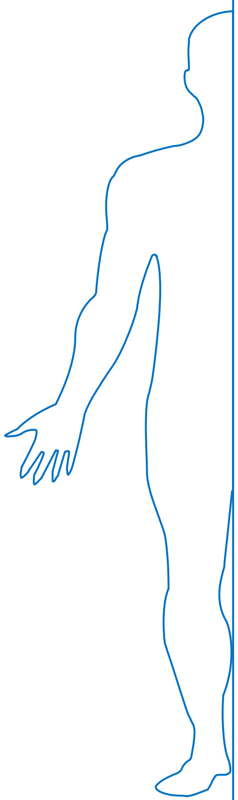
> NEURO DIAGNOSTICS

> BRAIN RESEARCH

> ULTRASONIC BLOOD FLOW MONITORING

> MEDICAL INNOVATIONS

Who is Compumedics?



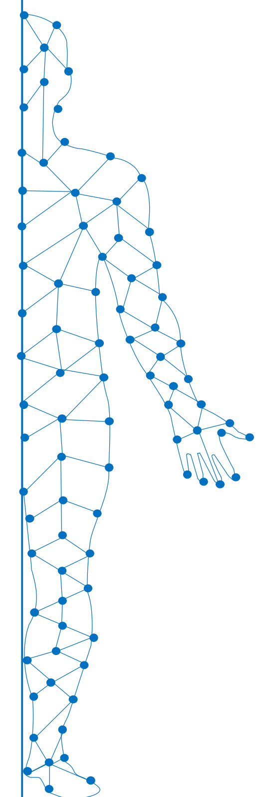
A leading global, innovative developer and manufacturer of medical devices for:

Diagnosing sleep disorders	Monitoring neurological disorders including long-term epilepsy monitoring (LTEM)	Highly sophisticated brain research	Ultrasonic monitoring of blood flow through the brain (Transcranial Doppler [TCD])

A technological leader in its chosen markets:

#1 Australian sleep & neuro diagnostics device supplier	#1Japan sleep diagnostics device supplier	#1 China sleep diagnostic device supplier to premier facilities & #1 TCD device supplier	#3 USA sleep diagnostic device supplier and emerging #3 supplier for neurological monitoring devices

- FY19 revenues up 12% to $41.5m, FY19 EBITDA up 40% to $5.9m.
- FY20 Guidance revenues $42m to $44m, EBITDA $6.5m to $7.5m.
- 130 employees across seven locations, Melbourne, Australia (Head Office), Charlotte, NC, USA, Hamburg, Dresden and Singen, Germany, Paris, France and Daejeon, South Korea.
- Compumedics listed ASX Dec 21, 2000. CMP has market capital of around $120m.



All $ = A$ unless otherwise specified

FY2019 – Performance Review

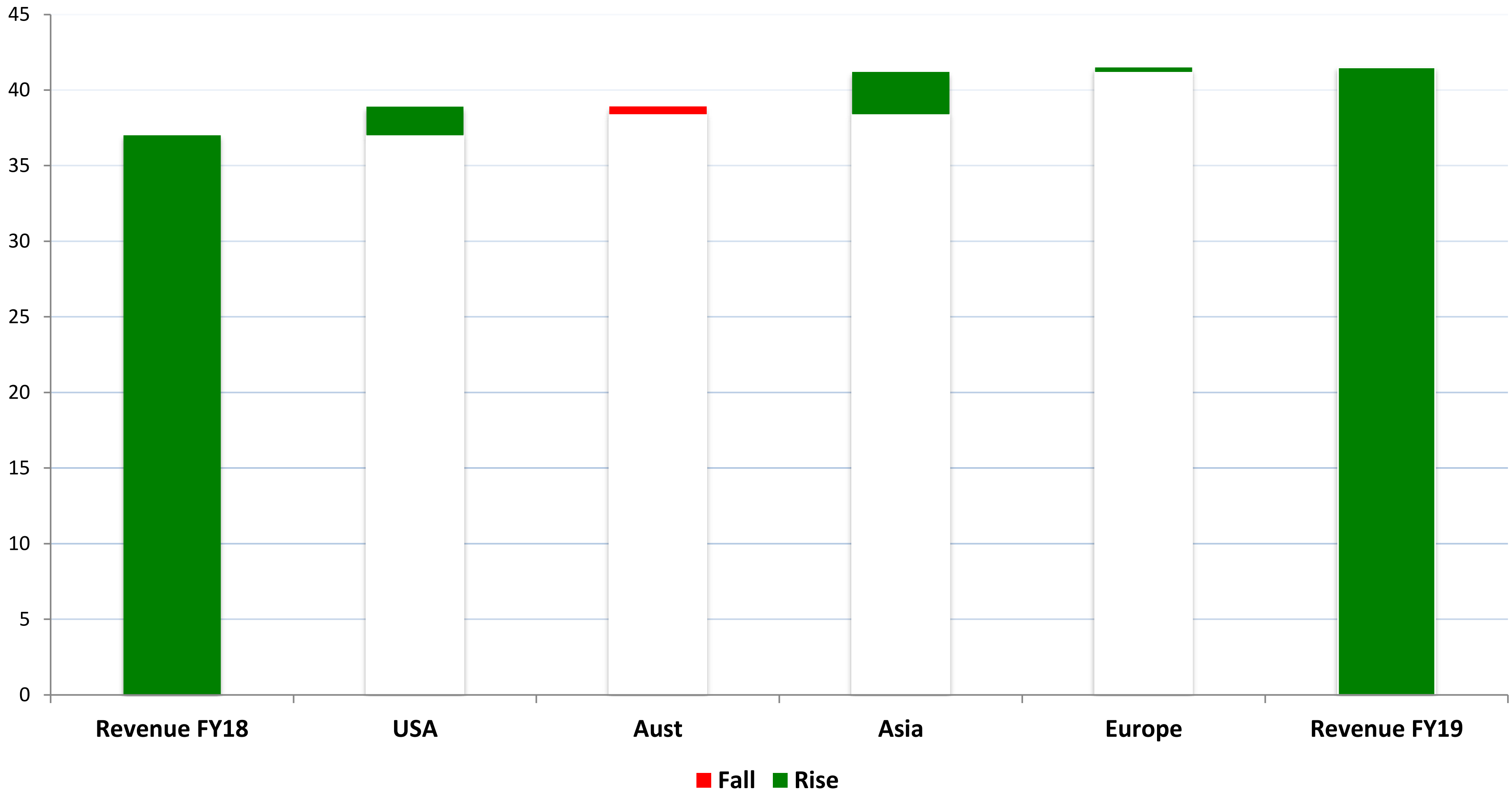
- Revenue $41.5m, EBITDA $5.9m, NPAT $4.0m

	FY19	FY18	Variance	Comment
Revenue	$41.5m	$37.0m	12%	Revenue growth across key international markets for the core business, including China, DWL and US. Further partial booking of first MEG sale.
EBITDA	$5.9m	$4.2m	40%	Profitability grows as a result of the growth in revenues and also on-going operational improvements and efficiency gains. Margins improve 3% over the pcp to 60%.
NPAT	$4.0m	$2.8m	43%	Strong growth in NPAT despite increasing charge to tax expense (FY19 $1.1m) as tax losses now fully utilised and Company will transition back to income tax payments over coming years.

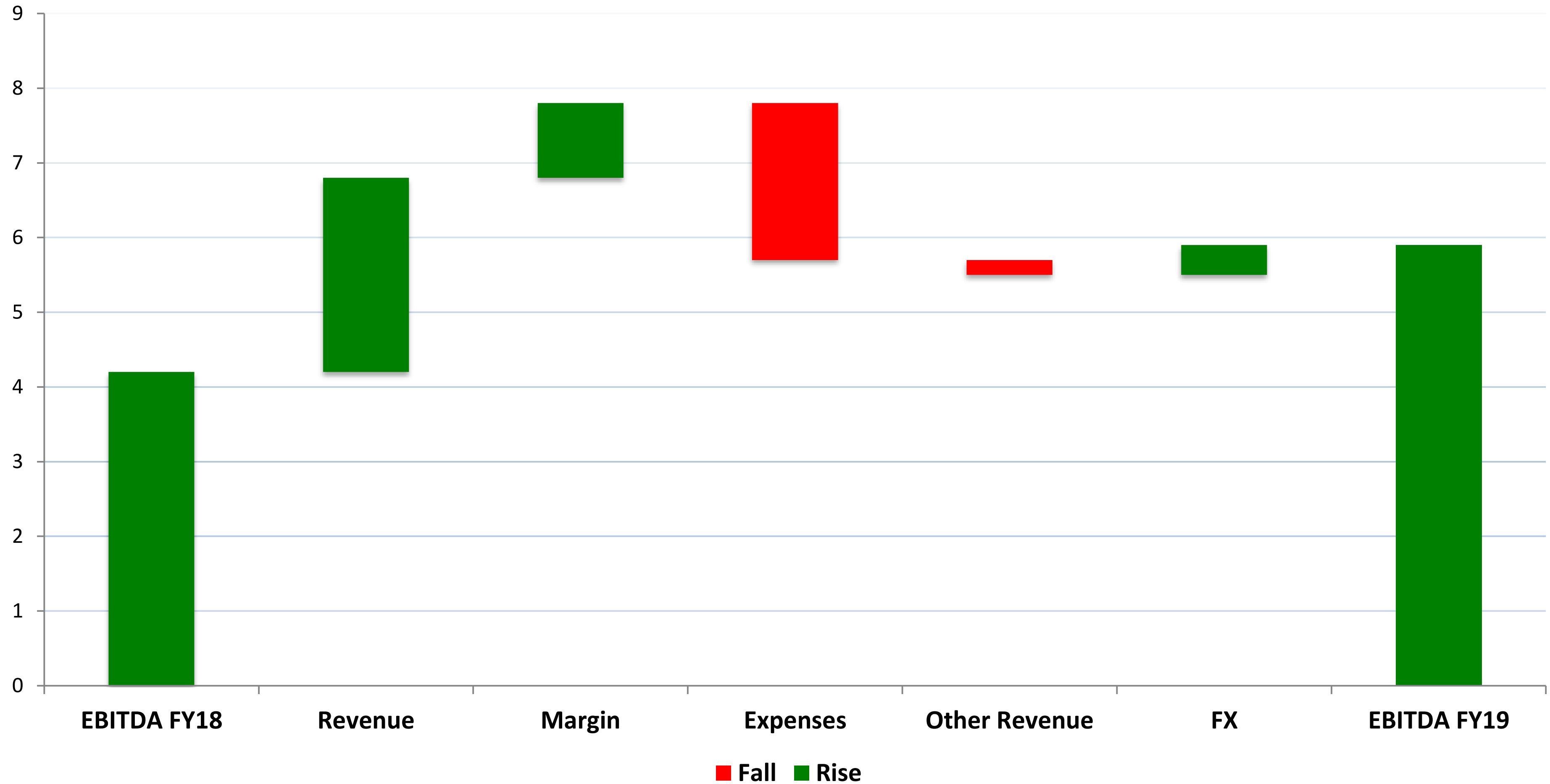
FY2019 – Performance Review

- Core: Asia business, and China in particular, strong with 26% lift in revenues over pcp.
- Core: DWL business 17% lift in revenues and US business 16%, FY19 compared to FY18.
- Core: Profitability grows as a result of the overall growth in revenues, including the further partial invoicing of the first MEG sale. The selective and on-going outsourcing of production, along with other efficiency gains also contributes to growth in profitability at the EBITDA and NPAT lines.
- MEG growth initiative: The first phase of the first MEG sale to Barrow Neurological Institute in Phoenix, AZ, USA, has been undertaken with the second and final phase planned for early H2 FY20. Further MEG opportunities identified with discussions on-going.
- eHealth growth initiative – 30 sites, with over 210 beds in US and Australia secured for Nexus 360 (professional application), which generated $600k of revenues in FY19. Total signed contracts now have annual subscription fees exceeding $1m.
- Somfit (consumer application) product development significantly advanced and 3rd party discussions continue, with the device having being trialed with an elite Melbourne-based sports team over winter 2019.

Revenue Bridge Chart – FY18 to FY19



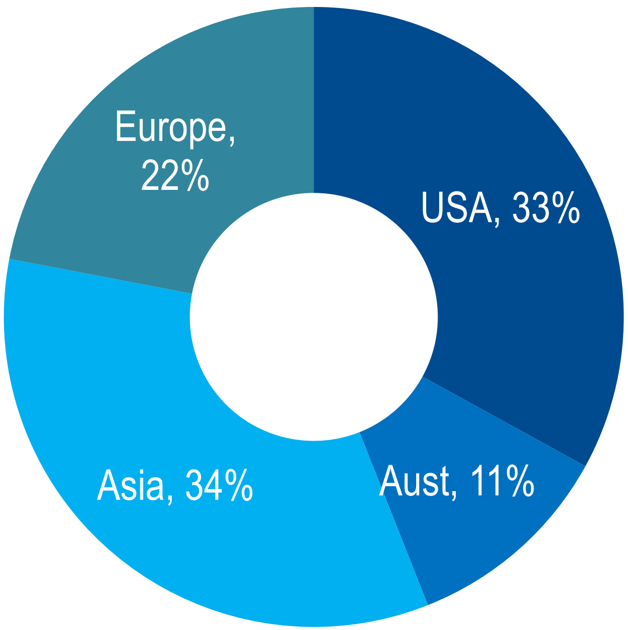
EBITDA Bridge Chart – FY18 to FY19



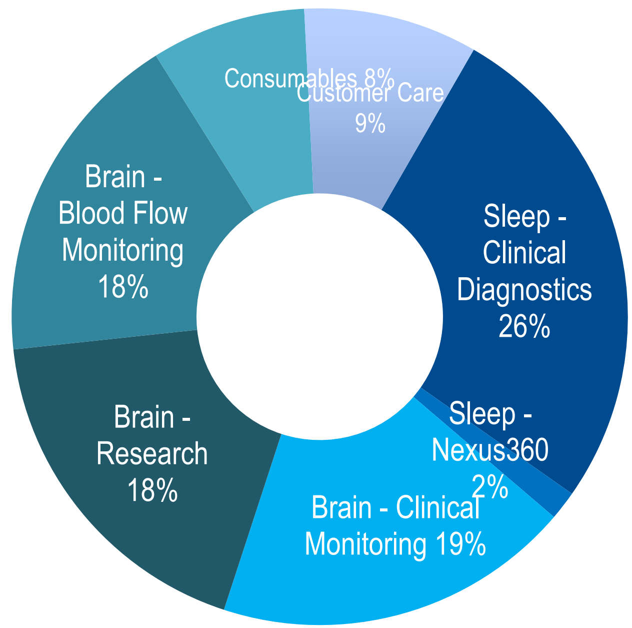
Revenue Composition at $41.5m

30 June 2019

By geographic region



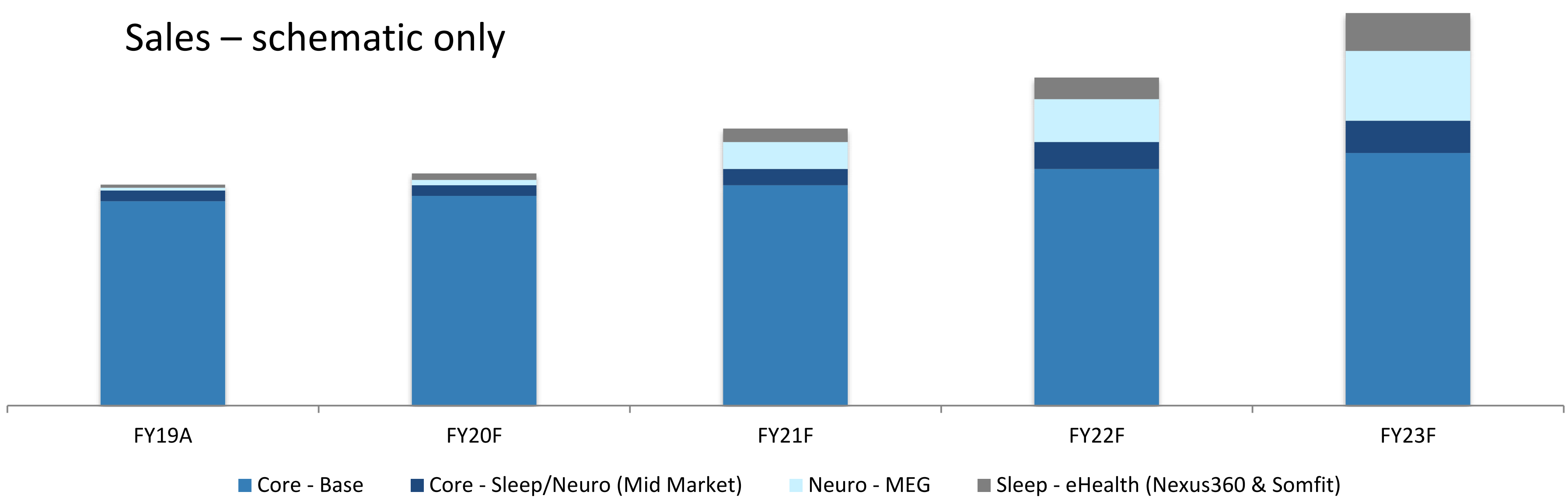
By product/market



Software upgrades 5 to 10% of system revenues. MEG included in Brain – Research

Compumedics sells directly to end-user customers in Australia, USA, France and Germany and through its network of more than 50 distributors to all other parts of the world

Growth Platform – Core and Step-Out



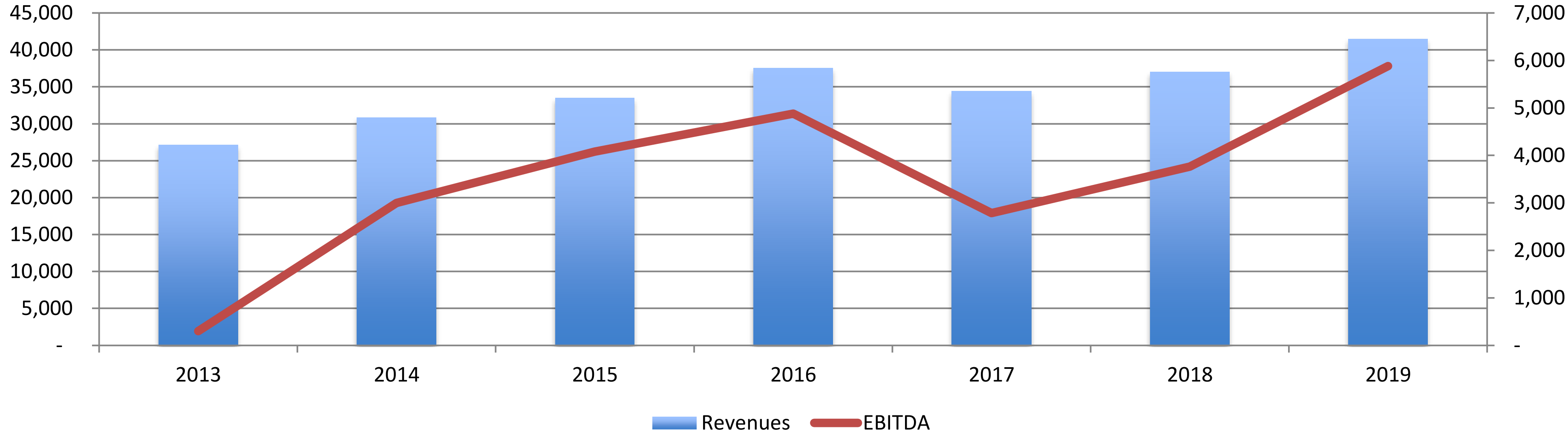
- **Step-out - NEURO – BRAIN IMAGING** – First phase installation at Barrow Neurological Institute in Phoenix, AZ, USA has been undertaken and the second and final phase is scheduled for early H2 FY20. It confirms that we can transition from a USD30k software sale to a USD3.5m complete system sale. 2nd and third sales opportunities being actively pursued.
- **Step-out - SLEEP - CLOUD GROWTH** – Nexus 360 cloud-based professional sleep diagnostic solution sold to more than 30 sites in US and Australia and generated revenues of $600k in FY19. Annual contracted fees now over $1m. Somfit development and discussions continue.
- **Core - SLEEP & NEURO – DIAGNOSTIC GROWTH** – Mid-market devices selling and expansion in China is moving ahead at expected rates with US expansion continuing. Neurology remains a key focus for core business growth in Asia, China, US and other key markets.

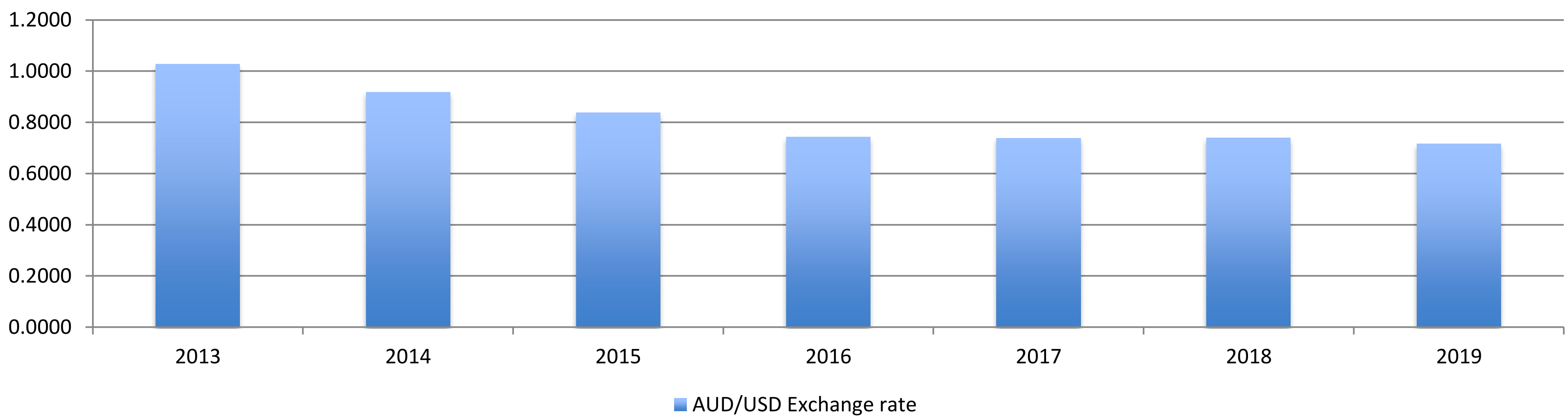
*MEG = Magnetoencephalography

Core Business – Premium Focus

	Sleep Diagnostics	Neuro Diagnostics – Clinic	Neuro Diagnostics - Research	Brain Blood Flow Diagnostics
Global market – USD pa	250m	1,300m	20m	15m
Compumedics market share (approximate)	6%	<1%	30%	35%
Compumedics market position	Aust – 1 USA – 3 China - 1	Aust – 1 USA – 3 China - 1	Aust – 1 USA – 1 China – 1	Aust – 1 USA – 2 China – 1 Germany – 1
Business and product type	Capital equip – hardware and software	Capital equip – hardware and software	Capital equip – hardware and software	Capital equip – hardware and software
Annuity revenues – ~ % of total – supplies & support	15%	10%	5%	5%

Core Business – Growing revenues and earnings

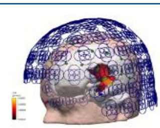




Core Business – Consistent Net Cash Position

$m	FY13	FY14	FY15	FY16	FY17	FY18	FY19
Cash	1.3	1.1	2.2	3.1	4.1	3.9	4.6
Trade receivables	8.1	8.6	9.8	11.9	13.1	18.3	16.0
Inventories	5.5	6.1	5.7	6.5	7.4	7.6	7.8
Capitalised R&D	3.5	2.9	2.7	2.4	2.4	4.0	6.8
Tax asset	0.0	0.0	0.0	0.5	0.8	0.1	0.0
PP&E	0.7	0.7	0.8	0.8	0.7	0.7	1.7
Other	0.0	0.2	0.5	0.9	0.7	0.0	1.8
Assets	**19.1**	**19.5**	**21.7**	**26.1**	**29.2**	**34.7**	**38.7**
Trade creditors	4.7	4.7	4.4	4.1	4.2	5.1	4.4
Borrowings	2.3	2.0	2.0	2.6	0.7	1.9	1.6
Deferred Revenues	1.4	1.4	1.6	2.0	1.6	1.7	1.4
Other/Deferred Tax	2.2	2.3	2.5	2.8	2.7	2.7	4.0
Total Liabilities	**10.7**	**10.4**	**10.4**	**11.5**	**9.2**	**11.5**	**11.4**
Net Assets	**8.4**	**9.2**	**11.3**	**14.6**	**20.1**	**23.2**	**27.3**
Debt/Equity	*13%*	*11%*	*-2%*	*-3%*	*-17%*	*-9%*	*-11%*

Core Business – Adding Mid-Tier Range

Product		Used for	Bought by	Average selling price
Grael family		Sleep and neurology, high end and price sensitive models	Hospitals, doctors and service providers	USD11,500 to USD17,500
Somte PSG		Sleep	Hospitals, doctors and service providers	USD10,000
Siesta		Sleep and neurology	Hospitals, doctors and service providers	USD18,000
Neuvo LTM		Neurology	Hospitals, doctors and service providers	USD35,000
Synamps RT		Brain Research	Universities and teaching hospitals	USD38,000
CURRY		Brain research and neurology	Universities, teaching and regular hospitals	USD20,000

Next Generation Growth – Core *and Step-out*

	Sleep Diagnostics	**Neuro Diagnostics – Clinic**	**Neuro Diagnostics - Imaging**	**Brain Blood Flow Diagnostics**
Next generation growth platform	Cloud based sleep diagnostic platforms for both professional and consumer applications	Long term epilepsy market penetration into US, Europe and Asia	Leverage CURRY software into full MEG solution with KRISS	Leverage existing TCD technology and patent to Traumatic Brain Injury (TBI) application
Market potential	**Professional application** > USD3bn pa ***Consumer application*** *> USD50bn pa*	Greater than USD100m pa	**Research only** USD100m pa ***Brain Imaging >USD4bn pa***	Estimated cost of TBI's in the US alone greater than USD76bn pa
Business type	Services – fee per service	Capital equipment – bigger market	Capital equipment & Partnership – new market	Mixture of equipment and service fees

Core Business - Growth Drivers

Compumedics/Neuroscan innovative brain analysis software (CURRY 9 close to release) and high performance amplifiers are unrivalled world class technology. New ambulatory range to release in 2020.

We have about 23,000 systems installed worldwide. Strong reputation and brand name.
Customers like buying from Compumedics.

Earnings initiatives to continue to flow through in FY20 – FY21. Lower cost base enables addition of mid-tier, plus new ambulatory range releasing FY20 and further manufacturing and operational efficiency gains.

USA business growing with further modifications and enhancements to the team being implemented to support stronger growth across the entire business there.

Continued expansion into untapped German market and ongoing growth in France.

Continuing growth in China for sleep diagnostics, with a stronger emphasis on the neuro diagnostic and monitoring market there.

Ideally positioned to accelerate organic growth and value realisation

USA – CMP is number 3 Supplier

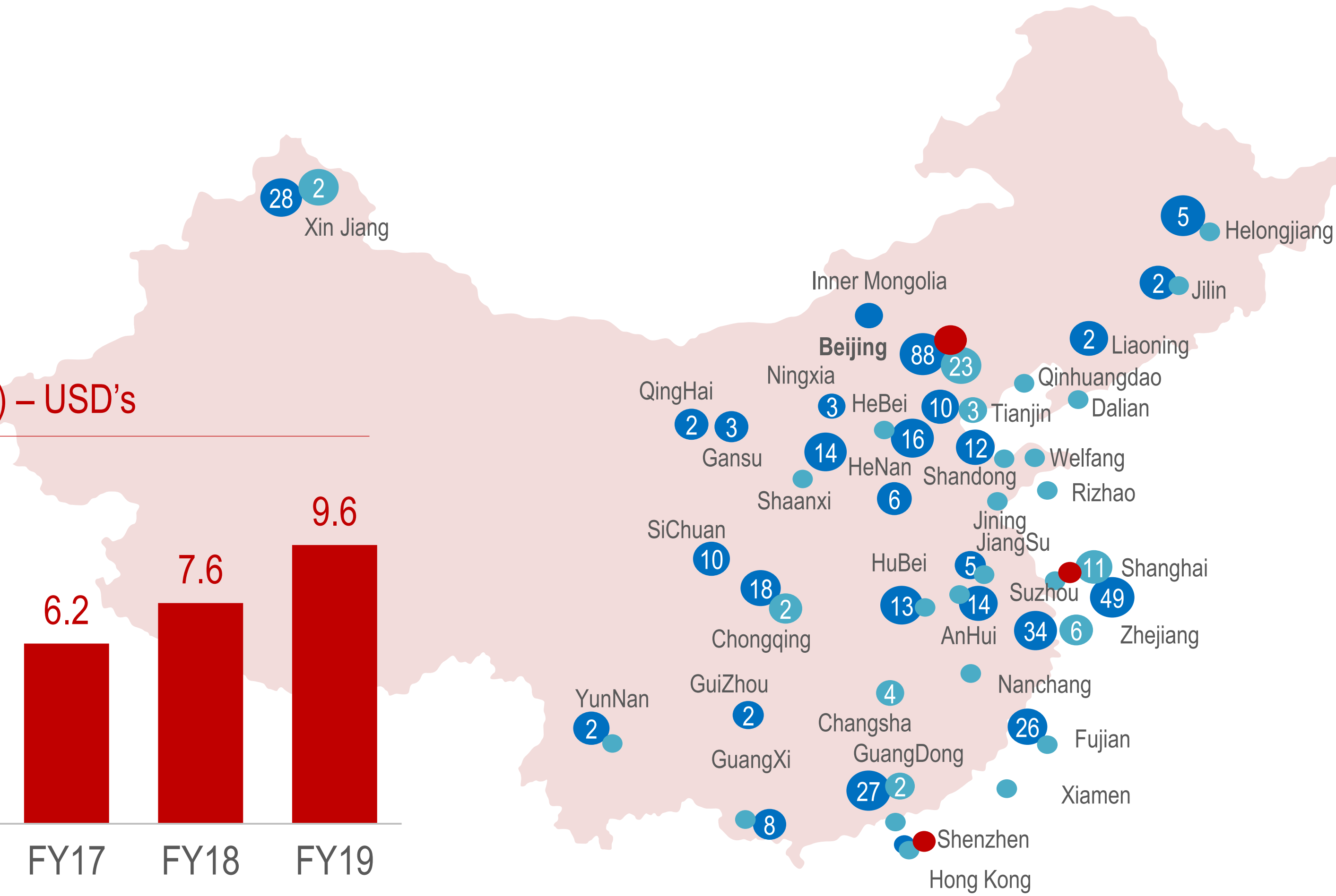
USA Clinical Sales Force Expansion - Indicative

More sales representatives = more revenue for both sleep and neurology

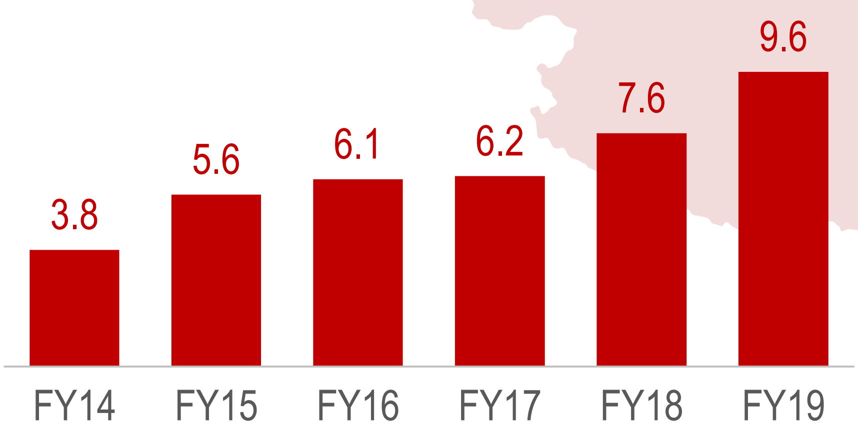
Past	USD3.5m
FY2019	USD4.0m
FY2020	USD7.0m
FY2021	**USD11.0m**

China - We are the number 1 Premier Supplier

Compumedics Clients in China



China Sales (invoiced) – USD's



COMPUMEDICS

Step out 1 - Brain Imaging: 1st sale secured

Opportunity

CMP's CURRY brain analysis software is already the gold standard for the MEG* market

MRI** is too slow to capture dynamic brain activity needed for alzheimer's et al

CMP's agreement with KRISS provides access to a new and superior hardware platform

Compumedics can access a complete MEG sale (circa USD3 to 4m each) as opposed to the USD30k software sale

Market & Competition

The MEG market is currently estimated at about 20 systems a year at an average selling price of USD4.0m each = US$80m/annum

This is expected to grow about 10% a year, excluding China

It is estimated that China could more than double the existing market size to about 50 units a year

The dominant existing player is Elekta, based out of Sweden, followed by Yokogawa (Japanese market) and CTF MEG (a much smaller player)

Plan

H2 FY19 – first phase of MEG installation undertaken at US based Barrow Neurological Institute (BNI)

H2 FY20 – second and final phase of MEG installation undertaken at BNI

FY20 – Secure second and possibly third MEG sales

FY20 – gain FDA for MEG in US for clinical application

Outcome

CMP has sold and partially installed 1 MEG systems in FY19

CMP expects to sell at 1 and possibly 2 MEG systems in FY20

CMP expects to double sales in FY21 to 2 to 4 MEG systems

*MEG = Magnetoencephalography
**MRI = Magnetic resonance imaging

Step out 2 - eHealth – Cloud Sleep Diagnostics

Nexus 360 (professional cloud sleep diagnostics) sold into more than 30 US and Aust. sites with over 210 beds and generated revenues of $600k in FY19. Contracted revenues now running at $1m pa run rate as we exited FY19.

Operational systems have been developed for the cloud based capture, transfer and translation of medical grade sleep parameters from any web-enabled device. The system can then store, analyse and interpret that data in a simple and actionable manner, reducing the need for on-site professionals.

Compumedics is continuing to seek appropriate third parties to expedite the process and also take the Somfit consumer device to targeted market opportunities.

Key partners being pursued include *web*, telco, eHealth, consumer health/ electronics providers and device manufacturers.

Directors & Executive Team Key Management

David Burton, Ph.D.
Executive Chairman, CEO
Founder, Tenure 32 yrs

Mr Tucson Dunn
Non Executive Director
CMP Tenure 12 months

Mr. David Lawson
Chief Financial Officer
& Company Secretary
CMP Tenure 20 yrs

Mr. Warwick Freeman
Chief Technology Officer
CMP Tenure 26 yrs

Kerry Hubick, Ph.D.
Trademark, Patent &
General Legal Attorney
CMP Tenure 11 yrs

Mr. Christoph Witte
General Managing Director
Compumedics Germany GmbH
CMP/DWL - Tenure 29 yrs

Investor Summary

Core business profitable with on-going growth opportunities in key global markets

Compumedics remains committed to continuing to deliver superior returns to shareholders

International sales force expansion, neurology and sleep market opportunity and earnings improvement initiatives to continue to drive growth of core business

Spin off/strategic decisions to unlock significant value, provide funds for growth and potentially capital returns to shareholders

Brain imaging and e-Health are the next steps Moving 25+years and $100m+
in cumulative R&D to a modern platform to solve massive and growing problems of neuro imaging in clinic and sleep disorders in the home

FY20 guidance: Sales $42m-$44m, $6.5m-$7.5m EBITDA, NPAT $4.0m-$5.0m

Disclaimer

This presentation has been prepared by Compumedics Ltd (CMP).
While the information in this presentation has been prepared in good faith and with reasonable care, no representation or warranty, express or implied, is made as to the accuracy, adequacy or reliability of any statement, estimates, opinions or other information contained in the presentation.
This presentation may contain forward looking statement. These forward-looking statement have been made based upon CMP's expectations and beliefs concerning future developments and their potential effect on CMP (and it's controlled entities) and are subject to risks and uncertainty which are, in many instances, beyond CMP's control. No assurance is given that future developments will be in accordance with CMP's expectations. Actual results could differ materially from those expected by CMP.
This presentation does not constitute an offer to sell or a solicitation of an offer to purchase any security or financial product or service. Any such offer or solicitation shall be made only pursuant to a Product Disclosure Statement, Information Memorandum, Prospectus or other offer document relating to a financial product or service.
Past performance is not necessarily indicative of future results and no person guarantees the performance of any financial product or service or the amount or timing of any return from it. There can be no assurance that the financial product or service will achieve any targeted return, that asset allocations will be met or that the financial product or service will be able to implement its investment strategy and investment approach or achieve its investment objective.
The information contained in this presentation is not intended to be relied upon as advice to investors or potential investors, who should consider seeking independent professional advice depending upon their specific investment objectives, financial situation or particular needs.

COMPUMEDICS®

THANK YOU

> SLEEP DIAGNOSTICS & TREATMENT
> NEURO DIAGNOSTICS
> BRAIN RESEARCH
> ULTRASONIC BLOOD FLOW MONITORING
> MEDICAL INNOVATIONS

OVER 30 YEARS OF EXCELLENCE IN DIAGNOSTICS