

Corporate Presentation March, 2017

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



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

#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

— 120 employees across four locations, Melbourne, Australia (Head Office), Charlotte, NC, USA, Hamburg and Singen, Germany.

— Compumedics listed ASX Dec 21, 2000.

H1 FY2017 – Performance Review

- H1 FY17 Revenue (reported) \$16.2m, EBITDA (reported) \$1.2m, NPAT (reported) \$0.2m

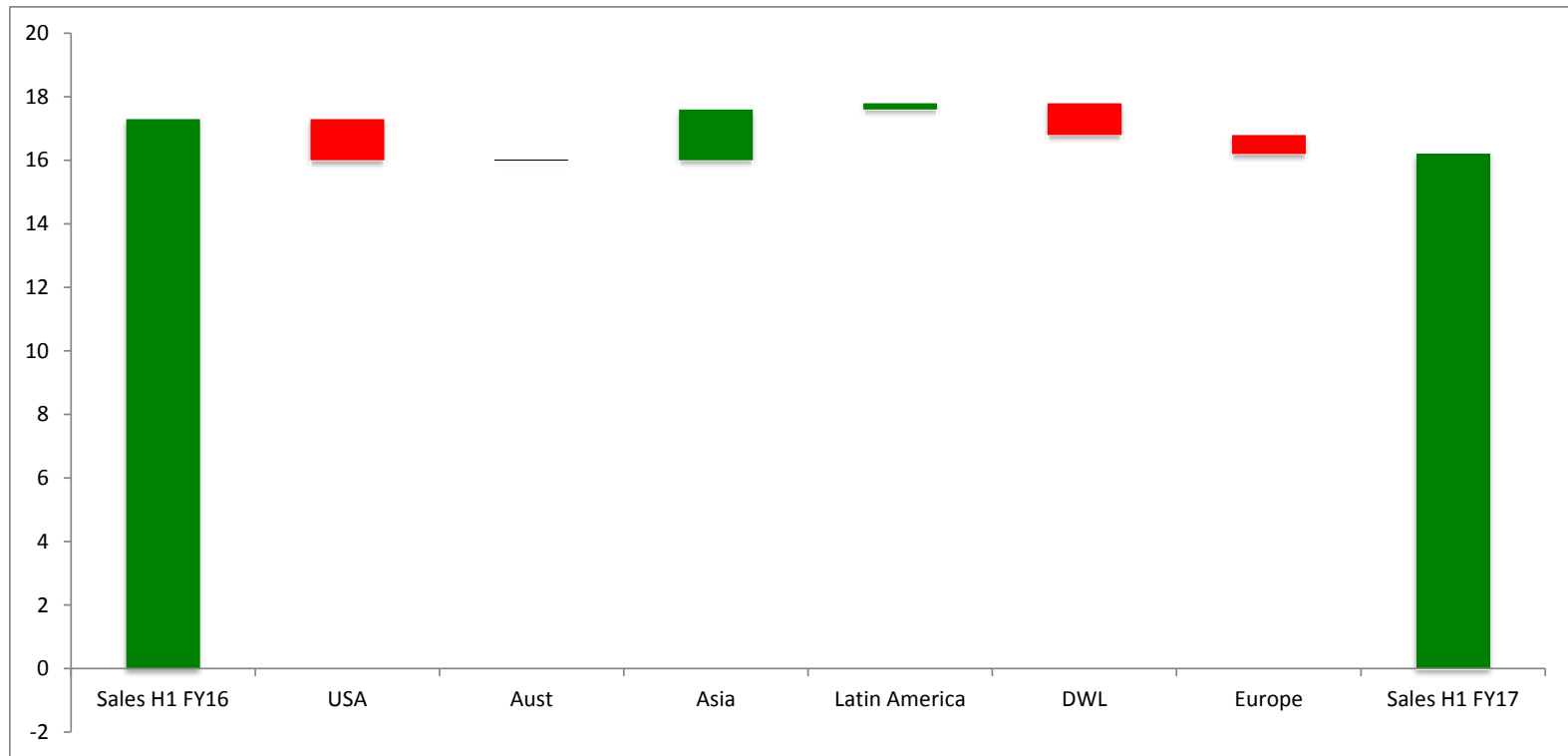
	H1 FY17	H1 FY16	Variance	Comment
Revenue - reported	\$16.2m	\$17.4m	(7)%*	US sales (11) % on PCP and new leadership now in place. DWL Europe also experienced some delayed sales which have now largely being recouped.
EBITDA - reported	\$1.2m	\$2.4m	(50)%	Profitability and operating cash remain positive, validating changes made to product composition
NPAT-reported	\$0.2m	\$1.9m	(88)%	Prior year contained once-off favourable adjustment of \$0.5m relating to booking of a deferred tax asset

* Sales shortfall for H1 FY17 result of \$2m in US sales and \$1m in DWL, not apparent until late in December

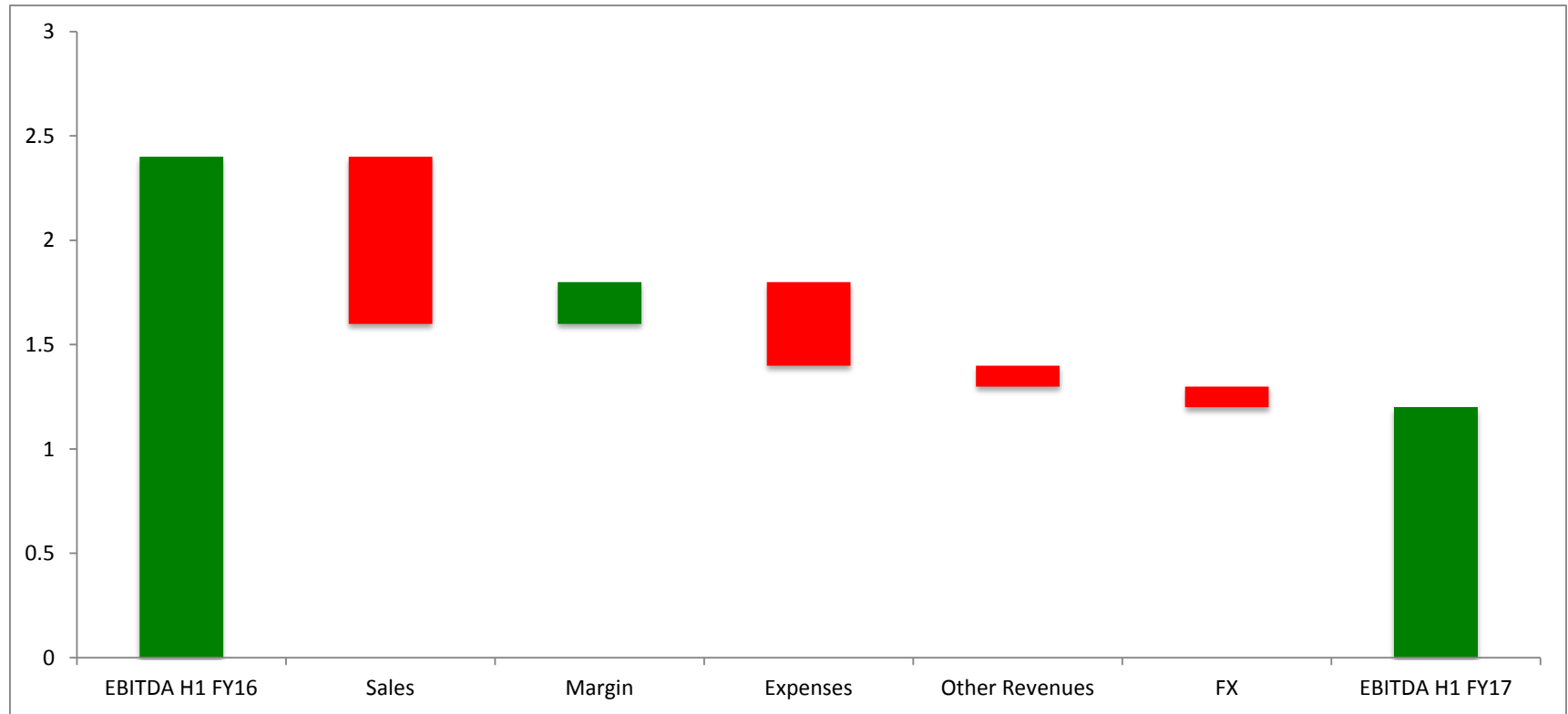
H1 FY2017 – Performance Review

- New leadership in place in US. US sales H1 FY2017 11% below pcp. US business remains on track, with strong pipeline. New Grael platform released and now shipping. Expect improved H2
- Germany based DWL experienced sales delays. Has since recouped some of that delayed business and is targeting a strong H2
- Asia business and China in particular strong with 45% lift in sales over pcp, Latin America was up 80% and Australia performed in line with the size of the market.
- Profitability and operating cash remain positive, despite sales shortfall, validating changes made to product composition (new low cost Grael devices) and the selective outsourcing of production, along with other efficiency gains
- Two strategic growth initiatives - MEG and eHealth – continue to progress forward against stated milestones

Sales Bridge Chart – H1 FY16 versus H1 FY17



EBITDA movement – H1 FY16 versus H1 FY17



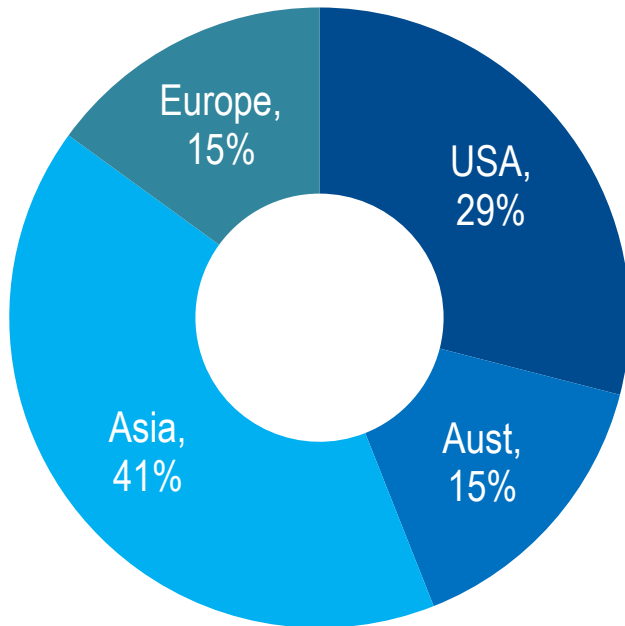
H1 FY17 – Milestones achieved

- Full suite of new Grael (low Cost) products released, with shipments having commenced in Dec 2016 to US and other parts of the world.
- Curry 8 – the next generation of our world leading source localisation brain analysis software - released November 2016 (applicable for MEG and also clinical neurology)
- First batch of fully assembled Grael's received Dec 16 from our third party manufacturer, as manufacturing transition continues.
- MEG: Compumedics/Neuroscan has now been qualified as a top 2 MEG supplier candidate for more than two major USA centers, one of which is scheduled to make their decision within three months. Compumedics/Neuroscan are also in discussion to supply multi-center MEG systems to at least one multinational hospital consortium.
- eHealth: Pushing ahead with the commercialisation of cloud based sleep diagnostics platform – 4 sites in the USA have now signed for Nexus360, one of which is a multi-center site on the eastern seaboard.

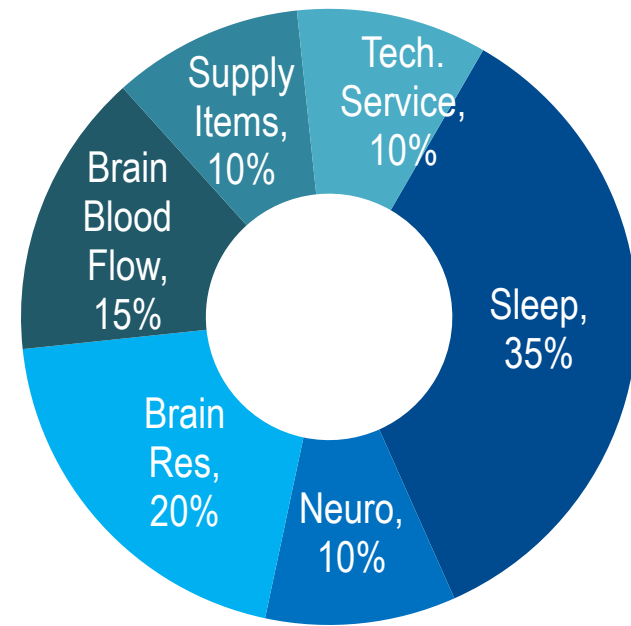
Revenue Composition at \$16.2m for H1 FY17

31 December 2016

By geographic region



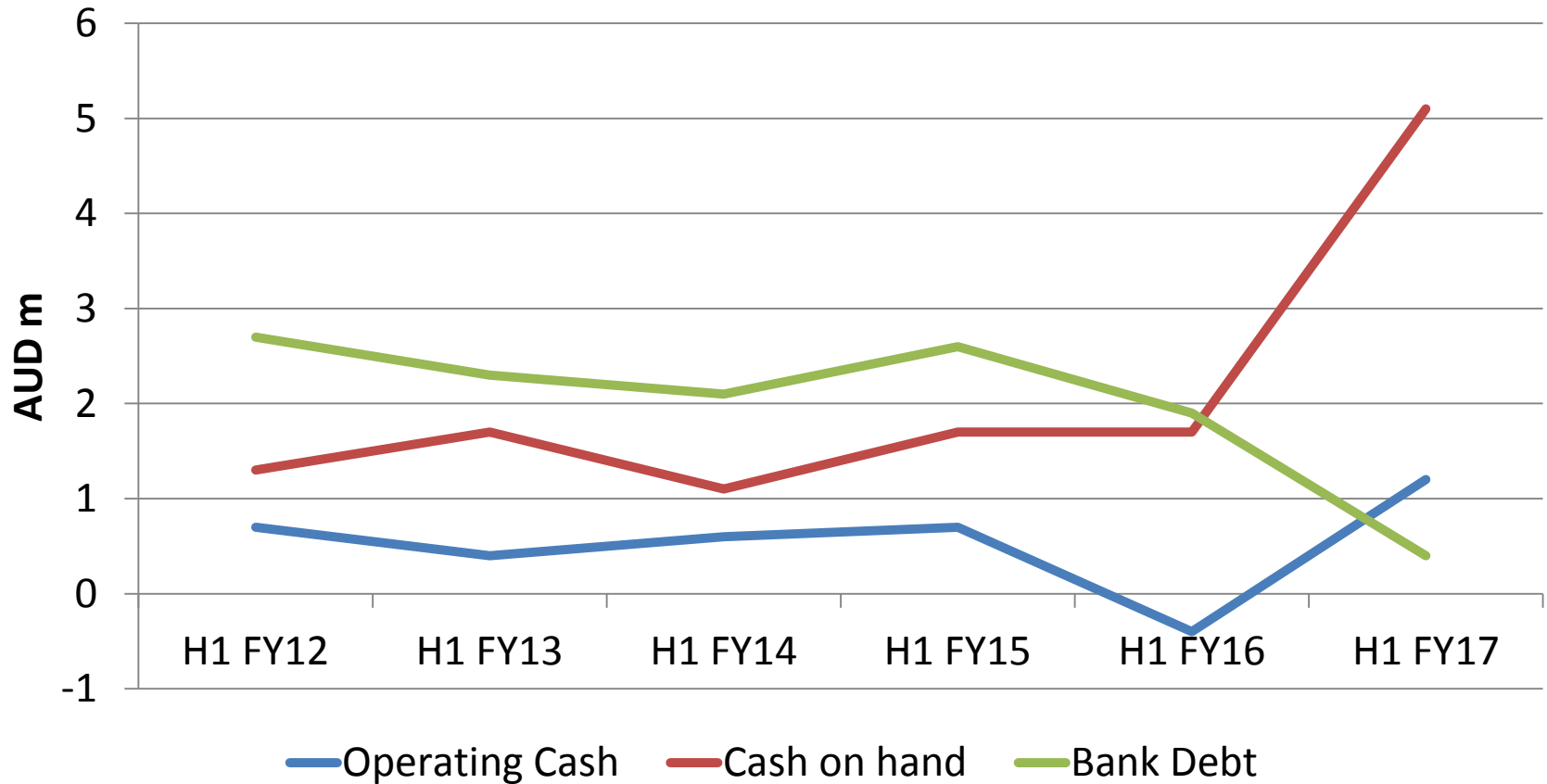
By product/market



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

Operating cash, Cash and Debt – trending positively



Core Business – Restored Net Cash Position

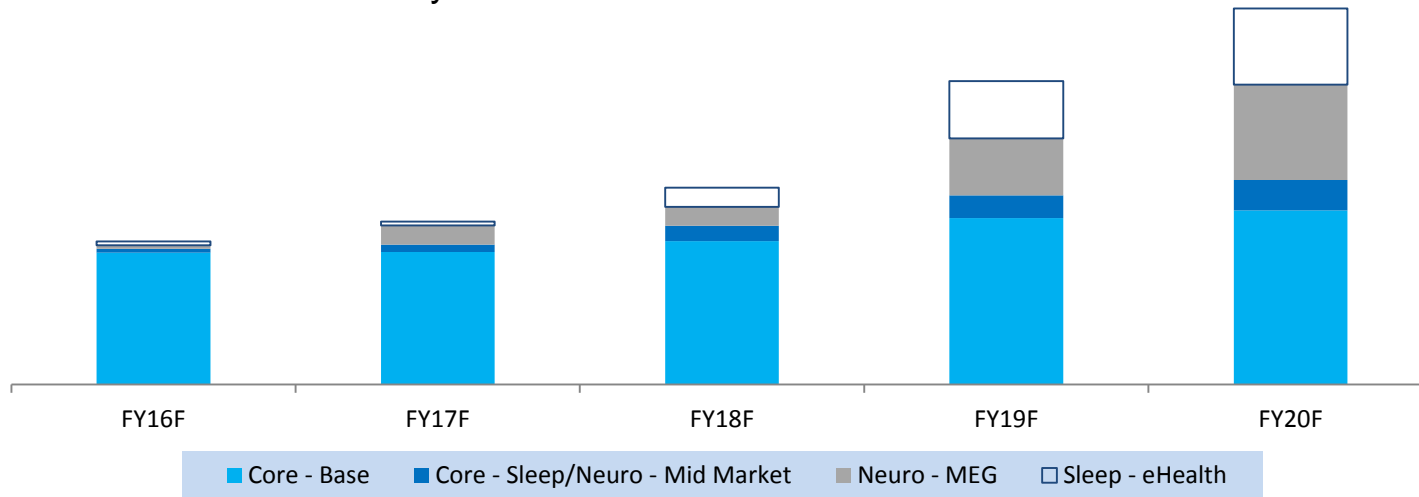
\$m	FY12	FY13	FY14	FY15	FY16	H1 FY17
Cash	1.1	1.3	1.1	2.2	3.1	5.7
Trade receivables	8.7	8.1	8.6	9.8	11.9	10.9
Inventories	5.3	5.5	6.1	5.7	6.5	7.1
Prod. dev't	4.0	3.5	2.9	2.7	2.4	2.4
Tax asset	0.0	0.0	0.0	0.0	0.5	0.5
PP&E	0.8	0.7	0.7	0.8	0.8	0.8
Other	0.0	0.0	0.2	0.5	0.9	0.0
Assets	19.9	19.1	19.5	21.7	26.1	27.4
Trade cred.	5.0	4.7	4.7	4.4	4.1	3.0
Borrowings	2.1	2.3	2.0	2.0	2.6	1.0
Def. payment	1.4	1.4	1.4	1.6	2.0	1.3
Other	2.1	2.2	2.3	2.5	2.8	3.1
Total Liabilities	10.7	10.7	10.4	10.4	11.5	8.4
Net Assets	9.2	8.4	9.2	11.3	14.6	19.0
<i>Debt/Equity</i>	<i>11%</i>	<i>13%</i>	<i>11%</i>	<i>-2%</i>	<i>-3%</i>	<i>-25%</i>

Outlook

- Profitability and operating cash remain positive, despite sales shortfall, validating changes made to product composition (new low cost Grael devices) and the selective outsourcing of production, along with other efficiency gains
- New leadership in place in US. US sales H1 FY2017 11% below PCP. US business remains on track, with strong pipeline. New Grael platform released and now shipping. Expect improved H2
- MEG: Compumedics/Neuroscan has now been qualified as a top 2 MEG supplier candidate for more than two major USA centers, one of which is scheduled to make their decision within two to three months. Compumedics/Neuroscan are also in discussion to supply multi-center MEG systems to at least one multinational hospital consortium.
- eHealth: Pushing ahead with the commercialisation of cloud based sleep diagnostics platform – 4 sites in the USA have now signed for Nexus360, one of which is a multi-center site on the eastern seaboard.
- Guidance up-dated: Revenues: \$38m - \$42m, EBITDA: \$4.5m - \$7.5m and NPAT: \$2.5m - \$5.5m

Growth Platform – Core and Step-Out

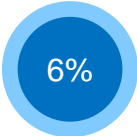
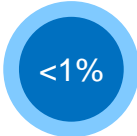

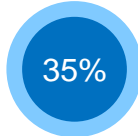
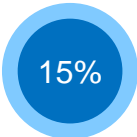


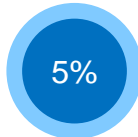
Sales – schematic only



- **Step-out - NEURO – BRAIN IMAGING** – By signing the new MEG* Agreement with KRIS we can transition from a USD30k software sale to a USD4.0m complete system sale.
- **Step-out - SLEEP - CLOUD GROWTH** – USD10m in professional application contracts into China, Korea and Taiwan. New personal device “Somfit” – partnering novel “in-house” eHealth sleep device for the home. Potential to keep rapid mid-term EBITDA growth
- **Core - SLEEP & NEURO – DIAGNOSTIC GROWTH** – By adding mid-market devices we expand and lower the cost base of our product range, enabling us to lock in our premium market dominance, and boost sales in the US and China initially and then Europe, with Germany as a specific focus

*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)				
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				

Core Business – Adding Mid-Tier Range

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 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 Consumer application > <i>USD50bn pa</i>	Greater than USD100m pa	Research only USD100m pa Brain Imaging > <i>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 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 – FY20. Lower cost base enables addition of mid-tier.



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

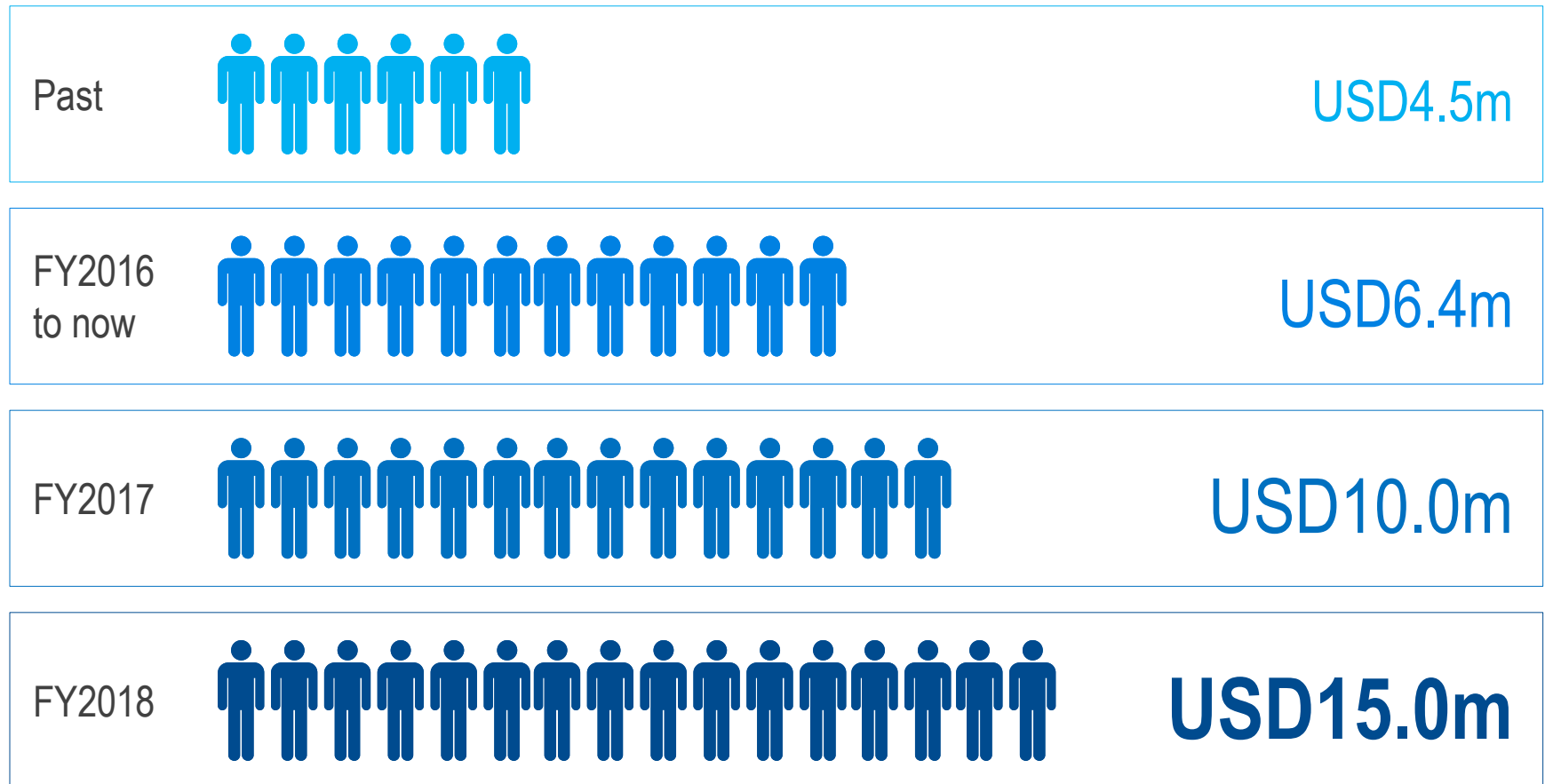


Ideally positioned to accelerate organic growth and value realisation

USA – CMP is number 3 Supplier

USA Clinical Sales Force Expansion

More sales representatives = more revenue for both sleep and neurology

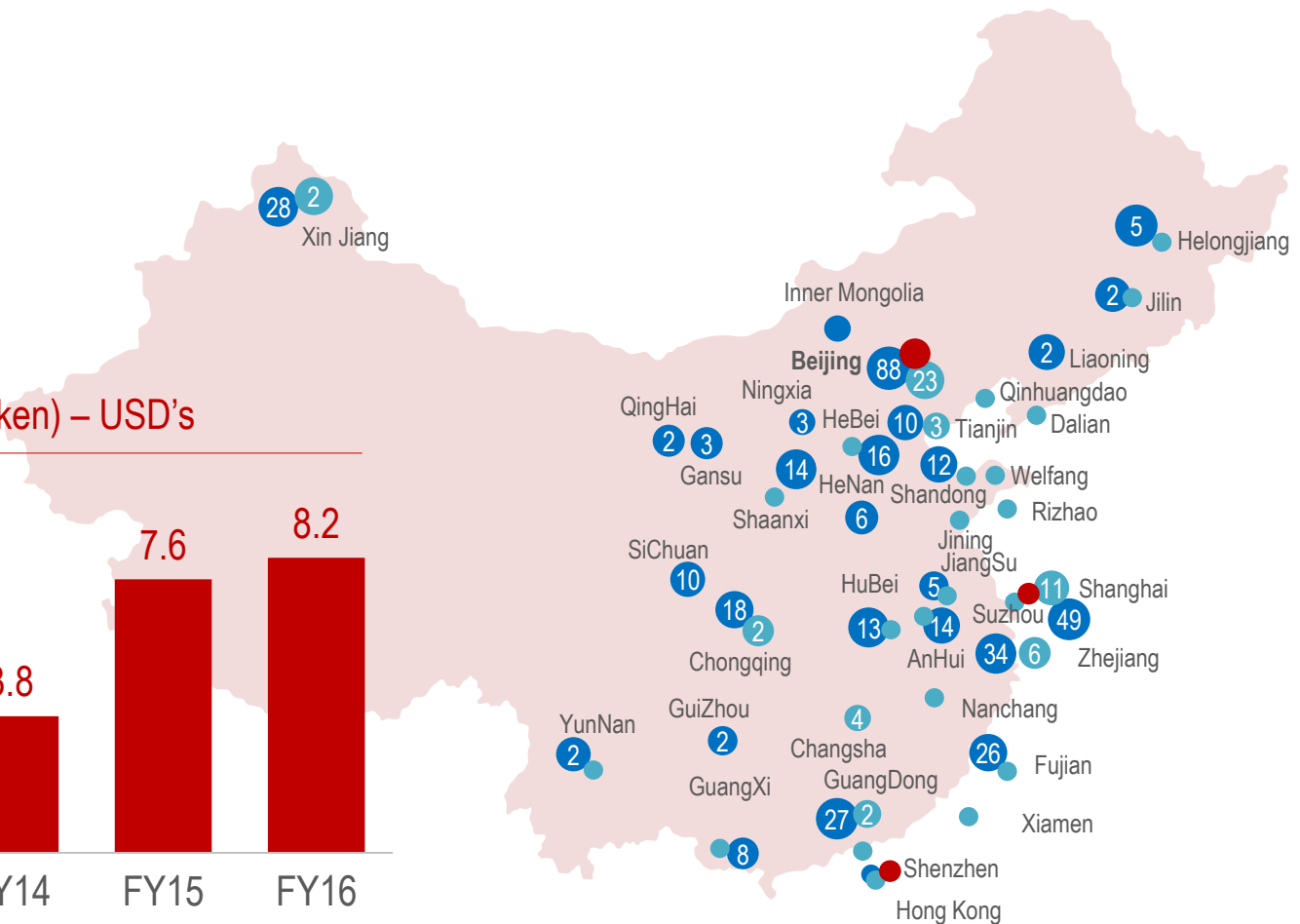
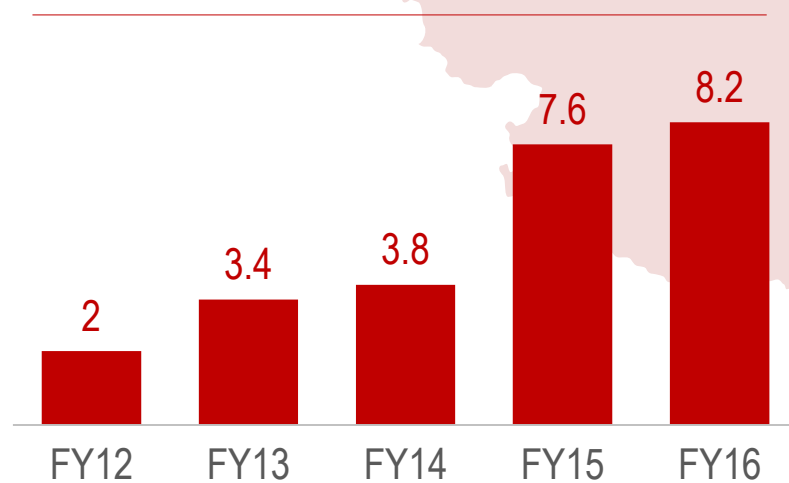


China - We are the number 1 Premier Supplier

Compumedics Clients in China

- Sleep
- Neuroscience
- Neuroscan

China Sales (Orders taken) – USD's



Step out 1 - Brain Imaging: Initial sale in FY17

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 USD5m each) as opposed to the USD30k software sale

Market & Competition

The MEG market is currently estimated at about 35 systems a year at an average selling price of USD5.5m each = US\$200m/annum

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

It is estimated that China could double the existing market size to about 70 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)

*MEG = Magnetoencephalography

**MRI = Magnetic resonance imaging

Plan

H2 FY16 – sign LOI with KRIS for license access to MEG hardware platform – **DONE ✓**

H1 FY17 – sign LOI with at least first two customers to acquire CMP's MEG device – **Progressing ↗**

H2 FY17 – Finalise specifications and manufacture with KRIS

H1 FY18 – install first CMP MEG system

Outcome

CMP plans to sell 1 MEG systems in FY17 @ approx. USD3.5m ea

CMP expects to sell up to 5 MEG systems in FY18
CMP expects to double sales in FY19 up to 10 MEG systems for about USD40m

Step out 2 – eHealth/cloud: Initial Nexus 360 sales in US booked

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 contracts for Nexus 360 have been executed with customers in the US.

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.



Directors & Executive Team Key Management



David Burton, Ph.D.
Executive Chairman, CEO
Founder, Tenure 26yrs



NED - Mr. Alan Anderson
Leading USA Attorney
CMP Tenure : 11 yrs



Mr. David Lawson
Chief Financial Officer
& Company Secretary
CMP Tenure 13 yrs



Mr. Warwick Freeman
Chief Technology Officer
CMP Tenure 15 yrs



Kerry Hubick, Ph.D.
Trademark, Patent &
General Legal Attorney
CMP Tenure 7 yrs



Mr. Christoph Witte
General Managing Director
Compumedics Germany GmbH
CMP/DWL - Tenure 24 yrs

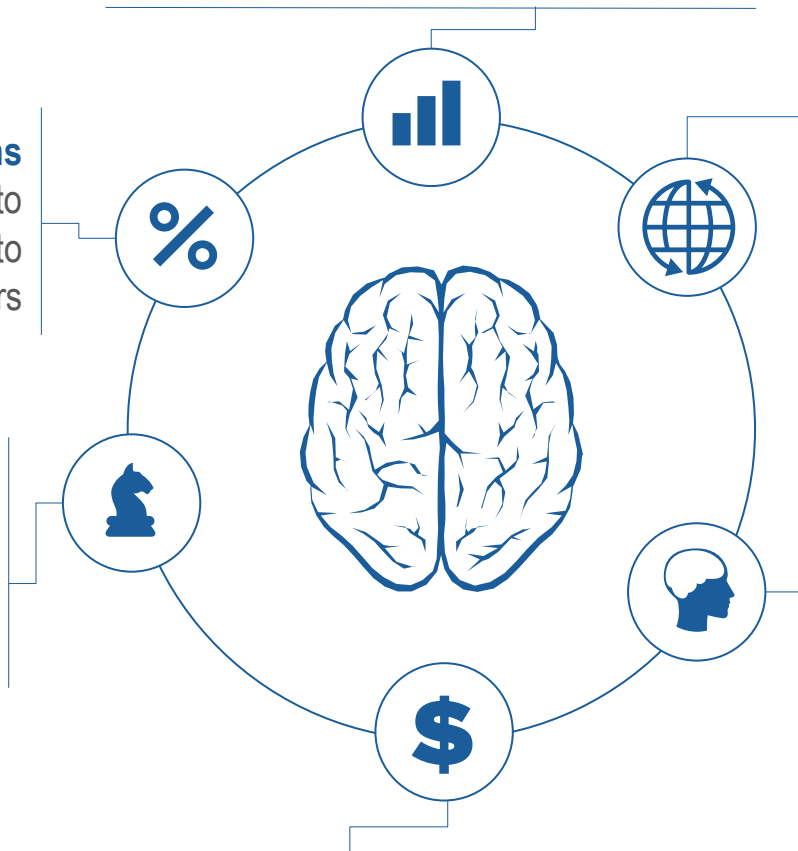


Investor Summary

Core business continues to grow with lower cost base and addition of mid-tier

Compumedics remains committed to continuing to deliver superior returns to shareholders

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



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

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

FY17 guidance: Sales \$41m-\$43m, \$6.0m-\$8.0m EBITDA, NPAT \$4.0m-\$6.0m

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