



ANNUAL GENERAL MEETING

Thursday, 19th November 2020
10.30am

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



AGM Agenda

Meeting opens

Chair's address

Ordinary business

Meeting closes

Ordinary Business

Item 1 Financial Statements and Reports

Item 2 Re-election of a Director – Tucson Dunn

Item 3 Adoption of Remuneration Report (non-binding resolution)

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])
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A technological leader in its chosen markets:

#1 Australian sleep & neuro diagnostics device supplier	#1 Japan 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
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- FY20 COVID-19 impacts Revenues down 16% to \$35.1m, FY19 underlying EBITDA down 61% to \$2.3m.
- FY21 Guidance not given due to the significant uncertainty caused by the impacts of the COVID-19 pandemic on our markets around the world.
- 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 \$90m.

FY2020 – Performance Review (COVID-19 impacted)

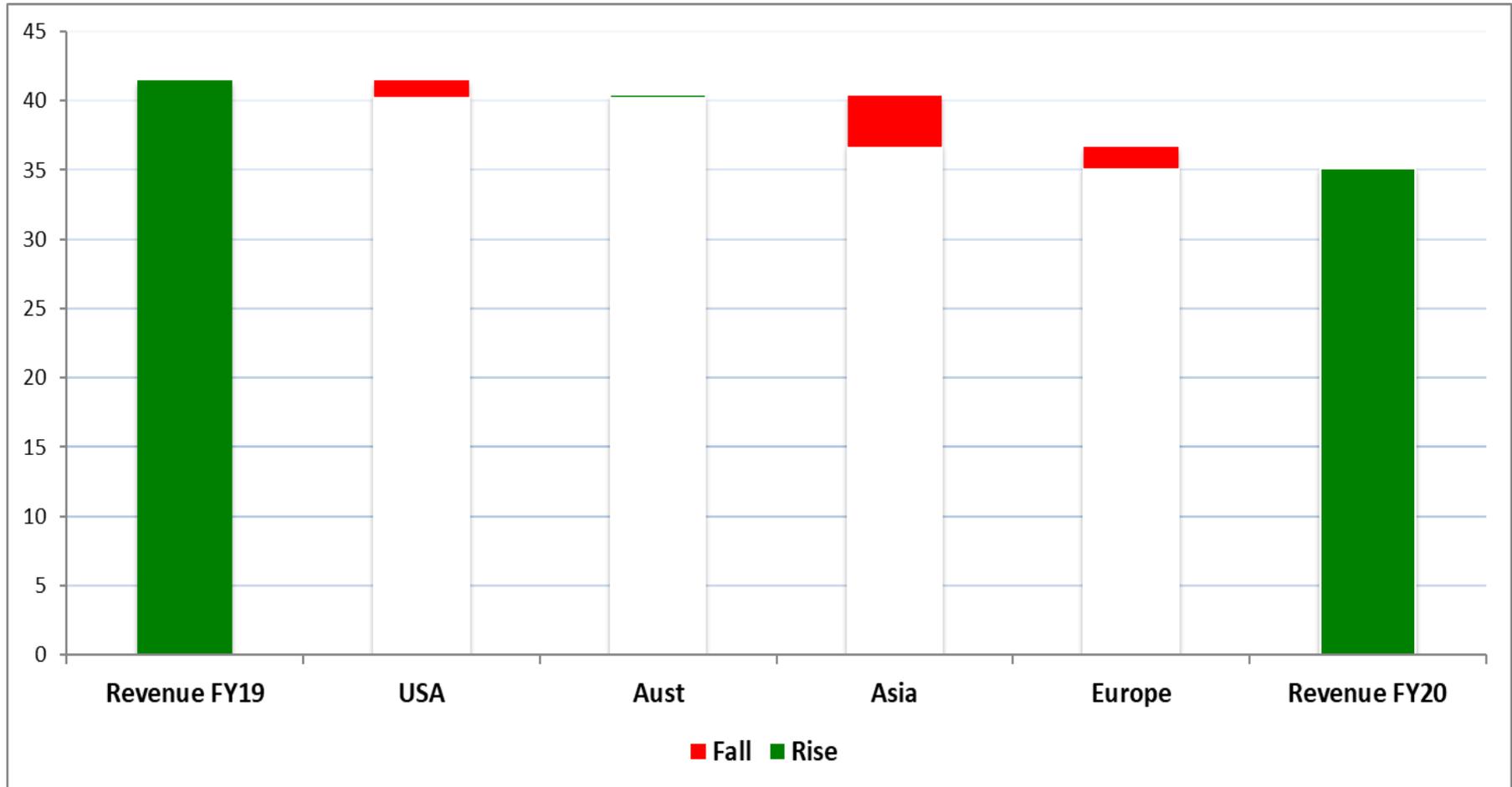
- Revenue \$35.1m, underlying EBITDA \$2.3m, underlying NPAT \$1.8m

	FY20	FY19	Variance	Comment
Revenue	\$35.1m	\$41.5m	(16)%	Revenues fell as a result of COVID-19 restrictions globally. Japan grew, China fell most, US not as much as expected and Australia was similar to FY19.
EBITDA – underlying EBITDA – reported	\$2.3m \$(5.6)m	\$5.9m \$5.9m	(61)% n/a	Underlying profitability fell as a result of COVID-19 impacted sales. Reported profitability was further impacted by \$7.7m write-down of intangible assets.
NPAT – underlying NPAT – reported	\$1.8m \$(5.8)m	\$2.8m \$2.8m	(55)% n/a	Underlying NPAT fell as a result of COVID-19 impacted sales. Reported NPAT was impacted by \$7.7m write-down of intangible assets.

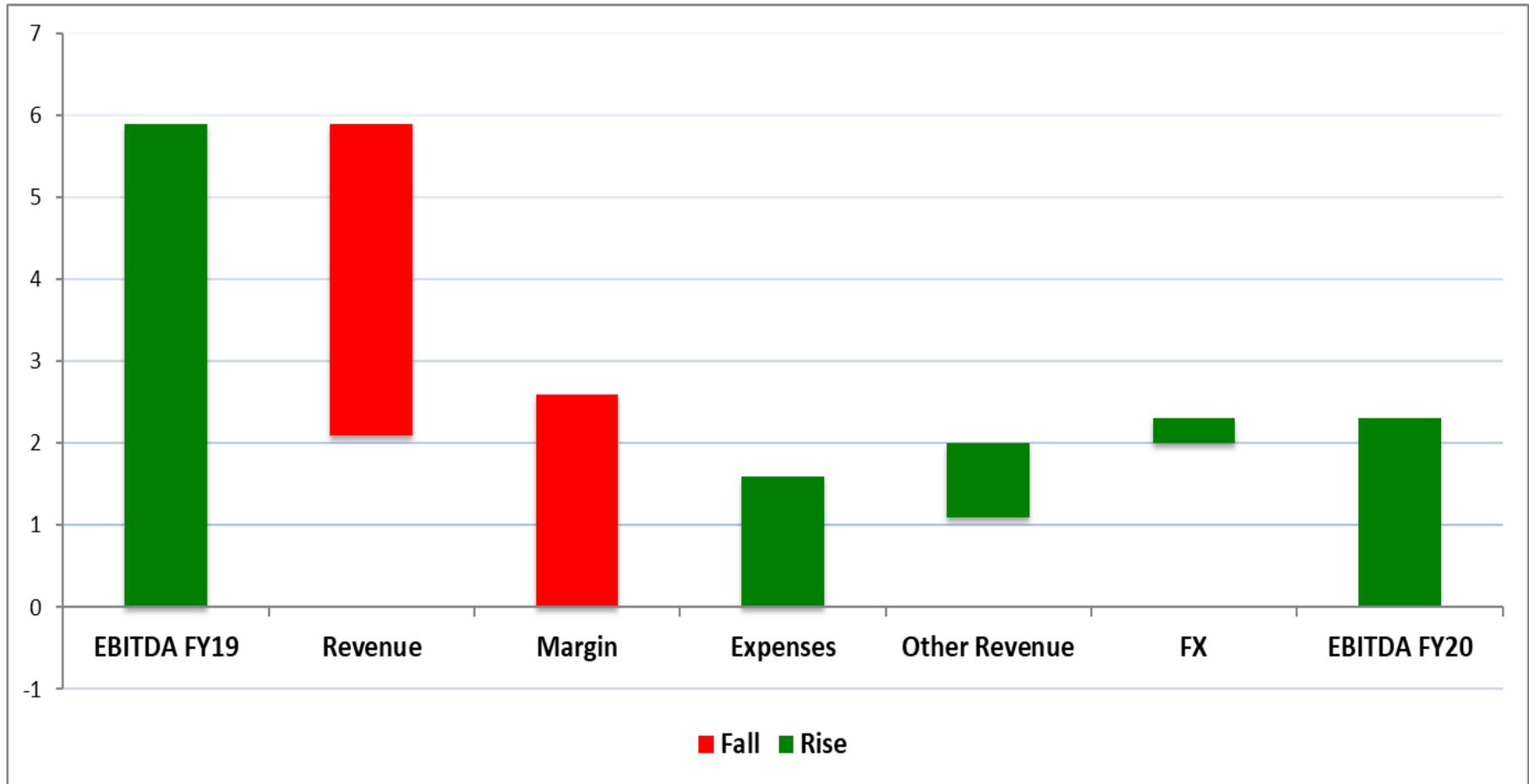
FY2020 – Performance Review (COVID-19 impacted)

- Core: Asia business, and China in particular, significantly impacted by COVID-19 lockdowns with orders taken falling 41% over pcp and a 32% decline over pcp on shipped and invoiced sales.
- Core: DWL business 10% fall in revenues and US business 10% fall, FY20 compared to FY19.
- Core: Profitability fell as a result of the overall contraction in revenues due to COVID-19 impacts. The selective and on-going outsourcing of production, along with other efficiency gains continued to contribute to improvements in operational efficiency and earnings.
- MEG growth initiative: The second phase of the first MEG sale to Barrow Neurological Institute in Phoenix, AZ, USA, was scheduled for H2 FY20 but has been delayed by restrictions around COVID-19, currently targeting early 2021 completion. Further MEG opportunities identified with discussions on-going.
- eHealth growth initiative – 46 sites, with over 270 beds in US and Australia secured for Nexus 360 (professional application), which generated \$1.1m of revenues in FY20. Total signed contracts now have annual subscription fees exceeding \$1.5m.
- Somfit (consumer application) product development progresses with COVID-19 multi-modal capability applications currently being pursued alongside existing targeted applications.

Revenue Bridge Chart – FY19 to FY20



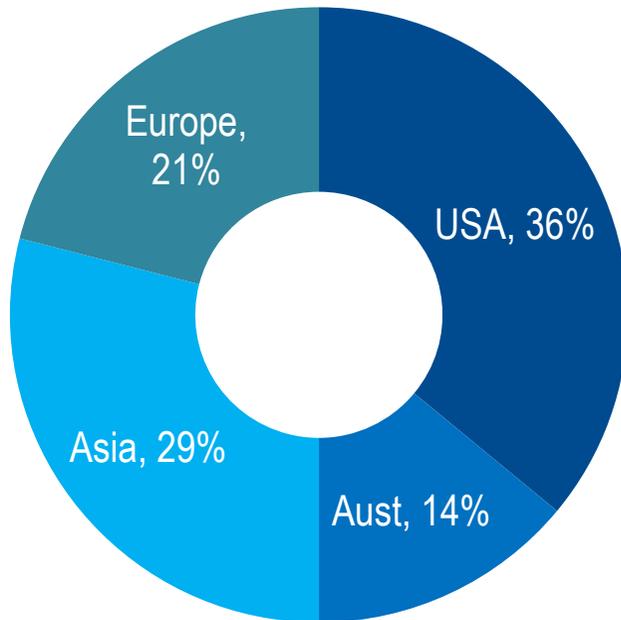
EBITDA Bridge Chart – FY19 to FY20



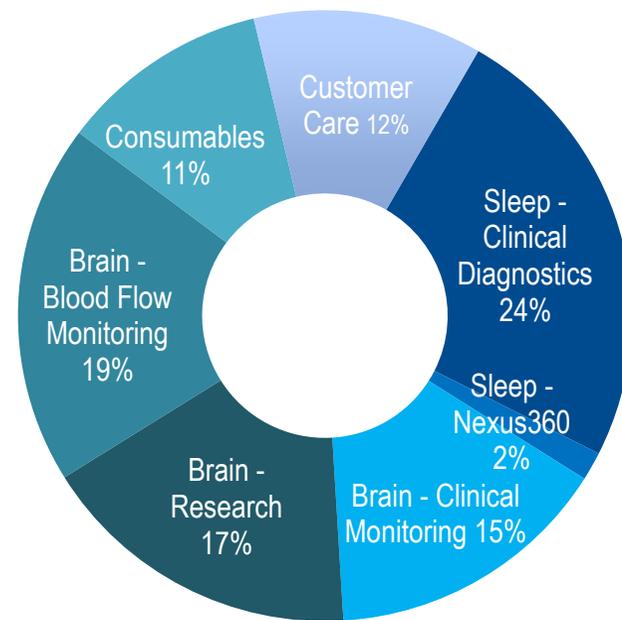
Revenue Composition at \$35.1m

30 June 2020

By geographic region



By product/market



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

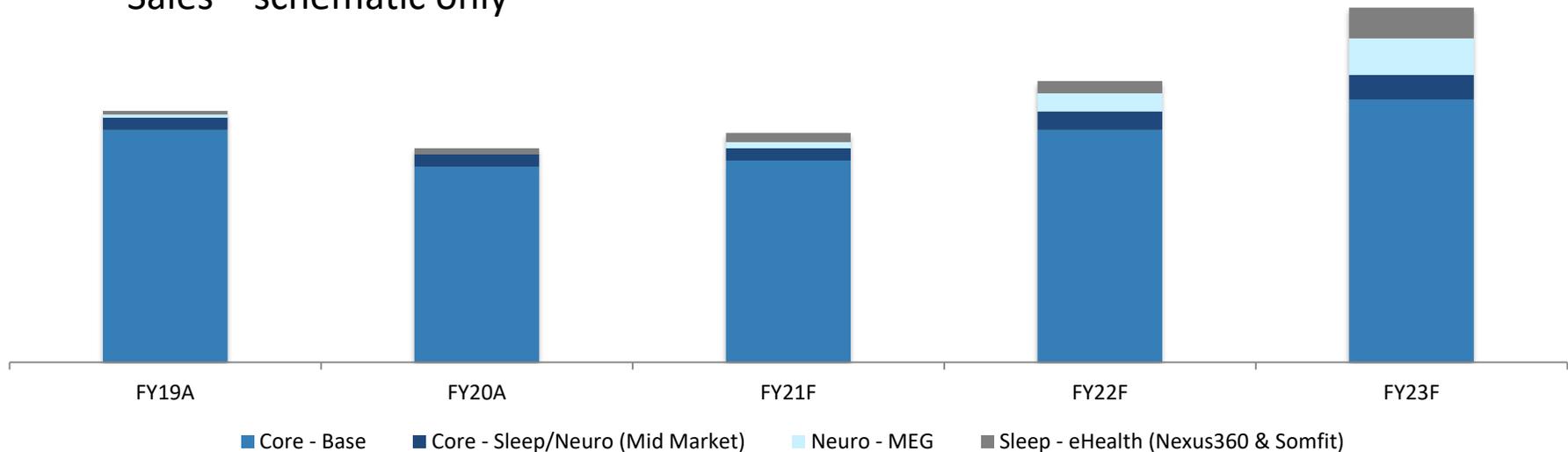
Compumedics sells directly to end-user customers in Australia, USA, France and Germany and through its network of more than 50 distributors to all other parts of the world

FY21 Update

- Current trading in line with same time last year – pre COVID19 – new sales orders taken currently \$15m and trending to \$18m plus for H1 FY21
- Shipments and invoicing for H1 FY21, very dependent on current northern hemisphere lockdowns
- Compumedics currently progressing \$1.5m State Government project which includes an order for non-invasive ventilators as part of the State Governments COVID-19 procurement strategy
- Major US contract (\$1.0m) for Compumedics OnSight ambulatory EEG system secured
- MEG business progresses
- Somfit opportunities continue to evolve

Growth Platform – Core and Step-Out

Sales – schematic only



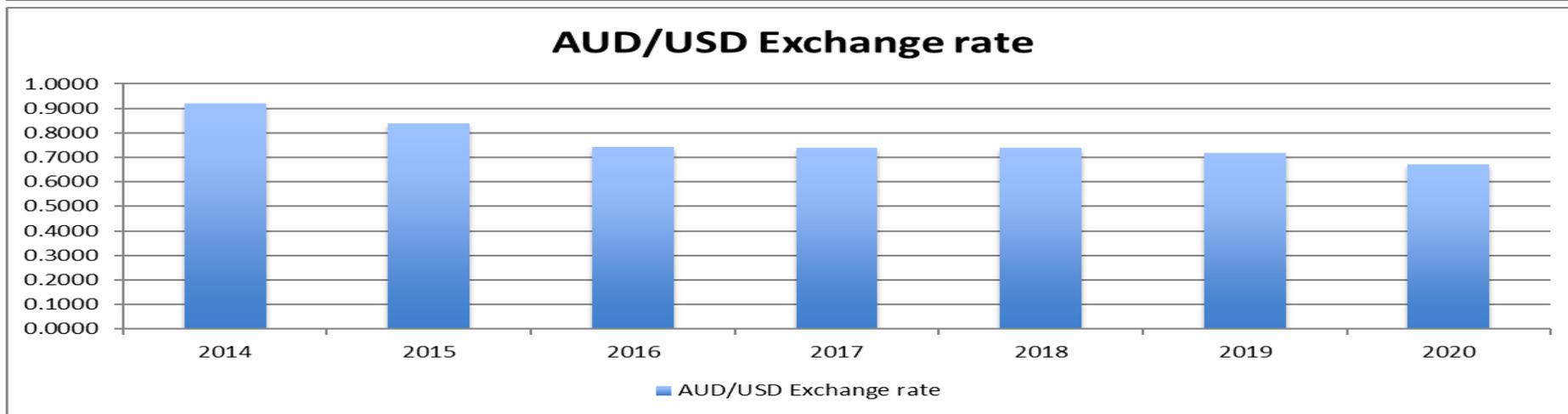
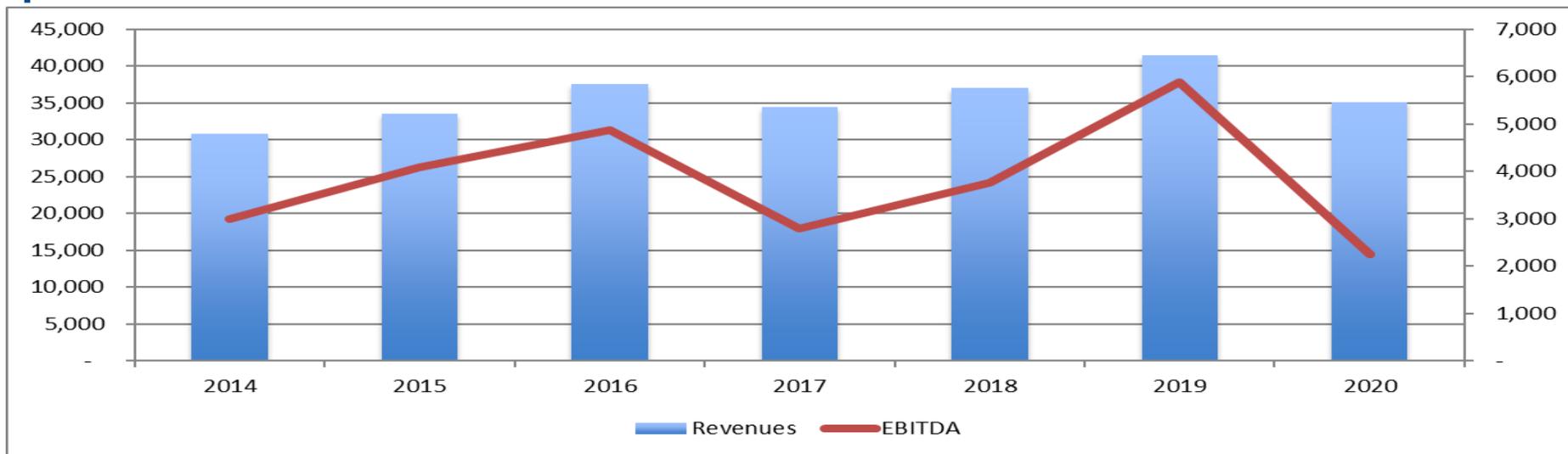
- **Step-out - NEURO – BRAIN IMAGING** – First phase installation at Barrow Neurological Institute in Phoenix, AZ, USA has been undertaken and the second and final phase, which was COVID-19 delayed, is currently planned for early 2021. It confirms that we can transition from a USD30k software sale to a USD3.5m complete system sale. Additional sales opportunities being actively pursued.
- **Step-out - SLEEP - CLOUD GROWTH** – Nexus 360 cloud-based professional sleep diagnostic solution sold to more than 46 sites in US and Australia and generated revenues of about \$1m in FY20. Annual contracted fees now over \$1.5m. Somfit development and discussions continue, including as a multi-modal COVID-19 monitor.
- **Core - SLEEP & NEURO – DIAGNOSTIC GROWTH** – Mid-market devices selling and with a complete range of new ambulatory devices for 2021. 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			
Annuity revenues – ~ % of total – supplies & support	15%	10%	5%	5%

Core Business – COVID-19 impacts but underlying profits



Core Business – Consistent Net Cash Position

\$m	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Cash	1.1	2.2	3.1	4.1	3.9	4.6	6.4
Trade receivables	8.6	9.8	11.9	13.1	18.3	16.0	12.6
Inventories	6.1	5.7	6.5	7.4	7.6	7.8	8.8
Capitalised R&D	2.9	2.7	2.4	2.4	4.0	6.8	2.8
Tax asset	0.0	0.0	0.5	0.8	0.1	0.0	0.8
PP&E	0.7	0.8	0.8	0.7	0.7	1.7	1.5
Other	0.2	0.5	0.9	0.7	0.0	1.8	2.6
Assets	19.5	21.7	26.1	29.2	34.7	38.7	35.5
Trade creditors	4.7	4.4	4.1	4.2	5.1	4.4	3.8
Borrowings	2.0	2.0	2.6	0.7	1.9	1.6	3.0
Deferred Revenues	1.4	1.6	2.0	1.6	1.7	1.4	2.1
Other/Deferred Tax	2.3	2.5	2.8	2.7	2.7	4.0	4.8
Total Liabilities	10.4	10.4	11.5	9.2	11.5	11.4	13.7
Net Assets	9.2	11.3	14.6	20.1	23.2	27.3	21.8
<i>Net (Cash)/Debt to Equity</i>	<i>11%</i>	<i>(2)%</i>	<i>(3)%</i>	<i>(17)%</i>	<i>(9)%</i>	<i>(11)%</i>	<i>(16)%</i>

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 KRIS	Leverage existing TCD technology and patent to Traumatic Brain Injury (TBI) application
Market potential	Professional application > USD3bn pa <i>Consumer application > USD50bn pa</i>	Greater than USD100m pa	Research only USD100m pa <i>Brain Imaging >USD4bn pa</i>	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 and high-performance amplifiers are unrivalled world class technology. Curry 9 releasing FY21



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 FY21 – FY22. New range of ambulatory products for sleep and neurology releasing FY21.



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.

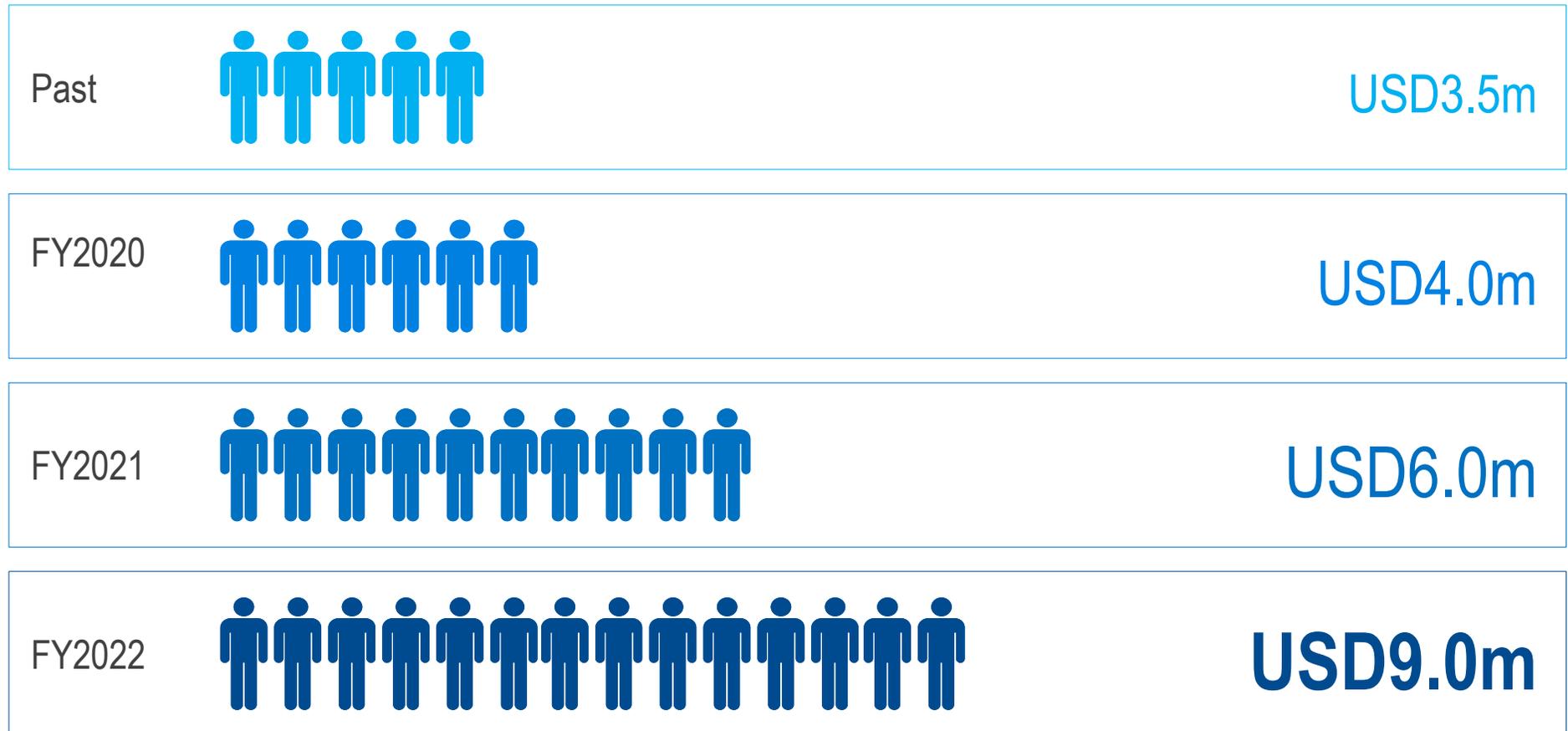


Ideally positioned to accelerate organic growth and value realisation

USA – CMP is number 3 Supplier

USA Clinical Sales Force Expansion - Indicative

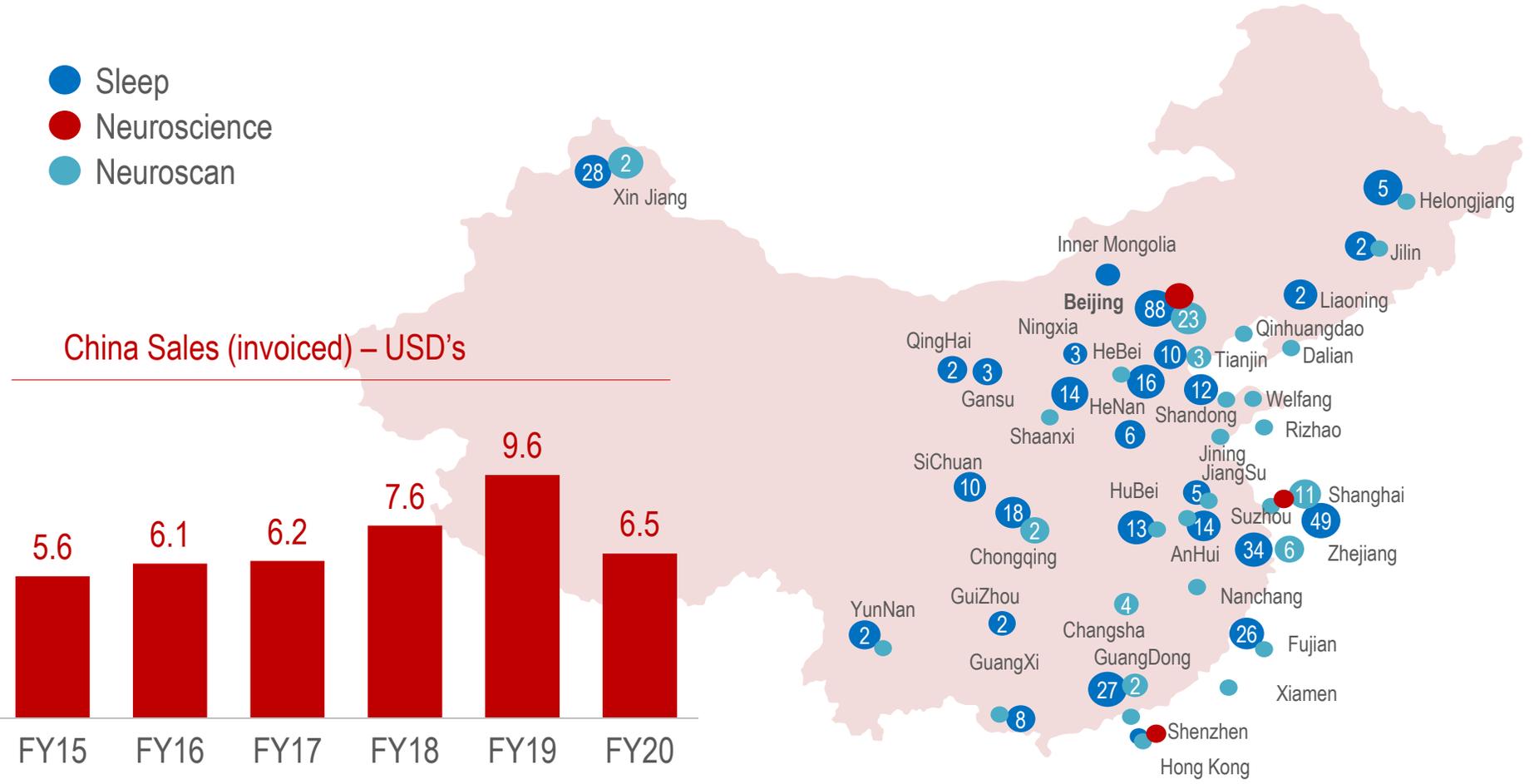
More sales representatives = more revenue for both sleep and neurology



China - We are the number 1 Premier Supplier

Compumedics Clients in China

- Sleep
- Neuroscience
- Neuroscan



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 KRIS 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

*MEG = Magnetoencephalography

**MRI = Magnetic resonance imaging

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 FY21 – second and final phase of MEG installation undertaken at BNI (COVID-19 delay)

FY21 – Secure second and possibly third MEG sales

Outcome

FY19/FY20 CMP has sold and partially installed 1 MEG systems

H2 FY20 – gained FDA for MEG in US for clinical application

CMP expects to sell at 1 and possibly 2 MEG systems in FY21

CMP expects to double sales in FY22 to 2 to 4 MEG systems

Step out 2 - eHealth – Cloud Sleep Diagnostics

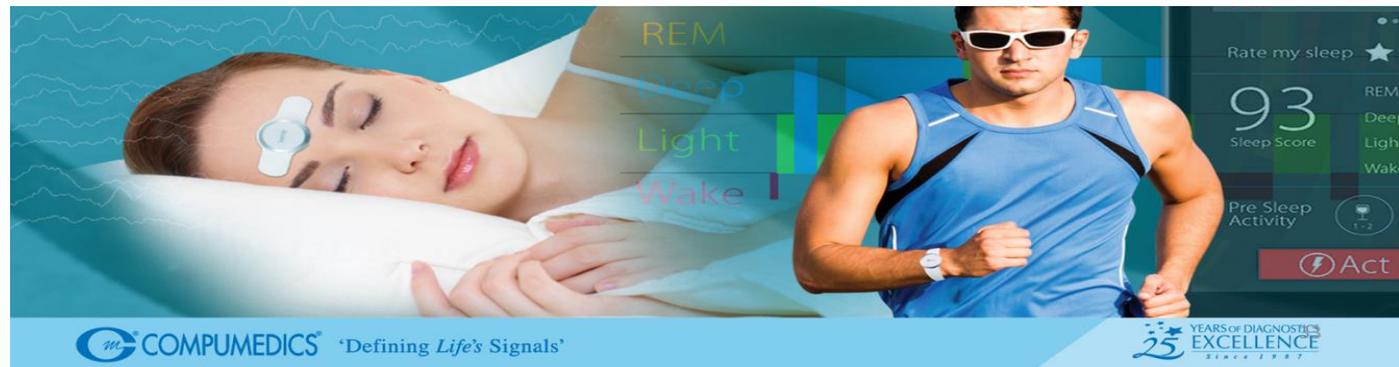
Nexus 360 (professional cloud sleep diagnostics) sold into more than 46 US and Aust. sites with over 270 beds and generated revenues of about \$1m in FY20.

Contracted revenues now running at \$1.5m pa run rate as we exited FY20.

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 take the Somfit consumer device to targeted market opportunities, including as a potential multi modal COVID-19 monitoring device.

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



Directors & Executive Team Key Management



Mr Tucson Dunn
Non Executive Director
CMP Tenure 12 months



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



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

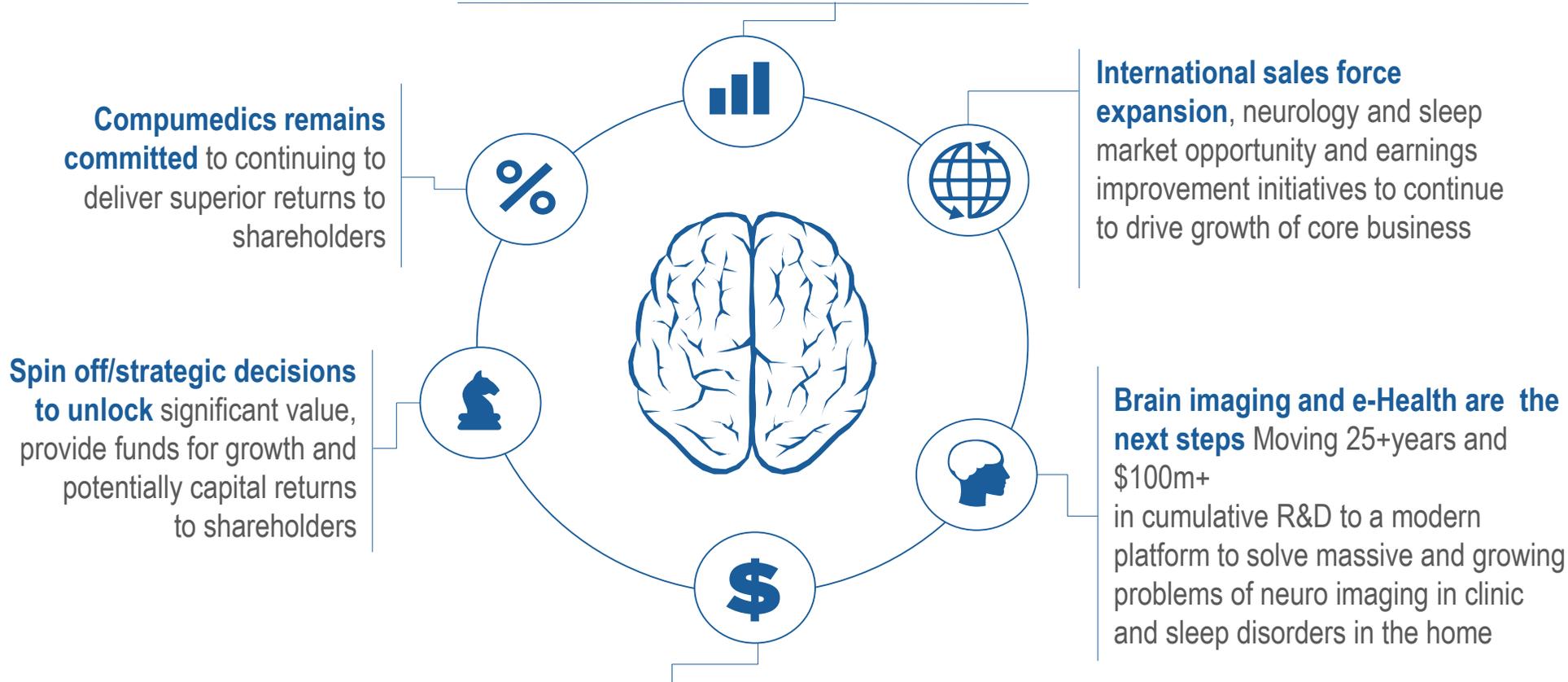


Mr. Christoph Witte
General Managing Director
Compumedics Germany GmbH
CMP/DWL - Tenure 29 yrs



Investor Summary

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



FY21 guidance: Guidance not given due to the significant uncertainty caused by the impacts of the COVID-19 pandemic on our markets around the world.

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THANK YOU

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OVER
30
YEARS
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