

Corporate Presentation

September, 2015



- > Sleep Diagnostics & Treatment
- > Neuro Diagnostics
- > Brain Research
- > Ultrasonic Blood Flow Monitoring

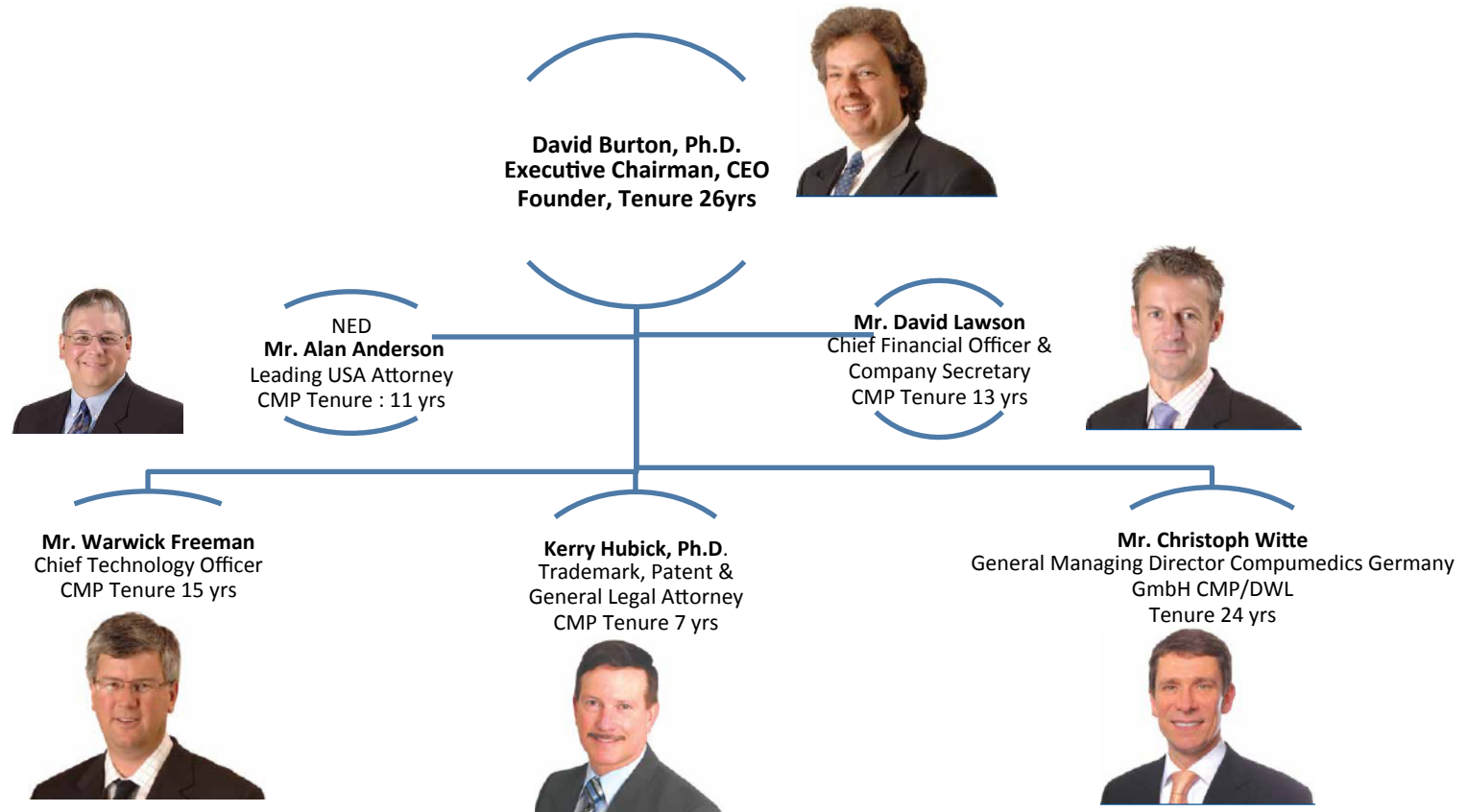
Investor Overview

- FY 15 Highlights: **\$33.5m sales, revenue growth 9%, EBITDA \$4.1m, NPAT \$2.0m**
- Core business: now highly profitable and continues to grow with the full benefits of the earnings initiatives undertaken in recent years still to flow through.
- New Product platform roll out to significantly expand our addressable market
- Growth in international sales with expansion plans in the US, Germany and China
- eHealth: Pushing ahead with the commercialization of our cloud based sleep diagnostics platform
- DWL expansion opportunity with newly granted breakthrough auto-scan TCD patent and Neuroscan foray into much larger brain analysis imaging market
- Spin offs/strategic decisions to unlock significant value for shareholders continue to be pursued
- FY16 guidance: Sales \$36m-\$38m, EBITDA \$4.5m-\$5.5m, NPAT \$2.8m-\$3.2m.

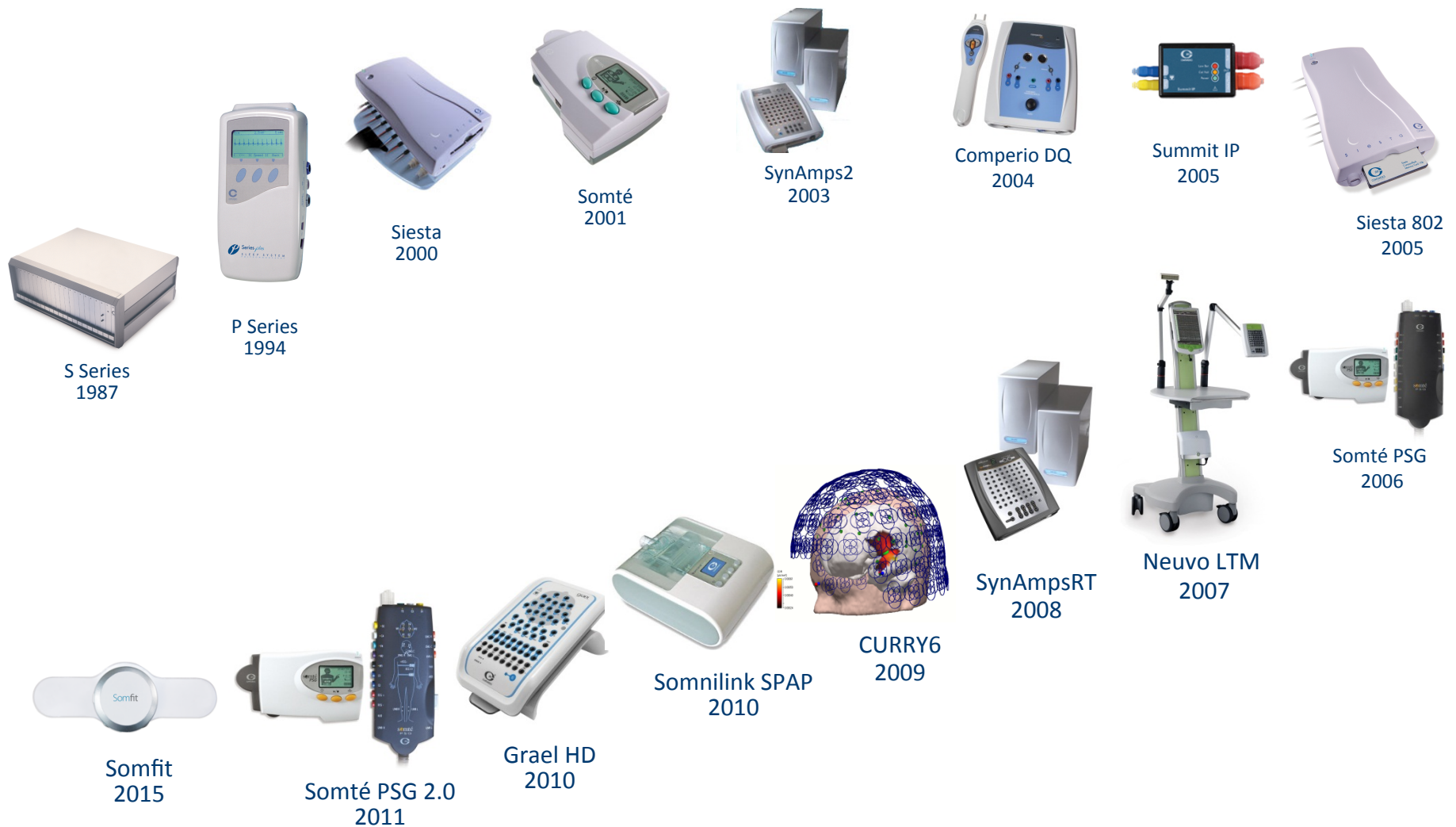
Who is Compumedics?

- **Compumedics** is 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])
- **Compumedics** is a technological leader in its chosen markets:
 - #1 Australia sleep & neuro diagnostics device supplier
 - #1 Japan sleep diagnostics device supplier
 - #1 China sleep diagnostic device supplier to China's premier facilities & #1 TCD device supplier
 - #3 USA sleep diagnostic device supplier and emerging #3 supplier for neurological monitoring devices
- **Compumedics** has a rich intellectual property portfolio
- **Compumedics** e-Health platform is the next growth phase in the company's development
- **Compumedics** listed ASX Dec 21, 2000

Directors & Executive Team Key Management



A Tradition of Innovation



Established Client Profile



National Aeronautics
and Space Administration



MAYO CLINIC
College of Medicine

STANFORD UNIVERSITY



UNIVERSITY OF MICHIGAN



Royal Perth Hospital
COMMITTED TO EXCELLENCE



ST VINCENT'S
HEALTH



THE UNIVERSITY OF TOKYO



Peking University

Hennepin County Medical Center

HCMC



Maine Medical Center
centered around you



U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
National Institutes of Health



The **Royal Children's**
Hospital Melbourne



YALE UNIVERSITY
SCHOOL OF MEDICINE



Providence
Medical Center

*Sisters of Charity of Leavenworth
Health System*



Core Sleep and Brain Diagnostic Monitoring Business



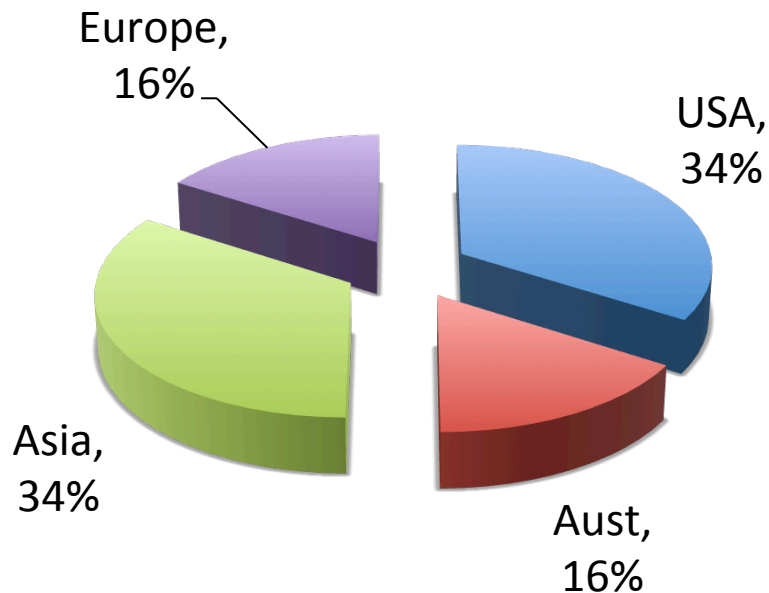
FY15 Results

- Revenue and profit figures in line with guidance
- New sales orders taken in FY2015 were 19% higher than new sales orders taken in FY2014. Driven by growth in US, China and Europe.
- Sales order backlog continues to decline, although late rush of sales orders received at 30 June 2015 does not make that apparent with \$5.5m of sales orders on hand at 30 June 2015 compared to \$6.0m at same time last year.

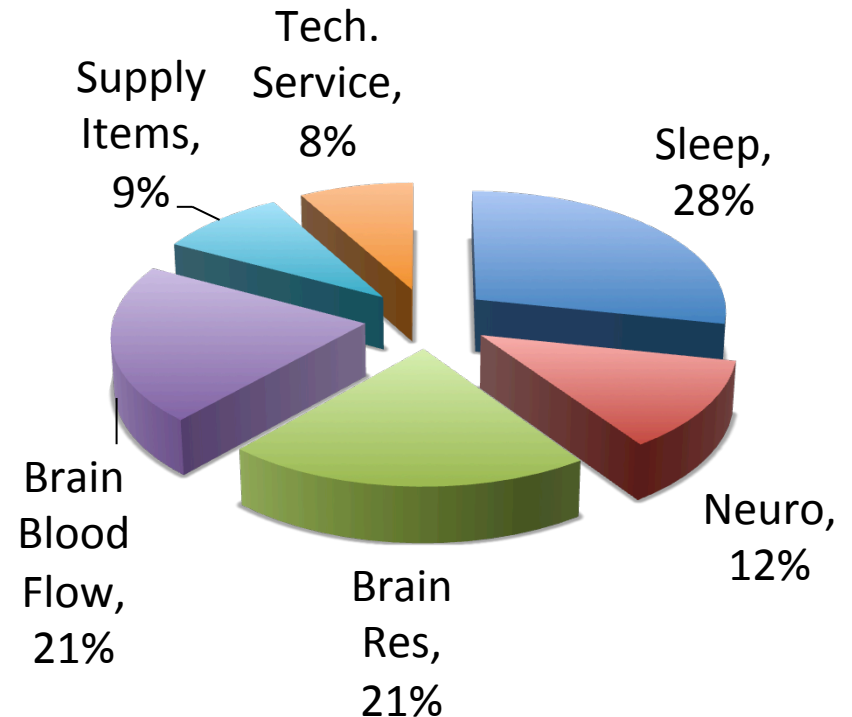
Revenue Composition at ≈\$33m

30 June 2015

By geographic region



By product/market



Software upgrades 5 to 10% of system sales

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






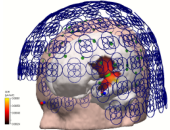
Core Business Overview

- The core business has returned to strong operating profitability and is positioned for significant earnings growth in the years ahead
- Cost reduction initiatives for the assembly and manufacture of key products are yet to fully flow through to the bottom line, expected to occur in FY16
- With both redesigned and new products released to market we will be in a position to aggressively expand sales, particularly in the US market
- Compumedics® technology is world leading. We now have a competitive cost base to bring that leading technology to the mass market (vs previously the premium market)
- 20,000 installed systems worldwide. Strong brand name and reputation. Customers like buying Compumedics.

International Growth – Geographic Expansion

- Expand our US sales force and management team to further build our market presence in the largest markets for sleep diagnostics and neurology.
- Establish an office in Germany, a relatively untapped market for Compumedics to date.
- Push into the Chinese neurology market – a massive, untapped and rapidly growing opportunity. We are already no.1 in premium sleep diagnostics with extensive long term relationships with major distributors.

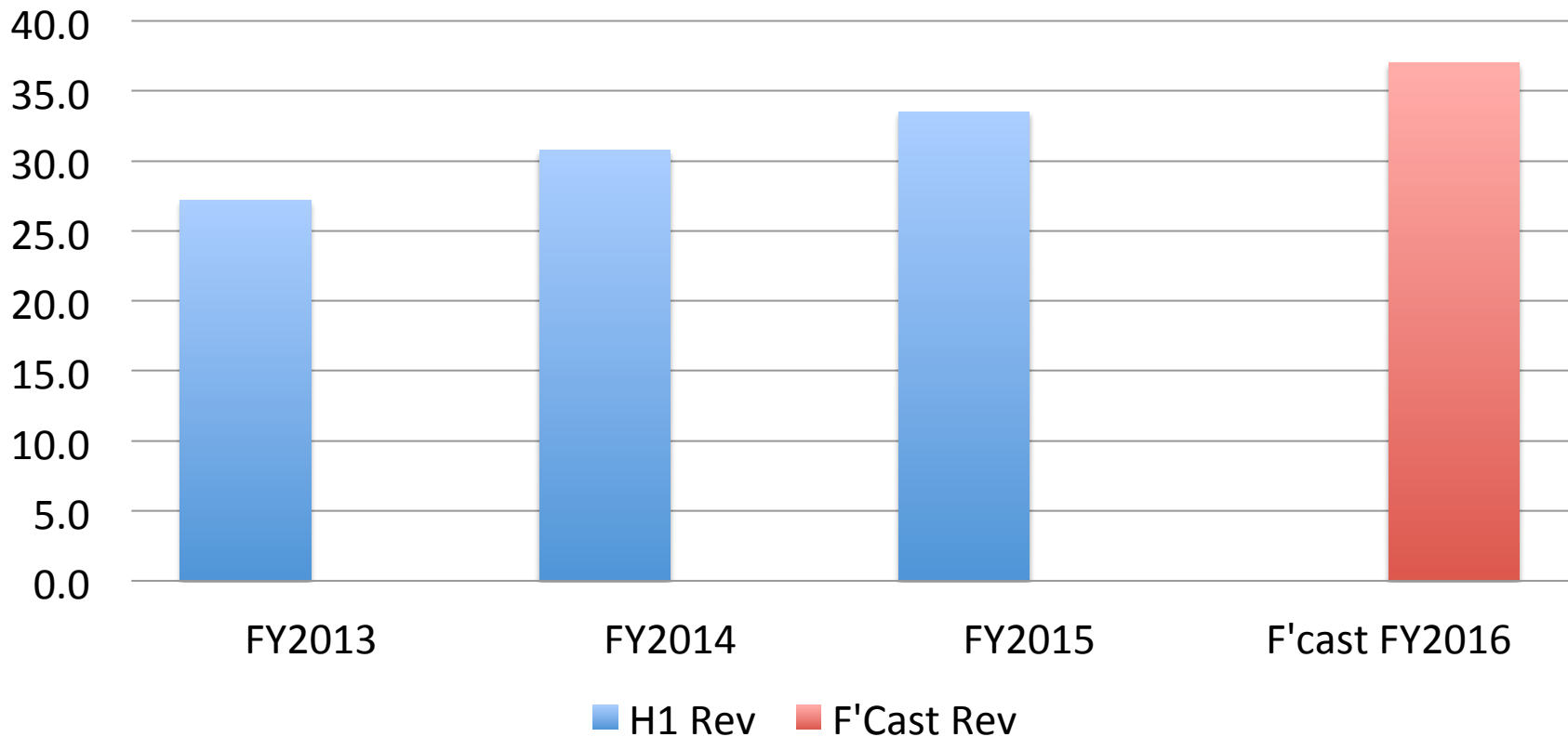
Product Matrix

Product		Used for	Bought by	Average selling price
Grael		Sleep and neurology	Hospitals, doctors and service providers	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 hospitals and regular hospitals	USD20,000

Historical Full Year Revenues

12 months to 30 June

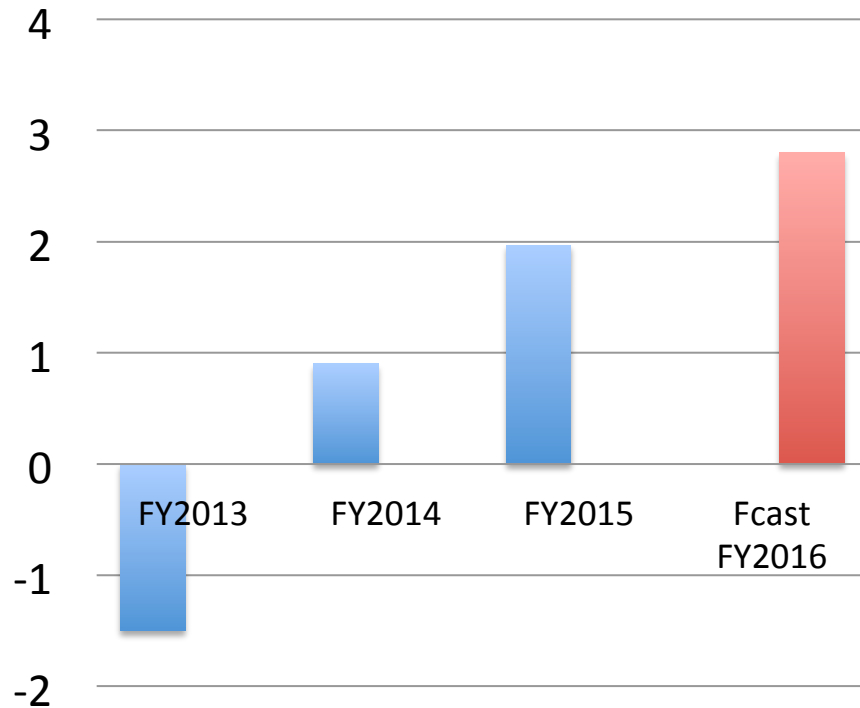
Shipped and invoiced



Historical Full Year Earnings

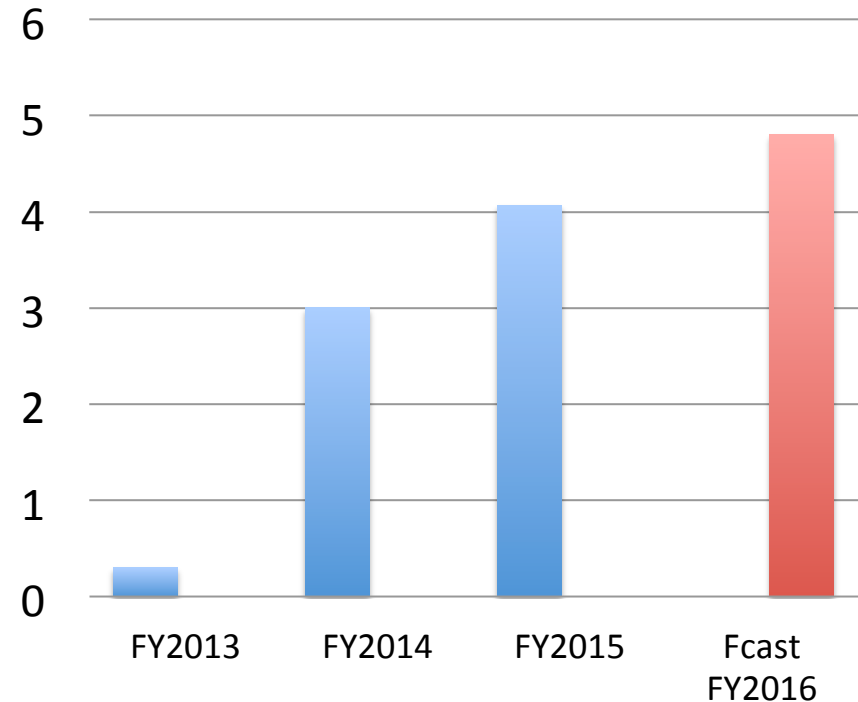
12 months to 30 June

NPAT



■ NPAT ■ F'Cast NPAT

EBITDA



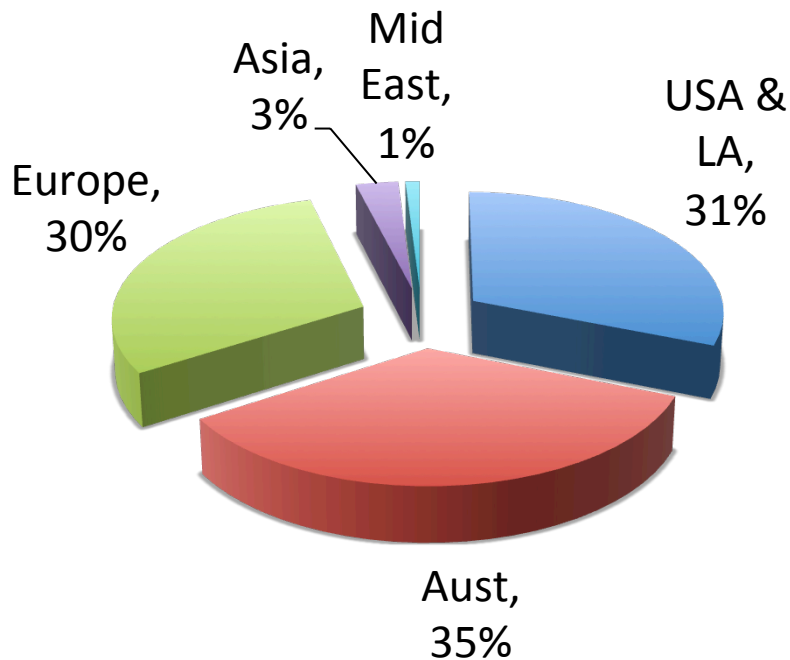
■ EBITDA ■ F'Cast EBITDA

Full year EBITDA for FY2016 is estimated between \$4.5m and \$5.5m. Excluding Medical Innovation costs
EBITDA is estimated between \$5.5m to \$6.5m

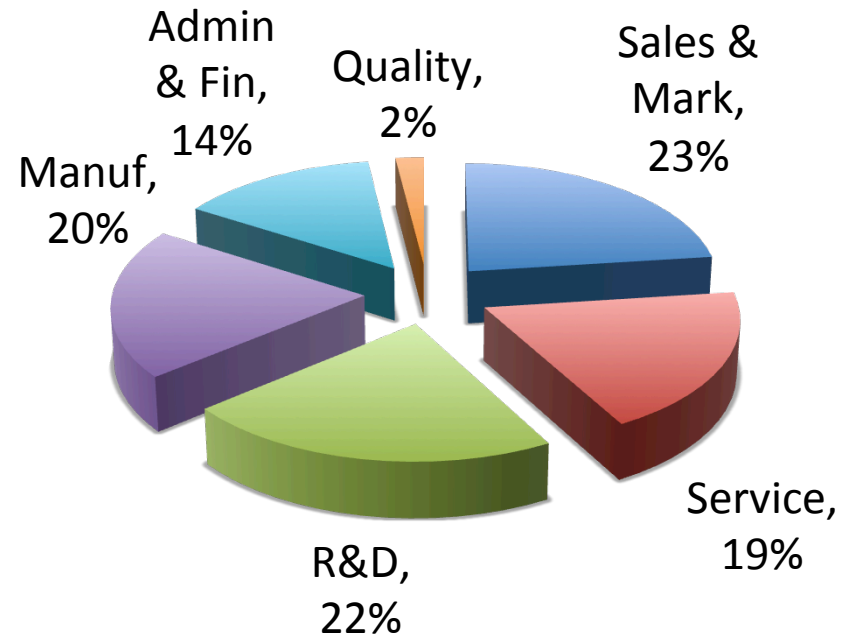
Employee Composition at ≈120 staff

30 June 2015

By geographic region

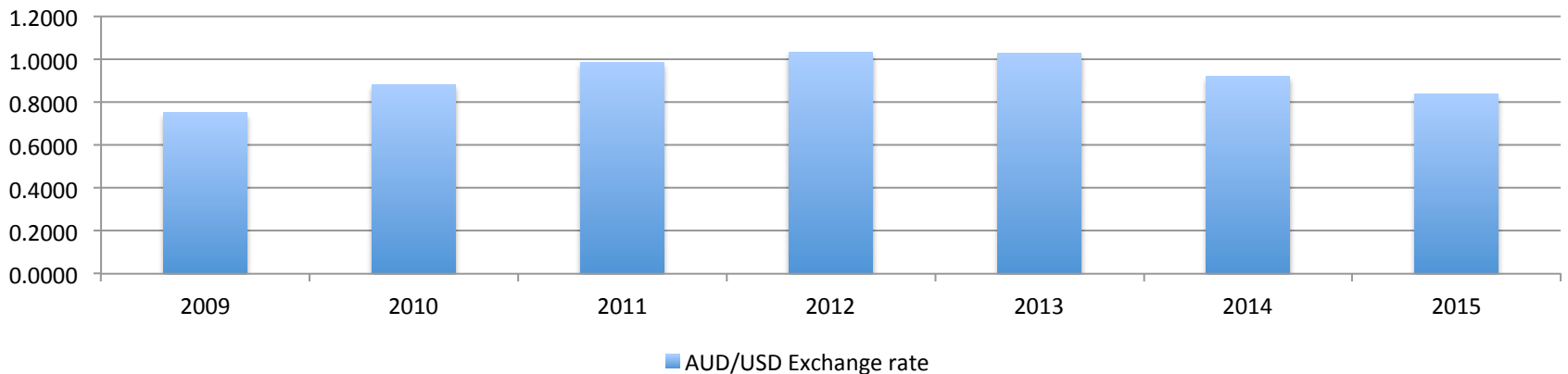
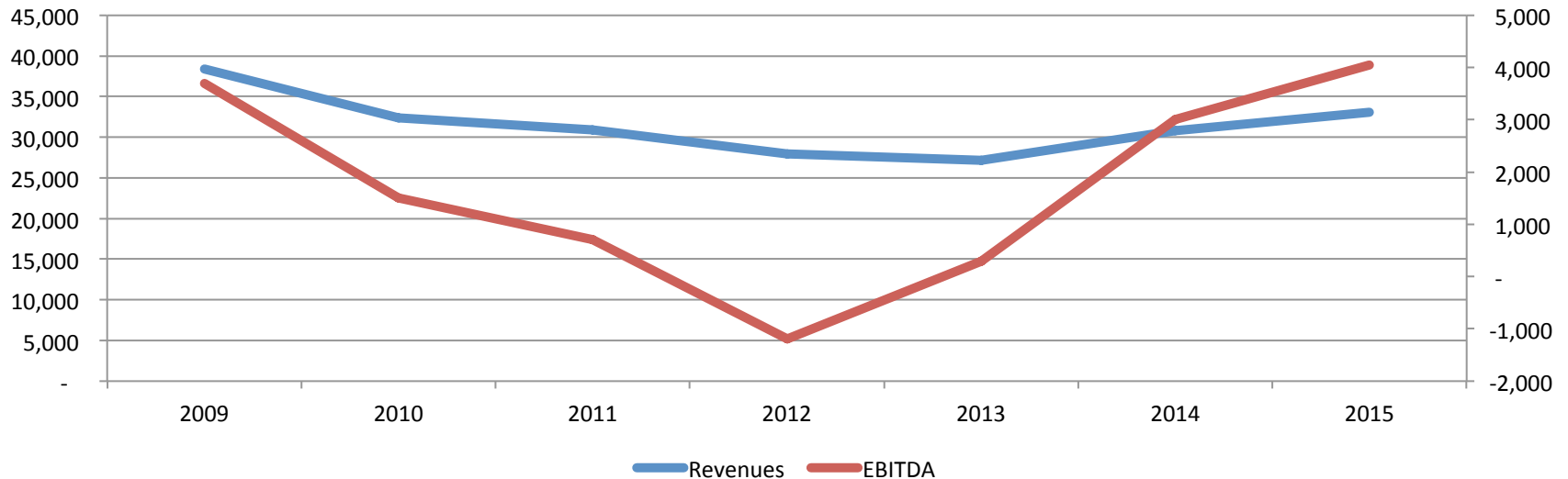


By function



Compumedics has its Head Office in Melbourne, Australia with additional offices in Charlotte (NC), USA and Singen, Germany

Tide turning post GFC and high AUD



Growth Drivers – Core business

- Compumedics/NeuroScan LTEM innovative brain analysis software and high performance amplifiers are unrivalled world class technology
- We have >20,000 systems installed worldwide. Strong reputation and brand name. Customers like buying from Compumedics.
- Earnings initiatives to flow through in FY16.
- Opportunity to significantly grow the USA business through strengthening of the management team and expansion of the sales force.
- Expansion into untapped German market
- Push into the Chinese neurology market
- Ideally positioned to accelerate organic growth and value realisation

Earnings improvement activities

- Outsourcing Manufacturing – lower cost regions of China and Taiwan
- EEG cap production completely relocated at Dec 14 and Grael production to be completed by Dec 2015
- Offshore or specialist purchasing houses to increase quality and drive down costs. Grael and Somte purchasing relocation complete Dec 2015
- Streamlining of logistics (final product assembly, testing and shipment) as the business grows
- Completed redesign of all major product lines for aggressive global full market access - based on at least halving cost of goods but retaining quality and performance
- New generation Grael to be released for sale Dec 2015
- These benefits will start to flow through in FY16 and beyond

Growth Strategies – core business

USA Clinical Sales Force Expansion

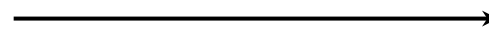
***More sales representatives > more revenue
for both sleep and neurology***

Past



USD4.5m

FY2015 - Now



USD6.4m

FY2016



USD10.0m

FY2017



USD15.0m

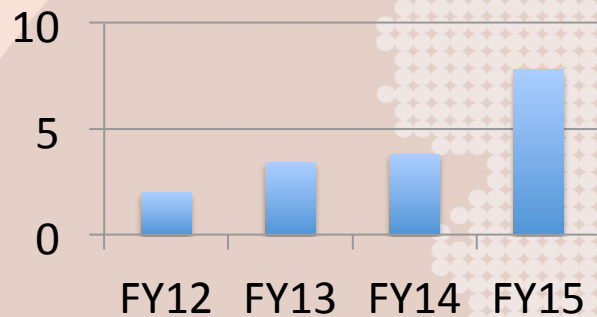
China - We are the number 1 Premier Supplier

Compumedics Clients in China

- Sleep
- Neuroscience
- Neuroscan

“Compumedics is the number 1 supplier of premier sleep diagnostics in China”

China Sales – USD's



“Compumedics is the preferred supplier for an increasing number of leading researchers, universities and hospitals around the world. Compumedics equipment is installed in a number of highly acclaimed medical centers globally and is the provider of choice in over 200 locations in mainland China”



Strategic Value Realisation



Strategic value realisation

The company is currently considering options to simplify its business and unlock significant value for shareholders by:

- Spinning out its Germany based DWL Transcranial Doppler (TCD) ultrasound blood flow business
- Spinning out its Brain Research business (NeuroScan)

DWL Spin out opportunity

- DWL is the founding business and global leader in TCD ultrasound.
- Short term growth opportunities in 3D Transcranial Colour Doppler (TCCD)/Duplex Imaging
- Medium term growth opportunities in TBI and Stroke Market
- 3D TCCD is a US\$900m vs DWL's current market of \$US30m. Relatively small investment required in upgrading the user interface to be able to play in this market.
- Traumatic Brain Injury (TBI) – DWL work with some of the world's most respected researchers.
- Continue to build commercial momentum with 3D TCCD and TBI opportunities, with a view to spinning these out as circumstances and timing allow.
- Substantial potential DWL value realisation based on revenue multiples of comparable entities:
 - Revenue of \$US6m (based on 4x current revenue) = \$US24m
- **Compumedics remains focused on continued DWL business growth in conjunction with the acceleration of organic growth and value realisation**

Brain Research Spin Out Opportunity

- Growth outlook – significant for Neuroscan CURRY – **World's best of class brain analysis software**
- Enormous neurology devices demand – est. \$7bn pa by 2017 up from \$2bn in 2010
- CURRY multi modal brain analysis technology – traditional research market - \$50m pa
- CURRY – multi modal brain analysis monitoring – new imaging market - \$4bn pa
- CURRY – MEG Imaging – currently the preferred solution
- NeuroScan/CMP – 9% revenue growth expected. EBITDA approx. \$1.1m
- Similar AIM IPO comparable – post money 5x revenue market capitalization
- **Compumedics remains focused on continued Neuroscan business growth in conjunction with the acceleration of organic growth and value realisation**

eHealth – Next Phase in Compumedics Growth



Medical Innovations – eHealth

- Compumedics is developing eHealthMedics, an online professional sleep services platform
- Sleep diagnostics is traditionally delivered as a lab-based (equipment intense) or Home Sleep Testing service eHealthMedics has re-architected its solution such that the sleep monitoring and algorithms that translate the raw data into sleep stages run on the cloud, so that all that is required on-site is a mobile sleep system to buffer and transfer the raw data
- The platform is based on Compumedics' core world-class sleep diagnostic technology, built up over more than two decades and \$100m+ in accumulated R&D and \$500m+ in total system sales
- eHealthMedics will provide the backbone and infrastructure to professional sleep service providers

eHealthMEDICS - Competitive Advantage

- The scalability and cost efficiencies of eHealthMedics vs traditional sleep diagnostics allow the service to accommodate very large sleep-disordered populations, even in regions where private or public health insurance is limited or non-existent (eg China – a key market for eHealthMedics)
- The numerous validated and proven algorithms & report templates have been developed over 25+ years of ongoing R&D – they cannot be replicated
- Compumedics possess a broad spectrum of medical diagnostic and monitoring technologies that are unrivalled globally
- These technologies have served clients including NASA, Stanford, Mayo Clinic, Yale, Beijing University, University of Tokyo and a range of leading hospitals worldwide, as well as provided the infrastructure for the worlds largest home based sleep study and database of its kind – the USA National Institute of Health's 'Sleep Heart Health Study'
- The above provides eHealthMedics with the ability to leverage existent proven systems and relationships into the professional sleep services space with “gold standard”, regulatory approved and certified diagnostic technology backed by key opinion leaders within the industry

eHealthMEDICS – Making Progress

- eHealthMedics has already locked in excess of \$10m of forward orders over the next three years (primarily in China) for its professional services platform. Initial pilot sites commence in May and June this year
- 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 are now approaching a select group of strategic partners/investors to expedite the process and rapidly deploy the platform to market
- Key partners being pursued include web, telco, eHealth, consumer health/electronics providers and device manufacturers
- Compumedics will update the market as significant further progress is achieved

eHealthMEDICS - We bring to the table a eHealth services platform that leverages core competencies built over 25 years

mHealth Product Ecosystem: Required Competencies

est. 1987



- Over 250 product patents
- Established medical credentials - 000s of medical publications / leading R&D team
- Government / regulatory certification and compliance
- Clinical diagnostic software (inc. sleep disorders, neurology, heart, epilepsy, diabetes)
- Medical monitoring devices – home and hospital
- Cloud-based algorithms, data processing and security
- Global Network of Physicians
- Clinical monitoring sensors



- Medical grade 'life-signals' monitoring

Patents / IP

Govt. Funding

- Eligibility for govt. health scheme rebates

Cloud Medical Data Processing

- Inc. medical data security (FDA, CE, TGA compliant, US HIPPS)

Regulatory Compliance

- Established global network of Physicians

Health Services

Clinical Grade Products

- Applications
- Network
- Sensors / wearables

*new
mHealth
Platform*

Investor Summary

- Core business continues to grow
- International sales force expansion, neurology market opportunity and earnings improvement initiatives to continue to drive growth of core business
- Compumedics remains committed to continuing to deliver superior returns to shareholders
- e-Health platform is the next step for CMP's growth. Moving 25+ years and \$100m+ in cumulative R&D to a modern platform to solve a massive and growing problem. \$10m of contracts already locked in.
- Spin off/strategic decisions to unlock significant value, provide funds for growth and potentially capital returns to shareholders
- FY16 guidance: Sales \$36m-38m, \$4.5m-\$5.5m EBITDA, NPAT \$2.8m-\$3.2m

Thank you



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