



ANNUAL GENERAL MEETING OCTOBER, 2018



AGM Agenda

Meeting Opens

Ordinary Business

Chairman's Address

Meeting Closes

Ordinary Business

Item 1 Financial Statements and Reports

Item 2 Election of a Director – Tucson Dunn

Item 3 Re-election of Director – Alan Anderson

Item 4 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])

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

— FY18 revenues \$37.0m, FY17 EBITDA \$4.2m.

— FY19 Guidance revenues \$40m to \$42m, EBITDA \$5.5m to \$6.5m.

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

— Compumedics listed ASX Dec 21, 2000. CMP has market capital of around \$90m.

FY2018 – Performance Review

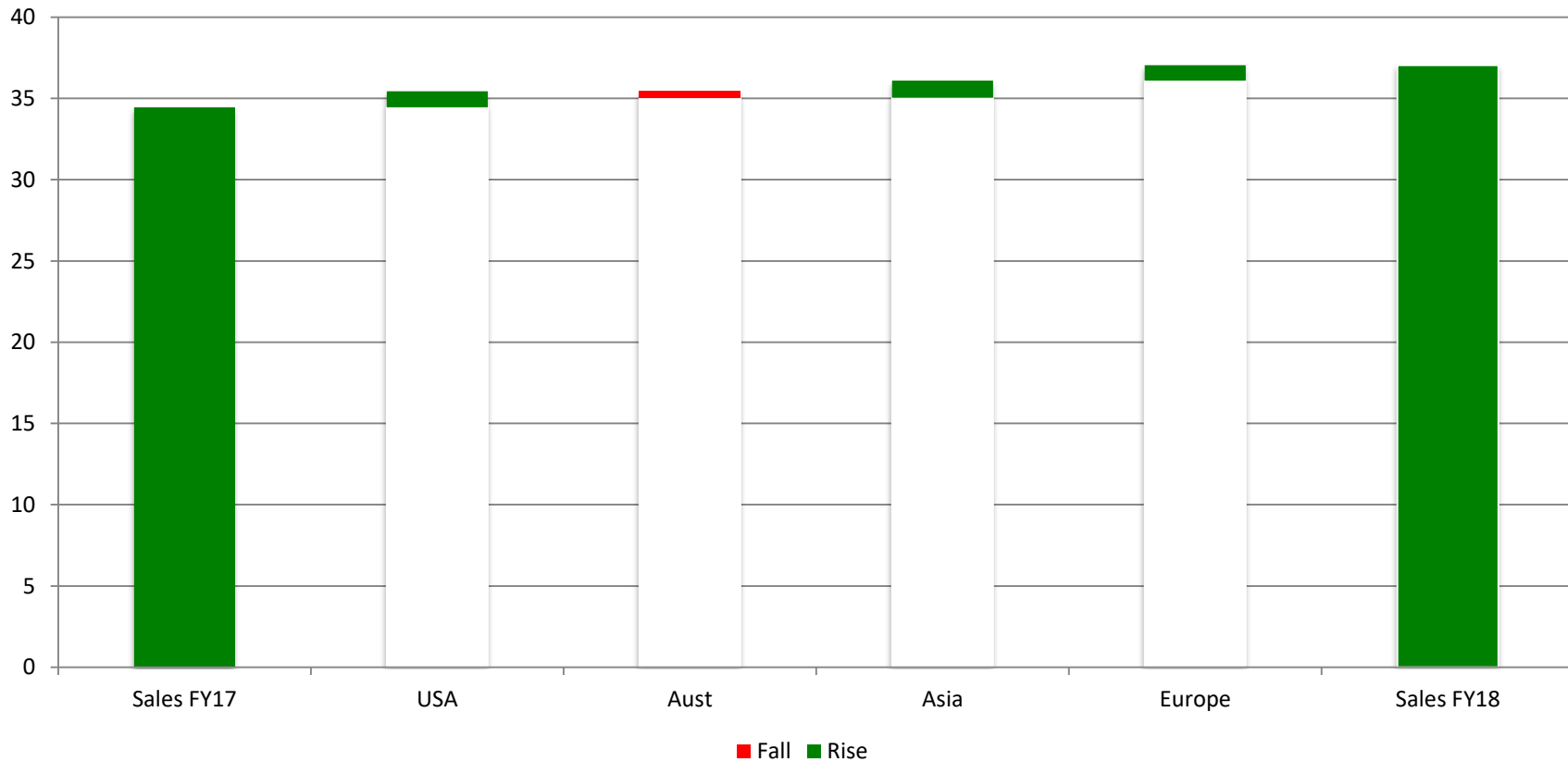
- FY18 Revenue (reported) \$37.0m, EBITDA (reported) \$4.2m, NPAT (reported) \$2.8m

	FY18	FY17	Variance	Comment
Revenue - reported	\$37.0m	\$34.4m	8%	Sales growth across key international markets for the core business, including China, Europe, DWL and US. Partial booking of first MEG sale.
EBITDA - reported	\$4.2m	\$2.8m	55%	Profitability grows as a result of the growth in sales and also on-going operational improvements and efficiency gains. Margins improve 2% over the pcp to 57%.
NPAT-reported	\$2.8m	\$1.3m	113%	Strong growth in NPAT despite \$0.7m charge to tax expense as tax losses continue to be utilised as reflected by the decline in the deferred tax asset.

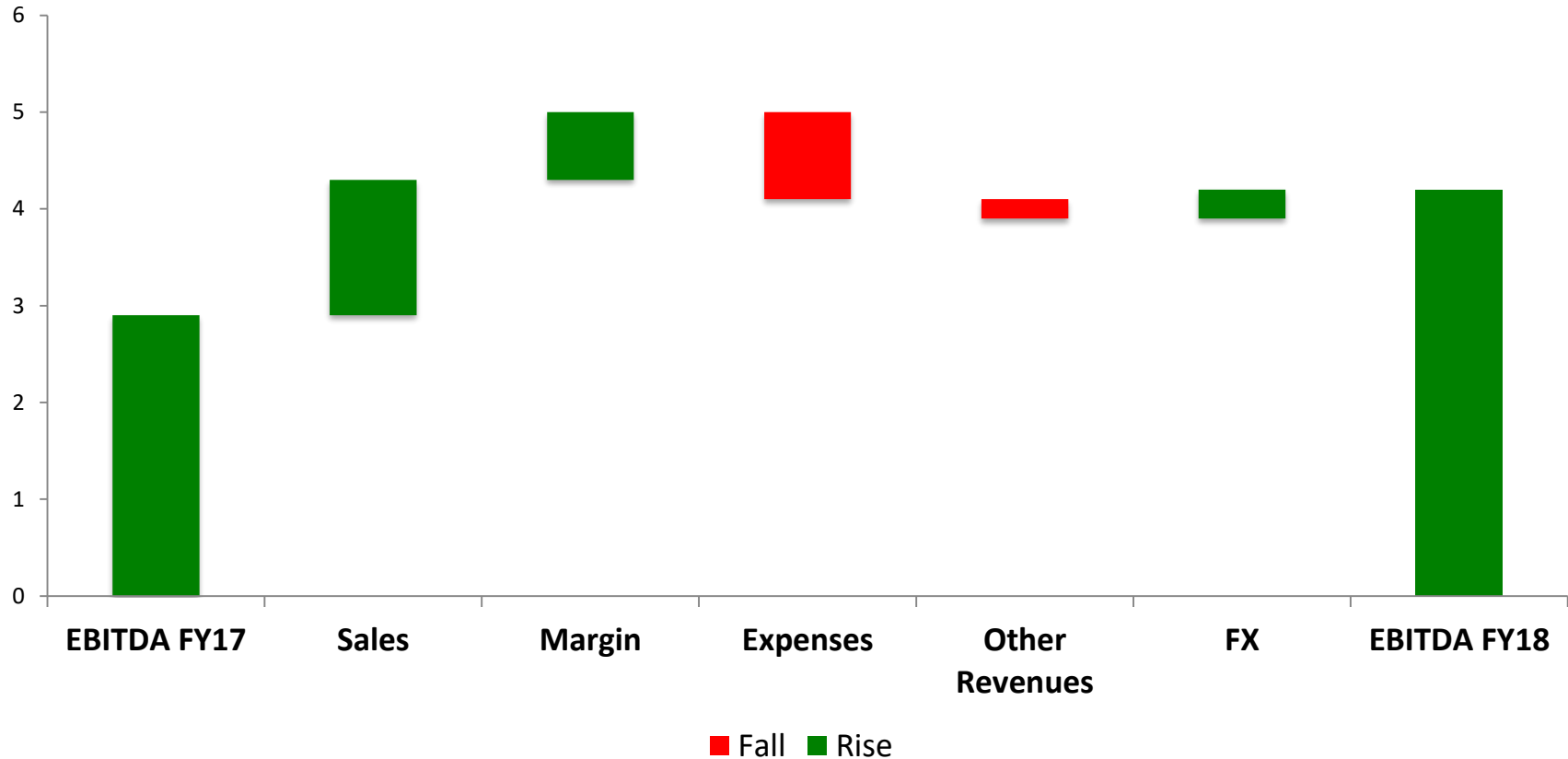
FY2018 – Performance Review

- Core: US business grows 8%, albeit at slower rates than expected. Europe and DWL also grow in FY18, compared to FY17
- Core: Asia business and China in particular strong with 28% lift in sales over pcp.
- Core: Profitability grows as a result of the overall growth in sales, including the partial invoicing of the first MEG sale. The selective outsourcing of production, along with other efficiency gains also contributes to growth in profitability at the EBITDA and NPAT lines
- MEG growth initiative: First sale to Barrow Neurological Institute in Phoenix, AZ, USA, is currently being installed with completion expected before the end of H1 FY19. Further MEG opportunities identified with 3 identified sales in the advanced stages of negotiation.
- eHealth growth initiative – 16 sites, with over 123 beds in US secured for Nexus 360 (professional application), which generated \$285k (USD220k) of sales in FY18.
- Somfit (consumer application) detailed third party discussions continue in relation to the proposed China based JV and other opportunities..

Sales Bridge Chart – FY17 to FY18



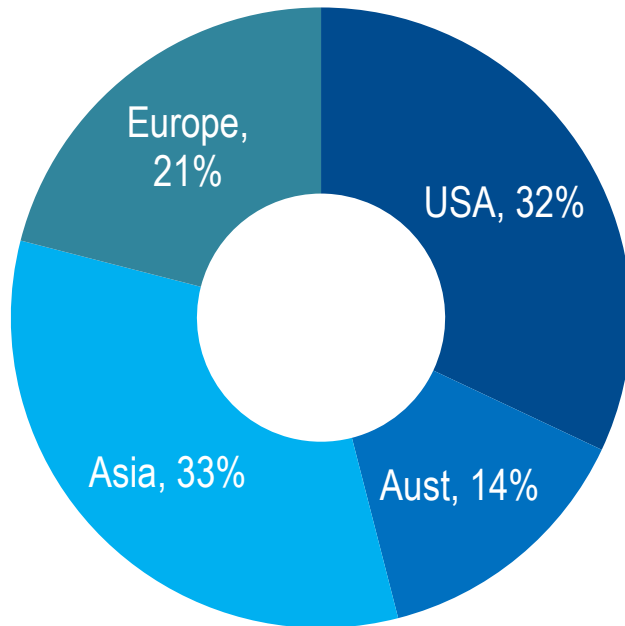
EBITDA Bridge Chart – FY17 to FY18



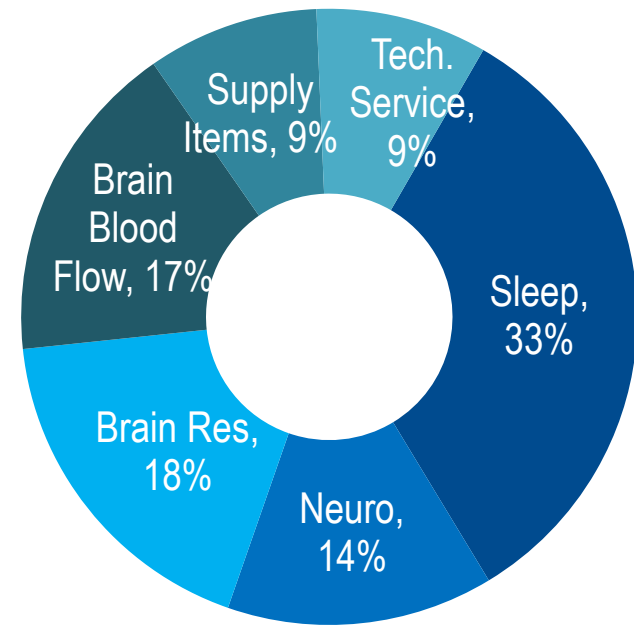
Revenue Composition at \$37.0m

30 June 2018

By geographic region



By product/market

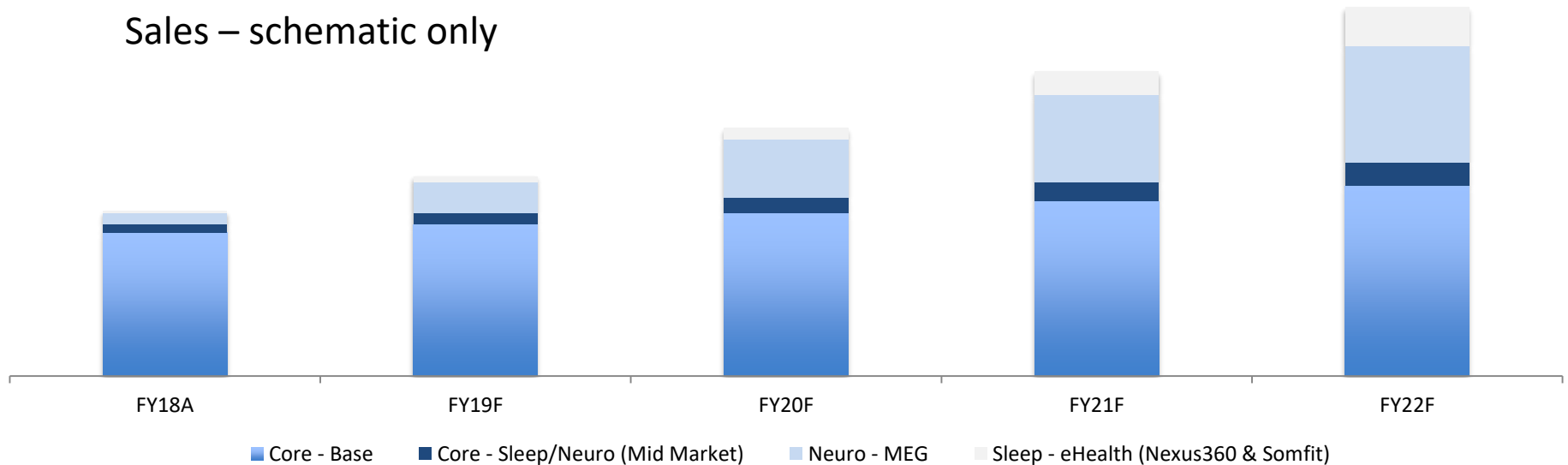


Software upgrades 5 to 10% of system sales

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

Growth Platform – Core and Step-Out

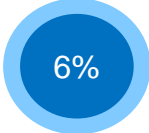


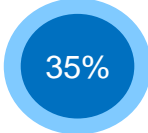



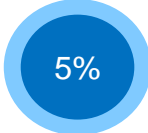
Sales – schematic only



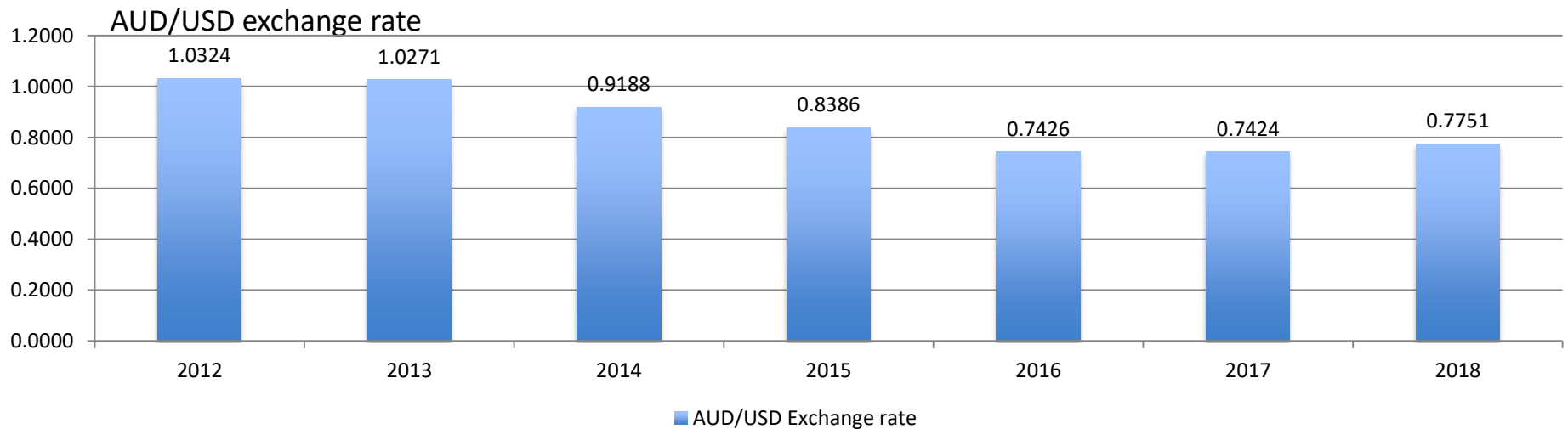
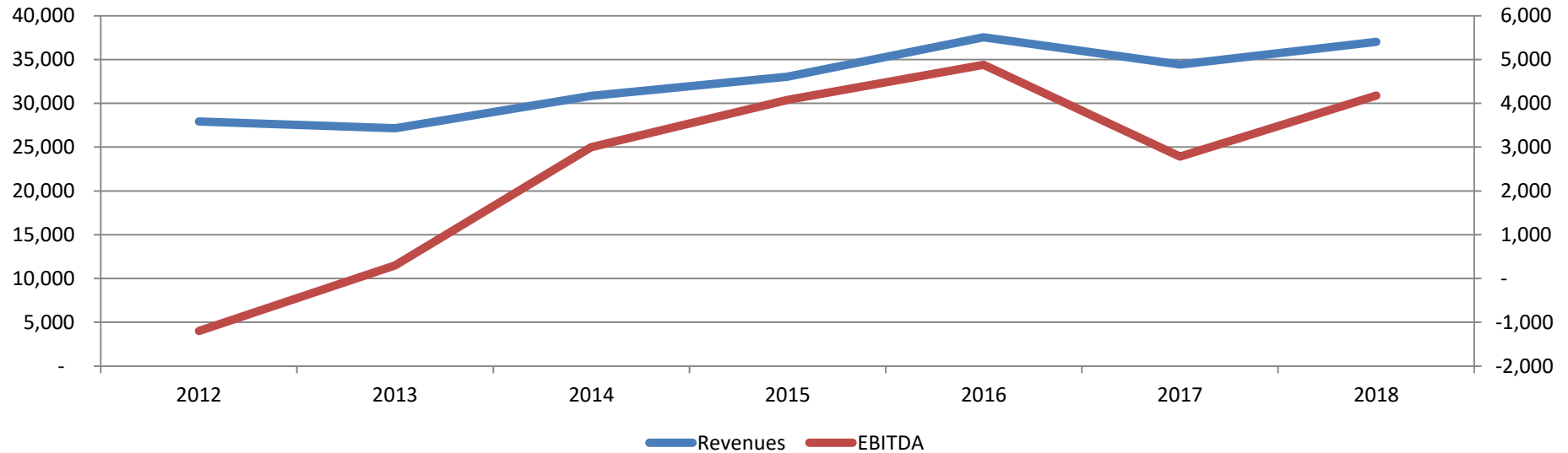
- **Step-out - NEURO – BRAIN IMAGING** – Installation at Barrow Neurological Institute in Phoenix, AZ, USA is continuing and is scheduled for completion H1 FY19. It confirms that we can transition from a USD30k software sale to a USD4.0m complete system sale. 2nd and third sales opportunities being actively pursued.
- **Step-out - SLEEP - CLOUD GROWTH** – Nexus 360 cloud-based professional sleep diagnostic solution sold to 16 sites and generated sales of \$285k in FY18. Other sites in the US being pursued, with an exit run-rate on revenues for FY19 or about \$1m. China Somfit JV negotiations continue.
- **Core - SLEEP & NEURO – DIAGNOSTIC GROWTH** – Mid-market devices released and expansion in China is moving ahead at expected rates whilst the US expansion is occurring, albeit at a slower rate than expected. A further boost in sales in Europe and specifically Germany will follow 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 – Growing revenues and profits



Core Business – Net Cash Position maintained

\$m	FY12	FY13	FY14	FY15	FY16	FY17	FY18
Cash	1.1	1.3	1.1	2.2	3.1	4.1	3.9
Trade receivables	8.7	8.1	8.6	9.8	11.9	13.1	18.3
Inventories	5.3	5.5	6.1	5.7	6.5	7.4	7.6
Prod. dev't	4.0	3.5	2.9	2.7	2.4	2.4	4.0
Tax asset	0.0	0.0	0.0	0.0	0.5	0.8	0.1
PP&E	0.8	0.7	0.7	0.8	0.8	0.7	0.7
Other	0.0	0.0	0.2	0.5	0.9	0.7	0.0
Assets	19.9	19.1	19.5	21.7	26.1	29.2	34.7
Trade cred.	5.0	4.7	4.7	4.4	4.1	4.2	5.1
Borrowings	2.1	2.3	2.0	2.0	2.6	0.7	1.9
Def. payment	1.4	1.4	1.4	1.6	2.0	1.6	1.7
Other	2.1	2.2	2.3	2.5	2.8	2.7	2.7
Total Liabilities	10.7	10.7	10.4	10.4	11.5	9.2	11.5
Net Assets	9.2	8.4	9.2	11.3	14.6	20.1	23.2
<i>Debt/Equity</i>	<i>11%</i>	<i>13%</i>	<i>11%</i>	<i>-2%</i>	<i>-3%</i>	<i>-17%</i>	<i>-9%</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 LTEM innovative brain analysis software and high performance amplifiers are unrivalled world class technology. With the release of new innovative electrode array designs, a larger growth is anticipated in direct sales, with a resulting increase in the sales of high-density EEG systems



We have >20,000 systems installed worldwide. Strong reputation and brand name. Customers like buying from Compumedics.



Earnings initiatives to continue to flow through in FY19 – FY21. Lower cost base enables addition of mid-tier plus further manufacturing and operational efficiency gains.



Opportunity to significantly grow the USA business based on the sales and marketing management and operational changes now implemented



Expansion into untapped German market, as well as Canada, Latin America and the Middle East



Push into the Chinese and Japanese neurology markets

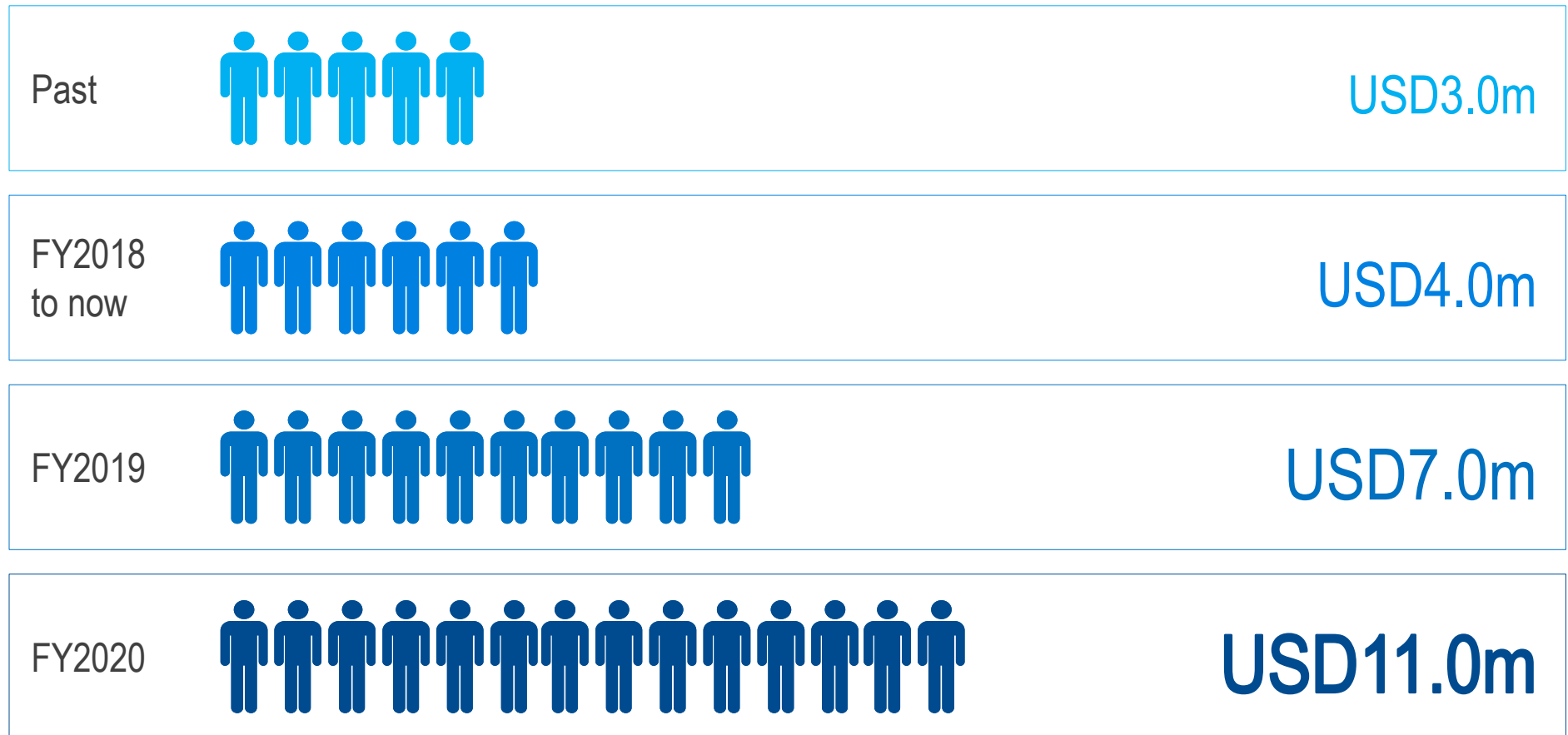


Ideally positioned to accelerate organic growth and value realisation

USA – CMP is number 3 Supplier

USA Clinical Sales Force Expansion - Indicative

More sales representatives = more revenue for both sleep and neurology

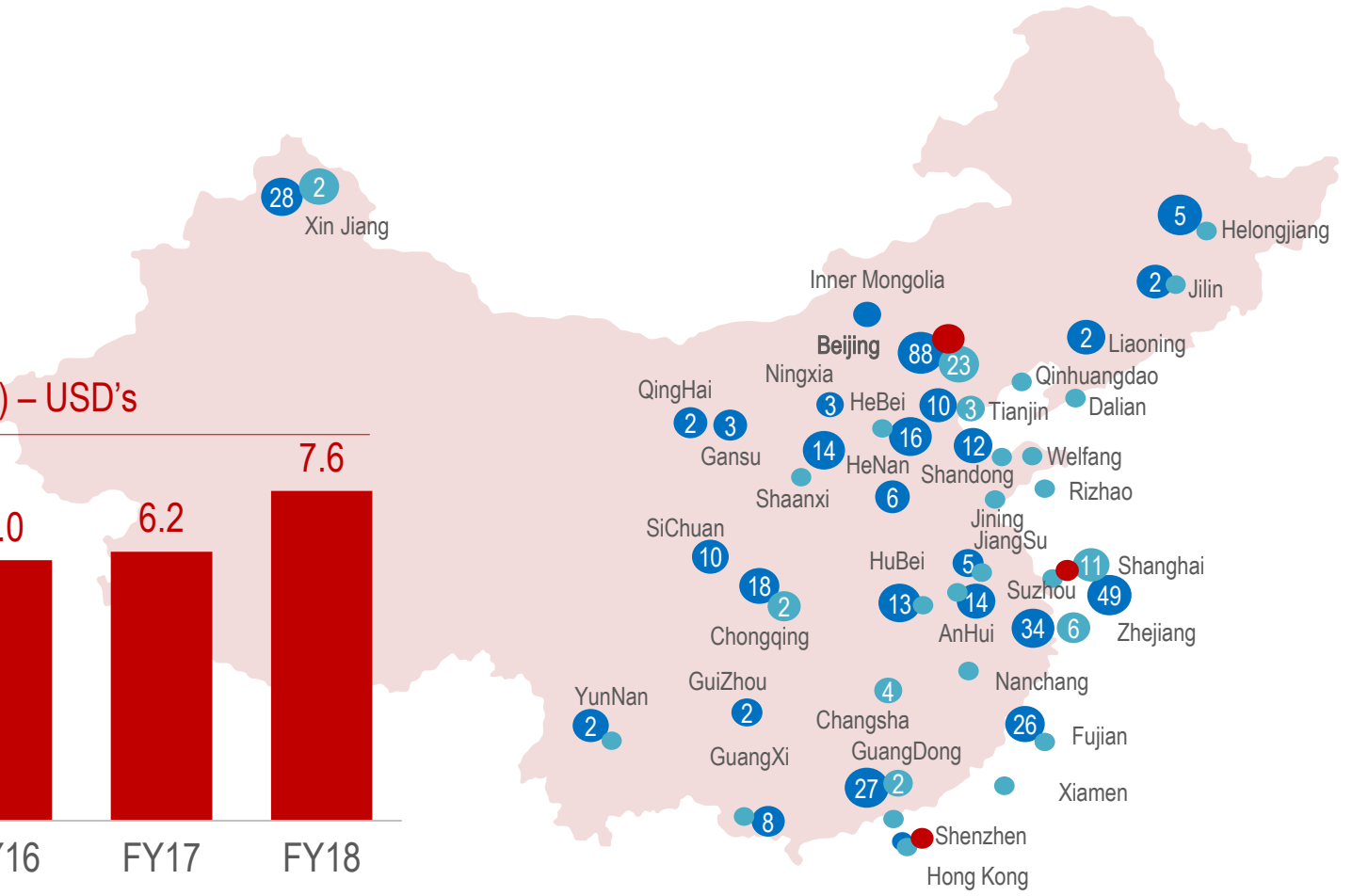
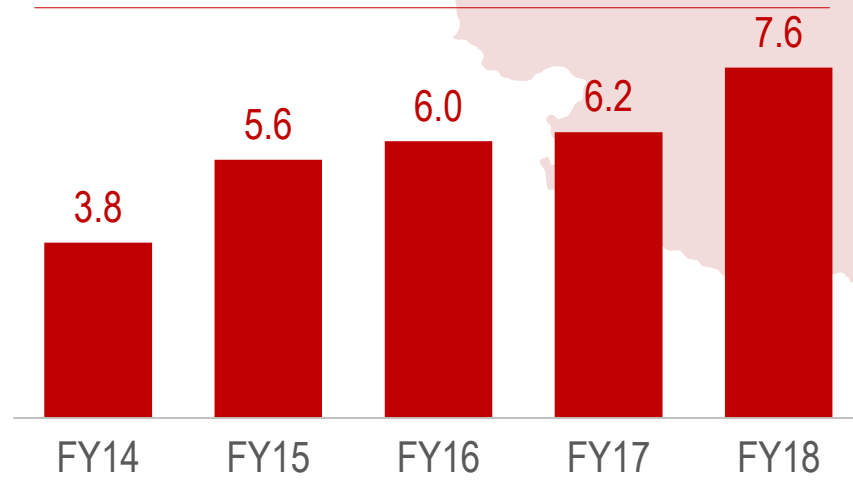


China - We are the number 1 Premier Supplier

Compumedics Clients in China

- Sleep
- Neuroscience
- Neuroscan

China Sales (invoiced) – USD's



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

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, with clinical reimbursement

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

Plan

H1 FY19 – complete first installation at US based Barrow Neurological Institute

Late H1. Early H2 FY19 – Secure second MEG sale

H2 FY19 – Additional and new MEG sales are pursued for closure

Late FY19 / Early FY20 – gain FDA for MEG in US for clinical

Outcome

CMP plans to sell and install 1 MEG systems in FY18/FY19

CMP expects to sell at least 2 MEG systems in FY20

CMP expects to double sales in FY21 to 4 to 5 MEG systems for about USD20m

*MEG = Magnetoencephalography
**MRI = Magnetic resonance imaging



Step out 2 - eHealth – Cloud Sleep Diagnostics

Nexus 360 (professional cloud sleep diagnostics) sold into 16 US sites. Has generated revenues of **\$285k in FY18**. US will continue to offer opportunities in the short-term, with an expected exit revenue run-rate of \$1.0m for 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 are now approaching a select group of strategic partners/investors to expedite the process and rapidly deploy the platform to market. Discussions continue on the proposed JV in China with Health 100

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



Directors & Executive Team Key Management



Alan Anderson Ph.D.
Non Executive Director
CMP Tenure : 18 yrs



Mr Tucson Dunn
Non Executive Director
CMP Tenure 6 months



David Burton, Ph.D.
Executive Chairman, CEO
Founder, Tenure 31yrs



Mr. David Lawson
Chief Financial Officer
& Company Secretary
CMP Tenure 19 yrs



Mr. Warwick Freeman
Chief Technology Officer
CMP Tenure 25 yrs



Kerry Hubick, Ph.D.
Trademark, Patent &
General Legal Attorney
CMP Tenure 10 yrs



Mr. Christoph Witte
General Managing Director
Compumedics Germany GmbH
CMP/DWL - Tenure 28 yrs

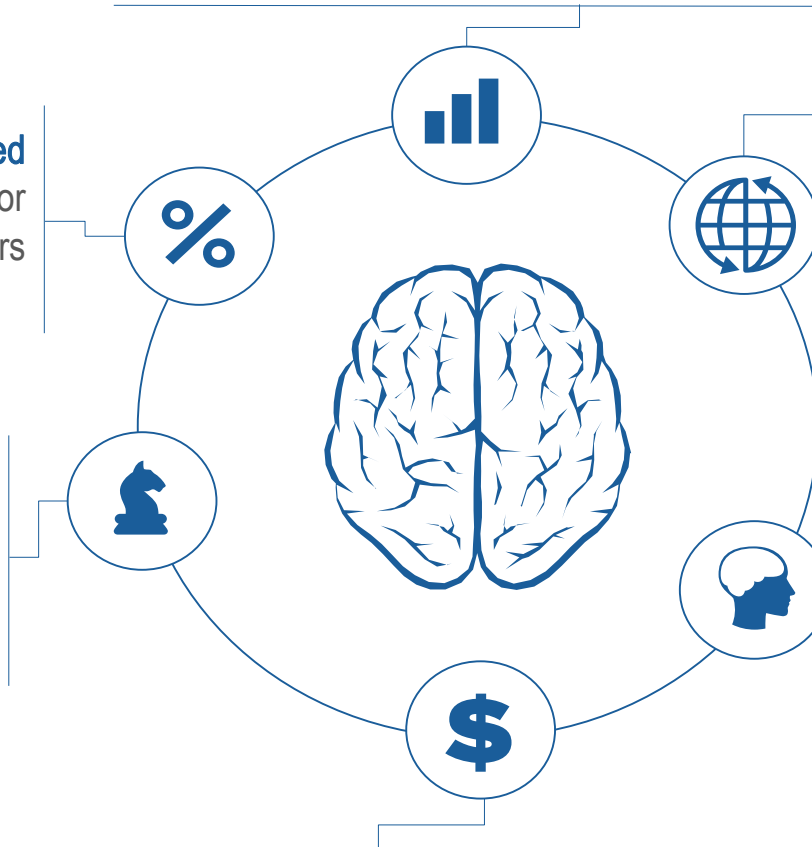


Investor Summary

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

Compumedics remains committed to continuing to deliver superior returns to shareholders

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



International sales force expansion, neurology and sleep 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 massive and growing problems of neuro imaging in clinic and sleep disorders in the home

FY19 guidance: Sales \$40m-\$42m, \$5.5m-\$6.5m EBITDA, NPAT \$4.0m-\$5.0m

Meeting closes

Refreshments are available in the main reception area, where additional questions and discussion are encouraged, for those who are interested.

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.



THANK YOU

