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



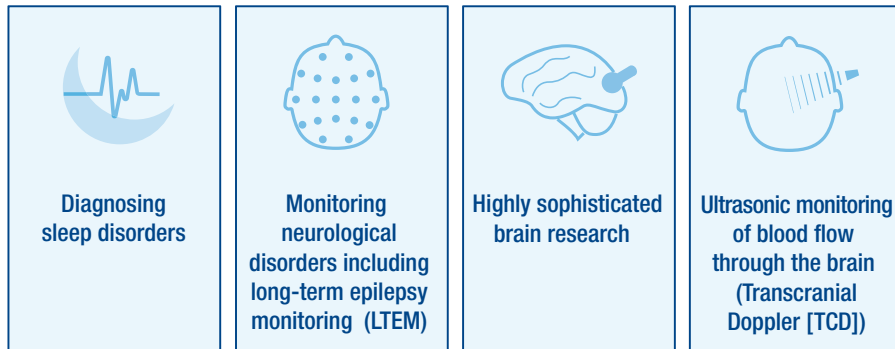
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Compumedics Limited
ABN 95 006 854 897

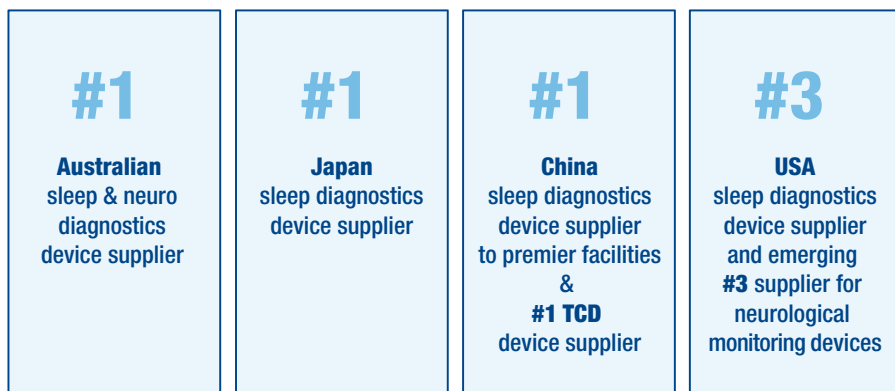
Annual General Meeting
Thursday, 26th October 2017
at 10.30am
To be held at: Compumedics Limited
30-40 Flockhart Street Abbotsford
Victoria 3067

Who is Compumedics?

Compumedics is a leading global, innovative developer and manufacturer of medical devices for:



Compumedics is a technological leader in its chosen markets:



Since 1987 Compumedics has grown into a company:

- with 120 employees across four locations, Melbourne, Australia (Home Office), Charlotte, NC, USA, Hamburg and Singen, Germany.
- which listed on the ASX on Dec 21, 2000.
- that has generated over \$540m in revenues since listing of which over \$450m have been export revenues

All \$ = A\$ unless otherwise specified

FINANCIAL SUMMARY

ALL FIGURES IN A\$M UNLESS OTHERWISE STATED	TREND	2017	2016
Revenue for continuing operations	↓	34.4	37.5
Earnings before interest, income tax, depreciation and amortisation (EBITDA)	↓	2.8	5.0
Earnings before interest and income tax (EBIT)	↓	1.3	3.2
Net operating profit after tax (NPAT)	↓	1.3	3.3
Research and development costs as a percentage of operating revenue	↑	17	14
Total assets	↑	29.2	26.1
Shareholders funds	↑	20.1	14.6
Net tangible assets per share (cents)	↑	9.5	6.9
Weighted average number of shares (million)	↑	177	169
Earnings per share (basic) (cents)	↓	0.7	1.9
Earnings per share based on earnings before interest, tax, depreciation and amortisation (cents)	↓	1.6	3.0

- The FY17 net profit after tax (NPAT) was down to AUD1.3M compared to AUD3.3M for the FY16. Earnings before interest, tax, depreciation and amortisation (EBITDA) was AUD2.8M compared to AUD5.0M for the FY16. These results reflected an ongoing focus on performance, and both quality and efficiency improvements across all operational areas.
- Revenues shipped and invoiced decreased 8% to AUD34.4M over the previous financial year, compared to 12% and AUD37.5M, over the year before, whilst sales orders taken, were down by 9% at AUD34.4M, compared to AUD34.7M for the previous financial year.

CHAIRMAN'S ADDRESS



*Dear Compumedics investors,
colleagues and business partners,*

On behalf of the Board, management and the Compumedics team, I present to you the results contained within the Compumedics 2017 Annual Report.

The financial year ending 30 June 2017 (FY17) delivered a number of positive and key milestones, despite some challenges within the core business. Of particular note was securing the first MEG sale, scheduled for delivery in the second half of FY18, to Barrow Neurological Institute in Phoenix, Arizona. The Company managed to trade profitably during a challenging period and amidst a major USA restructure, designed to strengthen USA sales and marketing performance moving forward. Further, the Company continued advancing and commercially activating strategic growth platforms that will yield ongoing positive performance for FY18, and many years beyond.

A major restructure was implemented across the USA sales, marketing, management and operational units for stronger performance moving forward. As a result of this and the challenging core business sales environment, primarily in the USA, FY17 net profit after tax (NPAT) was down 60% to \$1.3m compared to \$3.3m for FY16. Earnings before interest, tax, depreciation and amortisation (EBITDA) were down 44% to \$2.8m compared to \$5.0m for FY16. Despite the shortfall in sales, these results reflect an ongoing focus on performance, along with

both quality and efficiency improvements across all operational areas of the business.

Additionally, and further underscoring the core business profitability, over \$1.8m was invested in next-generation growth platforms (medical innovations) including the new magnetoencephalography (MEG) neuroimaging business, eHealth (professional) sleep cloud-services (Nexus360), and Somfit® consumer-health platform, positioning Compumedics for significant upcoming realisation opportunities.

Revenues shipped and invoiced decreased 8% to \$34.4m for FY17, compared to \$37.5m for FY16, whilst sales orders taken, were down 9% at \$34.4m for FY17, compared to \$37.4m for FY16. Once again the China market was a solid performer for the business, growing by 33% over the prior year. This re-affirms Compumedics' commitment to ongoing business growth in China, particularly in sleep diagnostics, brain research and DWL's Trans-cranial Doppler (TCD). In China, Compumedics has over 2,000 systems installed at more than 333 universities and 600 hospitals, including seven out of the top ten hospitals.

Cash on hand increased to \$4.1m at 30 June 2017 compared to \$3.1m at 30 June 2016, whilst debt levels were substantially lower at \$0.7m at 30 June 2017, compared to \$2.6m at 30 June 2016.

KEY PERFORMANCE ACHIEVEMENTS FY17

✓ **FIRST
MEG SALE**

✓ **USA
SALES & MARKETING
RESTRUCTURE**

✓ **NEXUS 360
INITIAL 10 SITES
IN THE USA**

CASH ON HAND



32%

\$4.1M in FY17 vs \$3.1M in FY16

DEBT REDUCED



\$0.7M

DOWN FROM \$26M IN FY16

REVENUE

\$34.4M

DOWN FROM \$37.5M IN FY16

CORE BUSINESS*
EBITDA

\$3.9M

STRONG WHILST USA
RESTRICTED FOR FUTURE GROWTH

CORE BUSINESS*
NET PROFIT AFTER TAX

\$3.5M

STRONG CORE BUSINESS PROFITS

*Excludes Medical Innovation Strategic Investments

OPERATIONS

Strong Underlying Financial and Operational Performance.

Compumedics continues to generate profits from its blue-chip client-based core business, whilst reducing debt levels (\$0.7m) and maintaining strong investment in R&D (17% of revenue). The continued profits have been achieved in the face of continued investment in and commercial activation of new growth platforms, including professional eHealth cloud-services (Nexus360) and Somfit® consumer health platform milestones. These projects are all demonstrating commercial growth or lucrative break-out business opportunities.

The lower-cost GraeL® Version 2/GraeL® Light (LT) products have successfully shipped, marking a transition of the core sleep and neuro-diagnostic businesses from being mainly a premium-product supplier (30% of target market) to being a full-range product supplier for the complete premium, middle and lower tier sleep and neuro-diagnostic markets (opens up an additional 70% of addressable market), whilst some headwinds, such as employing more skilled sales professionals need to be overcome. The successful execution of the Company's sales force expansion paves the way for a 2-3 fold increase of sales in the Company's target markets, without compromising margins.

Ongoing Performance and Profitability Improvements.

Compumedics remains focussed on operational programs designed to drive improved efficiencies, capable of enhancing sales margins and product quality. For example:

- Productivity-enhancement programs continue to improve quality whilst driving down costs, including the outsourcing of non-key functions such as larger scale production.
- Streamlining of logistics including final product assembly, testing and shipment will yield further efficiencies as the business continues to grow.
- The shipment of the new GraeL® product range, resulting from a major redesign and enhancement of all Compumedics' neuro-diagnostic and polysomnography (PSG) systems. This new range of products will help to drive further sales growth within the lower and mid-tier market segments, whilst improving margins.
- The establishment of enhanced global online shopping cart capabilities designed to drive sales volumes, are now being rolled out.

PRODUCT DEVELOPMENT PIPELINE

Product research and development was maintained across all the Company's divisions with a range of product updates, new product releases, and refreshed product pipelines prepped to underpin strong ongoing growth across the Compumedics® sleep, neuro-diagnostic, Neuroscan® research, DWL® (ultrasonic Doppler blood flow) and consumable businesses.



GraeL 4K HD wall configuration

Compumedics GraeL® Range of Patient Diagnostic Amplifiers

With the new entry-level GraeL® sleep and EEG (neurology) amplifier range now shipping, Compumedics is ideally positioned to drive ongoing earnings growth. This new platform of products presents a highly competitive solution that has already been embraced with strong Asian sales and is now starting to gain traction in the USA on the back of the recent USA sales and marketing changes. As these products are rolled out world-wide, the newly expanded market is expected to drive strong, profitable growth and business expansion for the foreseeable future. Compumedics, for the first time in its history, can now offer the most competitive lower and mid-tier sleep and neuro-diagnostics solutions to complement its leading premier range of products. Compumedics now offers superior know-how and technology from routine EEG all the way to pre-surgical planning support and MEG. This data is available anytime, anywhere and across multiple platforms.



CURRY™ acquisition and analytics software platform advantage



Orion LifeSpan™ MEG system

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DWL Ezi-Dop and Multi-Dop® T Digital

DWL progress continued with the on-going sale of its successful Multi-Dop T. The Multi-Dop T comprises of an “all-in-one” portable system suitable for new markets such as deployment within ambulances and emergency departments. Strong ongoing DWL growth continues to be driven by markets such as China and South America, along with new applications such as brain-death diagnosis, stroke treatment, intensive care, vascular disease management and traumatic brain injury opportunities.



Multi-Dop® T digital

Neuroscan CURRY® and STIM

CURRY® 8, Neuroscan’s Brain Analysis platform suite was released during FY17 with 150 new features, which greatly strengthen its existent brain analysis leading market position. A major focus of CURRY® 8 brain analysis software includes support for the expanding user-base amongst the epilepsy community. In cases where MRI-detectable lesions are not identifiable, CURRY® brain analysis has become the new standard of care for identifying cortical origins of seizure activity. Other new CURRY® features include improved epilepsy-specific workflows, pre-surgical planning tools, additional source-analysis and enhanced statistical processing methods.

Neuroscan MEG Neuroimaging

Compumedics achieved a significant milestone in relation to its MEG business close to the end of FY17, with the confirmation of its first MEG sale to the USA-based Barrow Neurological Institute (BNI) at St. Joseph’s Hospital and Medical Center, located in Phoenix, Arizona.

MEG is a functional neuroimaging technique for mapping brain activity by recording magnetic fields produced by electrical currents occurring naturally in the brain, using very sensitive axial gradiometers or magnetometers.

BNI, the world’s largest neurological disease treatment and research institution, is the home of the Muhammad Ali Parkinson Center and is consistently ranked as one of the best neurosurgical training centers in the world. The institute was founded in 1962 and has since grown into one of the premier destinations in the world for neurology and neurosurgery.

More operative neurosurgical procedures are undertaken at BNI than at any other United States institution.

Compumedics has overcome earlier MEG system barriers with the Compumedics Neuroscan Orion LifeSpan™’s increased precision, coupled with fully-integrated MEG (Curry MEG) “gold standard” brain analysis software.



Muhammad and Lonnie Ali at the Muhammad Ali Parkinsons Center at Barrow Neurological Institute

NEXT GENERATION GROWTH PLATFORM COMMERCIALISATION

The Company remains focussed on a number of substantial opportunities based on key next-generation growth platforms, applicable to the imminent or ongoing commercial activation of Neuroscan® brain imaging and Medical Innovation projects including online health initiatives (professional eHealth services (Nexus 360) and Somfit® consumer health platform). Additionally, other upcoming commercialisation opportunities include patented sleep-treatment and driver-vigilance step-out projects.

MEG. As already noted, the Company secured its first MEG sale to BNI, in June 2017. Compumedics will continue to focus on its growing MEG pipeline, highlighting our key advantages in MEG as summarised below.

Compumedics unique sensing MEG system advantages are:

- The Compumedics Neuroscan Orion LifeSpan™ MEG system uses new generation high-sensitivity, axial gradiometers with increased SNR (signal to noise ratio) for superficial and deep sources
- Patented SQUID sensor type: double relaxation oscillation SQUID (DROS)
- Average sensitivity: better than $3 \text{ fTrms}/\sqrt{\text{Hz}}$ (@ 100 Hz)
- Sampling rate : 10 kHz max option, resolution: 24 bits
- 32-256 channels of integrated simultaneous EEG, plus 4-16 bipolar/auxiliary analog channels

Compumedics MEG hardware advantages are:

- The unique Orion LifeSpan™ is comprised of a patent pending, rotating dual-helmet dewar for adult and pediatric patients (adult/ adult, pediatric/pediatric options available)
- Up to 320 axial gradiometers option, 183/135 adult/pediatric standard (each with 9 additional reference channels for noise reduction)
- Specially designed adjustable bed system for adult and pediatric patients optimized for comfort
- Continuous helium-recycling minimizes operating costs & maintenance requirements

- Lighter-weight, active magnetically shielded room (MSR)
- Smaller electronics footprint for reduced lab space & power use
- Vacuum coolant system, enabling 24 hour operation with virtual 100% helium recovery and no reliance on coolant recycling downtime.



Profusion NeXus 360 - web-based laboratory management system

Compumedics WEB-based sleep diagnostic platforms

Compumedics professional WEB-based sleep diagnostic platform (Nexus 360). This new platform continues to gain commercial traction with the successful establishment of the first Australian and USA sites now delivering sleep-diagnostic services to the medical industry. The Company signed contracts for 10 sites in the USA during FY17, which will generate a minimum of \$330k (USD250k) in annuity revenues, on an annualized basis. These eHealth developments present significant efficiency gains for Compumedics' existent and new customers, along with a highly scalable and effective business model for Compumedics and clients alike. Customers appreciate the industry-leading quality and sophistication of Compumedics' internet "plug and play" amplifiers coupled with the unique Compumedics single vendor solution. The Nexus 360 enables a fully-integrated sleep cloud-services providing the first of its kind "end-to-end" clinical enterprise solution for unsurpassed simplicity, efficiency and effective user clinical-work-flow and user-experience.

Compumedics Consumer Somfit® sleep monitoring platform. Discussions with potential commercial consumer market focused third parties continue.



Somfit® - True Sleep Fitness

OUTLOOK

Key product development achievements for FY17. With the first MEG deal with BNI now announced, other MEG sales opportunities are being pursued. Further, shipments of Compumedics new GraeL® LT range of products, which ramped up in FY17, ushers in a new era for the Company. The traditional top-end premium Compumedics sleep and neurology products will now be complemented by a new range of highly competitive mid-tier and lower- tier products. Whilst Compumedics has now opened up its addressable market via the roll-out of the new range of lower cost GraeL® amplifiers, the focus is now intensified on strengthening Compumedics global sales and marketing forces.

Ongoing Growth and Profitability resulting in FY18 revenues in the range of \$40m to \$42m, with a corresponding EBITDA of about \$5.5m to \$6.5m, and NPAT of about \$4.0m to \$5.0m, is expected to be realised. Earnings forecasts include ongoing investments in the next-generation growth platforms, via medical innovations, as noted in this report. Moreover, this guidance includes continued high levels of R&D investment (17% of revenue) but at this stage excludes growth-platform revenues or profit contribution to the FY18 results.

This guidance is based on the general economic environment in Australia and the Company's other key offshore markets including the US, China, France and Germany remaining broadly as they are at the timing of the release of these results.

SUMMARY

Compumedics remains well positioned, following a solid FY17, whilst executing upon its geographical sales expansion strategy underpinned by major product roll-outs across all business divisions, including securing its first MEG sale.

The core business continues to generate operating profitability and is well positioned for solid earnings growth.

The recent announcement of the first MEG sale to BNI transitions Compumedics from a USD30K brain analytics software sale to a USD4M complete system sale company.

The next generation step-out growth platforms including professional sleep cloud-services (Nexus 360), and the Somfit® consumer-health platform, together with MEG, positions Compumedics for a combination of strong ongoing core financial performance with extraordinary step-out business up-side.

The year ahead will remain sharply focussed on driving our profitable core business growth, accelerating geographical market expansion, and commercial activation of our highly lucrative next-generation growth platforms. Whilst we have some challenges, but entirely addressable headwinds in the core business, we are transitioning Compumedics into a higher performance global organisation.

I would like to thank you all for your continued support and we look forward to on-going advancements over the year ahead.

Yours sincerely,

Dr. David Burton, Ph.D.

*Executive Chairman and Chief Executive Officer
Compumedics Limited*

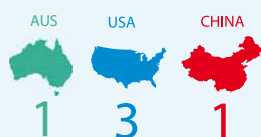
GLOBAL MARKETS

Global Neurodiagnostics market

Description of the market:

Global Neurodiagnostics is the study of electrical activity in the brain, spinal cord, nerves and muscles for the diagnosis and monitoring of neurological based diseases. Tests may be performed in hospital outpatient departments, neurophysiology labs, operating theatres, intensive care units and private practice.

Current Market position:



Competitive Advantages:

- 1 Complete range from clinical to research technologies
- 2 Uncompromised system design
- 3 Highest industry quality standards
- 4 Best in class brain analytics

Current Market Share:

less than 1%

Key drivers:

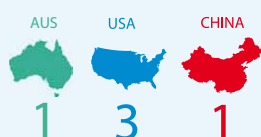
The key drivers for achieving growth in this market are to have technologically superior products that differentiate Compumedics from the existing competition. With the current products being complemented by a completely new long-term monitoring device in 2010, this will be achieved.

Global Sleep Diagnostics market

Description of the market:

The global Sleep Diagnostics industry is comprised of diagnostic and therapeutic technologies and medicines. Compumedics' core business lies in the design and manufacture of technologies for the diagnosis of sleep disorders – a market estimated to be worth AUD\$250 million worldwide and growing.

Current Market position:



Competitive Advantages:

- 1 Innovative strength
- 2 Active involvement in sleep science globally
- 3 Market placement and momentum
- 4 Best in class sleep analytics

Current Market Share:

6%

Key drivers:

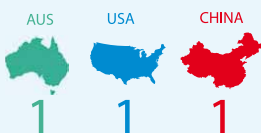
To logically continue to expand our US and European sales and support infrastructure and to evolve the business to provide complete sleep medical solutions.

Global Brain Research market

Description of the market:

Global Brain Research is the study of the brain's functionality, using Quantitative EEG (QEEG) methods to supplement traditional EEG findings. With the advent of high speed digital information processing and statistical analysis, QEEGs extract and quantify brain electrical activity to address aspects of EEGs that cannot be appreciated visually.

Current Market position:



Competitive Advantages:

- 1 Superior patented technology
- 2 Uncompromised system design
- 3 Unmatched innovation
- 4 Best in class brain analytics

Current Market Share:

30%

Key drivers:

The key driver for growth in brain research will be to maintain Neuroscan's preeminent technological lead and to back this by expanding the sales and support infrastructure to harness this expanding market opportunity.

Global Doppler Ultrasound market

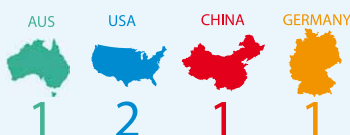
Description of the market:

The Doppler Sonography technique utilises sound frequencies to measure the blood flow conditions in vessels and evaluate haemodynamics by using high-quality diagnostic and monitoring systems.

DWL Doppler systems are used in a wide range of specialist branches of medicine including neurology, neurosurgery, cardio- and vascular surgery, anaesthesia, intensive treatment, internal medicine, angiology and radiology.

The products are purchased by private practices and clinics, hospitals (both public and private), and by major universities, national research institutes and corporate research laboratories around the world.

Current Market position:



Competitive Advantages:

- 1 Full Digital Doppler Technology
- 2 Bilateral Doppler
- 3 Multi-Range Doppler Technology
- 4 Physiological Tests
- 5 Emboli Differentiation & Multi-Frequency probes
- 6 Highest Doppler sensitivity
- 7 Best signal to noise ratio
- 8 Reference gates
- 9 High and low temperature endurance systems
- 10 Space endurance systems

Current Market Share:

less than 35%

Key drivers:

- Digital Doppler Technology
- New application areas for the use of TCD
- Expanding market opportunities by new Health Care Regulations for the use of TCD
- Expanding Sales and Support Infrastructure

CORE BUSINESS - GROWTH DRIVERS

Compumedics will continue to grow its core sleep, neuro, brain research and blood flow monitoring businesses by:



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 continue to flow through in FY18 – FY20. 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.



Push into the Chinese neurology market.



Ideally positioned to accelerate organic growth and value realisation.

CORE BUSINESS

Premium Focus now expanding to whole market.

	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

Compumedics has traditionally sold its products into the premium end of each of the markets it sells into. The company has recently launched, and commenced shipping, a new range of devices that have been specifically designed to be priced competitively for the majority of customers in the markets Compumedics sells into. Compumedics will use its branding and reputation in the premium end of the market to drive market expansion in the whole market, increasing the addressable market available to Compumedics by two to three times.



CLIENTS AND CORE PRODUCTS

Key Clients

Compumedics has over almost 30 years of operations and in that time has worked with and established a client list of key opinion leaders, world wide which include:



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Core Products

Sleep Diagnostics



Compumedics GraeL® - 4K HD



Compumedics GraeL® PSG



Compumedics Siesta®



Compumedics Somté® PSG



Compumedics Profusion™
Sleep Software



Compumedics Profusion™
NeXus Software

Neuro Diagnostics (including Brain Research)



Compumedics Neuro®
512 Channel



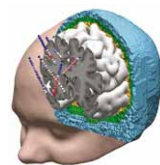
Compumedics GraeL EEG®
Neuroimaging Suite - 4K HD



Compumedics
GraeL LT® - HD EEG



Compumedics
Orion LifeSpan™ MEG



Compumedics CURRY®
Neuroimaging Suite

Ultrasonic Blood Flow Monitoring



Multi-Dop® T digital



Doppler-Box™ X

STRATEGIC GROWTH PLATFORMS

The Company is focused on a number of substantial opportunities based on next-generation growth platforms applicable to DWL, Neuroscan brain imaging, and medical innovation projects such as eHealth, sleep treatment, and driver vigilance.

The MEG opportunity is highlighted here.

THE NEW ORION LIFESPAN™ MEG - AN EXCITING INNOVATION FROM COMPUMEDICS

What is MEG? How Does it Work?

Invented by David Cohen at Massachusetts Institute of Technology in the 1970s, MEG technology can record the magnetic fields produced by electric currents generated by neurons in the brain.

It does this using a highly sensitive detector called a SQUID, short for super-conducting quantum interference device.

By maintaining superconducting magnetic detectors at super-cooled temperatures, the tiny but very fast (too fast for traditional MRI) brain characteristics associated with widespread neurological disorders such as dementia, autism, epilepsy can be detected.

Key Features

- 150 Radial Gradiometers (> Spatial Density than Elekta)
- SQUID Double relaxation oscillation SQUID (DROS)
- Average sensitivity: Better than 3.5 fT $\sqrt{\text{Hz}}$ (@ 10 Hz)
- Integrated Helium Recycling
- Sample Freq 2/8 kHz Max Option, Resolution: 16/24 bits
- 32/64/128 Channel Integrated EEG
- Active MSR Shielding (medium strength)
- CURRY fully integrated / STIM2 / Video Integration
 - Real Time Dipole Averaging and Clustering
 - Real Time Event Averaging
 - 3 CURRY® WorkStations: 1 Acquisition, 2 Analysis

Orion LifeSpan™ key advantages





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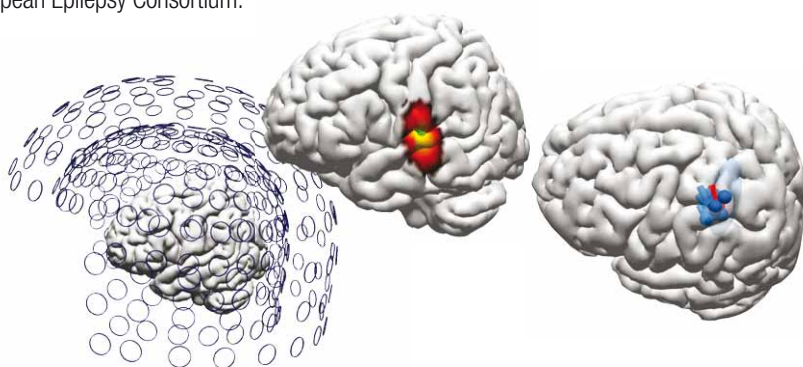
- The CURRY® Neuroimaging platform and MEG have a history stretching back over 25 years. CURRY was first conceived as a product in the early 1990's when Philips Electronics investigated the feasibility of developing its own MEG hardware platform. Ultimately, the hardware platform did not survive, but the software, along with its core engineering architects, Dr. Manfred Fuchs and Dr. Michael Wagner, continued on.
- The benefits associated with CURRY's ability to integrate MEG with EEG and co-register both kinds of high-temporal resolution functional imaging data with the structural neuroimaging data including MRI, CT, DTI, as well as PET, SPECT and fMRI accelerated the adoption of the software by both the research and clinical communities. Early clinical adopters, such as Dr. John Ebersole, supported and championed the benefits of source localization tools such as CURRY, contributing to the development of specific source analysis billing codes for EEG and MEG. For a long time, CURRY has been the de-facto software platform for clinical MEG community, particularly those assessing epilepsy. This has culminated in the adoption of CURRY as the standard analysis platform by the European Epilepsy Consortium.

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/pa
- 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)

Plan

- H2 FY18 – Deliver first sale to Barrow Neurological Institute in Phoenix, AZ, USA
- FY18 – Secure second sale
- H1 FY19 – Obtain FDA clearance for 1st system in USA



STRATEGIC GROWTH PLATFORMS

Compumedics' cloud based sleep diagnostic platform includes a professional application, NeXus 360, and a consumer application, Somfit®. NeXus 360 has been sold into ten sites in the USA in FY17 as a critical first step for this new business.

profusion **neXUS 360™** Laboratory Management System

A Revolution in Laboratory Management

Introducing Compumedics Profusion neXus 360, the next generation of Profusion neXus. Built on the proven Profusion neXus platform with more than 15 years of customer use and thousands of users, Profusion neXus 360 offers the full functionality of Profusion neXus and more, in a fully web-based interface.

ACCESSIBILITY

- > Anywhere
- > Anytime
- > Any Device (supporting HTML5 browser)

SEAMLESS INTEGRATION

- > Seamless hardware and software with user-configurable reporting
- > Fully managed by Compumedics
- > Scalability
- > HL7 Support
- > Multi-site management

HIGH SECURITY

- > Digitally secure study "sign-off"
- > Two-factor authenticated login
- > HIPAA compatible
- > All web traffic is securely encrypted

WORKFLOW EFFICIENCY

- > Simple management of access privileges
- > Web-based review and reporting
- > Automated updates and backups
- > Dynamic scalability to suit growing labs

Profusion NeXus 360 Features:

- Simple, browser/internet-based access via HTML5
- Two-factor Authentication Access
- Digitally secure study "sign-off"
- User-defined, group-based access privileges
- Template/Document Integration
- Non-editable audit-log
- Multi-language Support (English, French, Chinese, Spanish)
- Fully managed Cloud Service, simple installation, reliable system backups and easy system updating
- In-lab acquisition and real-time uploading to the web

Platform and Browser Independent





Somfit®

True sleep fitness

Quality Sleep is Essential

"Every aspect of who you are as a human, every capability is degraded, impaired, when you lose sleep. What does that mean? Your decision-making, reaction time, situational awareness, memory, communication, and those things go down by 20 to 50 percent."

(Mark Rosekind, member of the National Transportation Safety Board in Sleepless in America – National Geographic Channel Documentary December 2014)



What is Sleep Fitness?

Sleep fitness is getting the right type or stages of sleep and the right amount of sleep.

There are five stages of sleep, each characterized by different brain activity.

The most important sleep stages are REM (dream sleep) that enables brain restoration for learning and memory and deep sleep for body recovery.

The body also needs alignment of our internal circadian clock with the sleep/wake cycle - otherwise sleep quantity suffers (ie the "jet lag effect") and sleep fitness is degraded.

Are you getting quality sleep (how do you know)?

Movement detection is not clinically accepted as a true measure of sleep-wake.

The American Academy of Sleep Medicine (AASM) recommends that to clinically and scientifically distinguish between various sleep stages to determine sleep quality or fitness - sleep scientists measure brain waves (electroencephalography or EEG), eye movements and muscle tone. This is the Gold Standard for a sleep test.

The Somfit®

For the first time, a fitness tracker with gold standard sleep technology.

During the day, use Somfit® to track your daily activities – when you are walking, running, biking or even on an elliptical machine.

At night, the Somfit® will track your sleep collecting medical grade data to provide true sleep insights - understand your night's sleep architecture - accurately measure the quality of your sleep through accurate measurements of durations you spend in REM, deep sleep or light sleep.

Why use Gold Standard Sleep Technology?

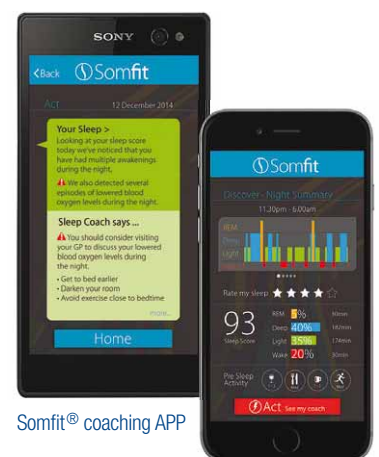
The technology in Somfit® is medically validated and the data collected is Gold standard – meaning that it is the accepted methodology to accurately measure and detect true deep sleep and REM, essential measures for body recovery and brain restoration. The data can be used for medical consultations with your GP or sleep specialist if and when the need arises.

Coaching

Empower yourself with accurate sleep data and with Compumedics' strong ties with the sleep professional community and extensive experience in sleep monitoring, you can take intelligent action to improve your wellbeing and performance.

Who is it for ?

- Athletes - managing and enhancing performance
- Parents - to monitor their children's sleep patterns
- Medical professionals - to assist treatments of insomnia or depression
- Anyone who wants to truly understand their sleep habits for well being.



Somfit® coaching APP

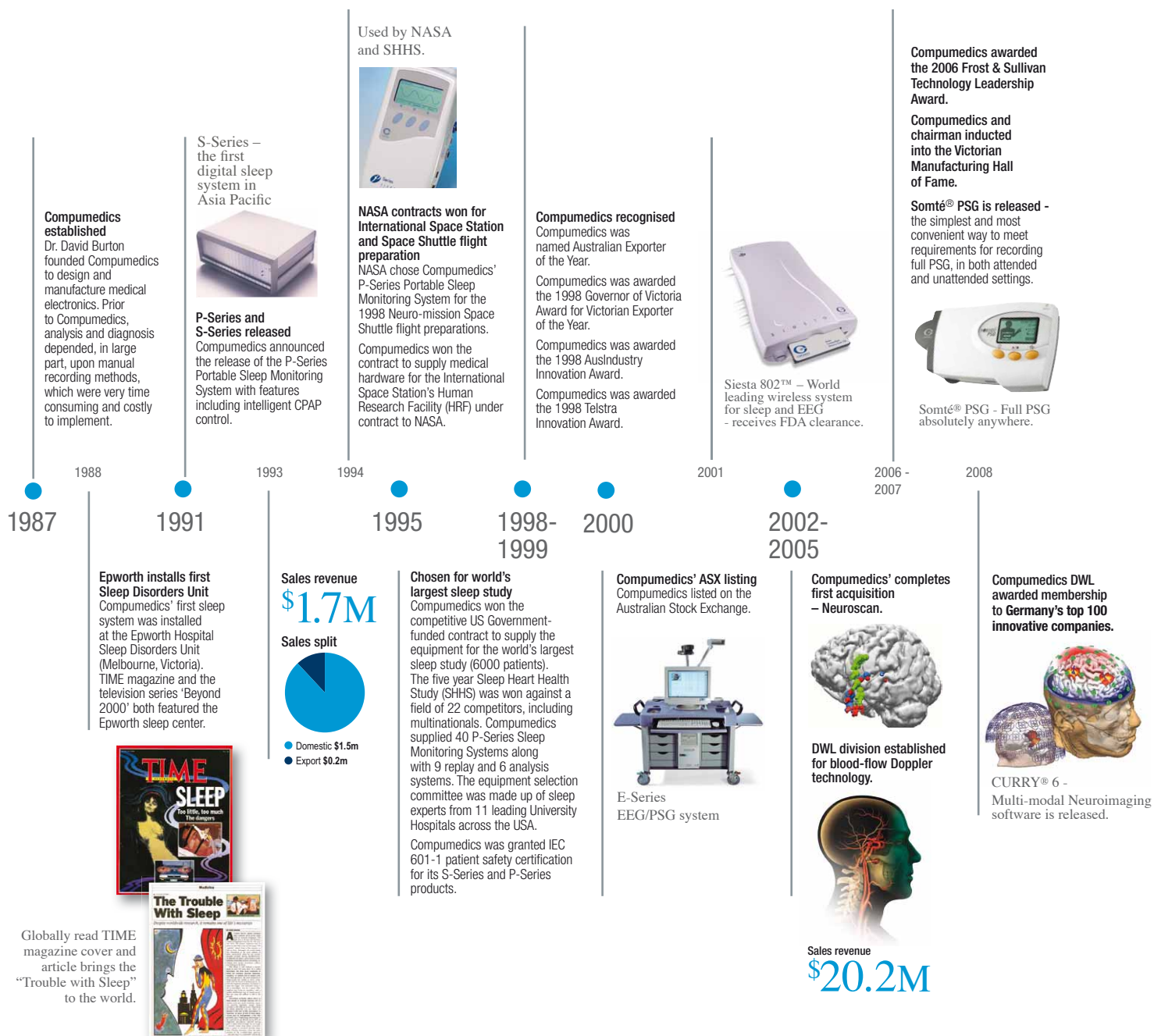
The power inside

Powered with technologies from Compumedics, the company with over 25 years experience in professional sleep diagnostics and equipping leading sleep laboratories around the world with advanced sleep monitoring systems.

Compumedics offers expertise in medical product design, but significantly provides the advanced diagnostic-grade signal processing power for more accurate sleep staging and analysis in the Somfit®.

A FOCUSED STRATEGY IN ACTION

For over 30 years, Compumedics' focus in Sleep and associated medical disorders has established a solid platform for growth.



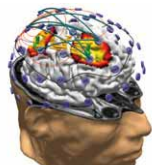
Grael® is released -
Compumedics released the world's first High Definition and premier PSG/EEG, Grael®.

Grael® wins Powerhouse Museum Award & finalist at the Australian International Design Award.



Grael® PSG/EEG
- World's first High Definition Amplifier.

Compumedics introduces direct selling in Germany.



CURRY® SCAN 7 Neuroimaging Suite is released -
Compumedics Neuroscan releases it's combined acquisition and signal processing software.
Compumedics introduces direct selling in France.

Beijing Bestmed, Compumedics' China-based distributor invests \$0.5, becoming a top 10 shareholder - this injection of funds contributes to Compumedics further growth in the China region.



Neuvo® LTM
512 Channel EEG

New Patent Grant Underpins Growth Opportunities for Compumedics' DWL.
- New product development based on patent for system of detecting and treating blood vessel stenosis or occlusions.



\$7.5 Million Sleep Diagnostic Systems Contract with Beijing Bestmed Accelerates Compumedics Strength in China.

Compumedics wins major multi-million dollar MEG brain imaging contract.



Growth in China -
Compumedics confirms strength in China with over \$5M in sales in 2017.

Successful completion of \$6.5M capital raising

New product released - Profusion NeXus 360 -
A Revolution in Laboratory Management



17
18

2009

2010

2011

2012

2013

2014

2015

2016

2017

Compumedics recognised as one of Australia's top 100 Health Innovators through its world leading devices for sleep diagnostics.



Somnilink SPAP®

Somnilink SPAP receives CE and TGA clearance.



Compumedics celebrates its 25 Year Silver Jubilee Anniversary.

Neuvo® LTM, world's first 512 channel wall system is released to market - the Ultimate Long-term Monitoring System.

Grael®-HD EEG - High-Definition EEG is released to market.



Grael®-HD EEG

eHealth Business focus in Asia.

New contract signed with Bestmed (China) with potential revenue of US\$5 million over the next three years growing to US\$13.2 million within five years.

Company has now secured total contracts for its eHealth platform with potential incremental revenue of US\$9.1 million over the next three years.

New products released -

Profusion EEG5 - World class EEG diagnostic software.

Profusion Sleep4 - World class PSG diagnostic software.



Grael® PSG

Grael® LT EEG

New Grael® Range released for market -
Grael® PSG, Grael® LT and updates to Grael® and Grael® EEG

New e-Health Somfit® consumer product is developed -



Somfit® Night

Compumedics and KRISS (Korea Research Institute of Standards and Science) officiates technology transfer agreement and MOU for new advanced MEG.

BOARD OF DIRECTORS

Deep

Compumedics is committed to developing a world class working environment that rewards individuals for the contributions they, and their teams, make to the business each year. Compumedics is proud of the diversity of its people, and continues to develop its people infrastructure under the guidance of the Senior Management Team and the Board.



Dr. David Burton, Ph.D.

Executive Chairman, CEO

Dr. David Burton, Ph.D., is the founder, Chairman and CEO of Compumedics. After establishment of Compumedics the company was listed on the ASX in 2000, and has been awarded 24 awards for design, innovation, business and exports including the Australian Exporter of the Year in 1998 and Small Business of the Year in 1999.

Dr. Burton started his career at the Bureau of Meteorology, where he studied radar techniques and electronic equipment. He founded Linear Transfer Pty Ltd, which designed, manufactured and marketed high fidelity recording and sound equipment. He was awarded an Associate Diploma in Engineering (Electronics) by the Royal Melbourne Institute of Technology and a Ph.D. (Eng. Sc.) by Monash University, Melbourne (Australia). Dr. Burton's engineering background includes the design and project management of Compumedics' first sleep laboratory and portable sleep systems. Dr. Burton has authored 150 patents or patent applications across more than 20 families of patents that form part of Compumedics' intellectual property. Dr. Burton has served as an advisor for the Victorian Government as a member of the Council for Knowledge, Innovation, Science and Engineering (KISE), being the Victorian Government's key advisory body on issues and policies focusing on science and innovation.

Dr. Burton was presented the Clunies Ross National Science and Technology Award in 2002 for his development of innovative sleep monitoring technology. He was awarded the 2003 Centenary Medal by the Prime Minister and Governor General of Australia for outstanding contribution to science and technology, particularly public science policy. In 2003 Dr. Burton was awarded the Ernst & Young Victorian Entrepreneur of the year award for technology, communications, E-commerce and life sciences. In 2007 Dr. Burton was inducted into the Victorian Manufacturing Hall of Fame in recognition of manufacturing achievements and world-wide medical device exports.

Dr. Burton served as a Victorian Government adviser as a Board member of the Design Victoria (2008-2011), was appointed to the Academy of Technological Science and Engineering (ATSE) committee in 2012 and in recognition of his outstanding contribution to the profession of Biomedical Engineering and was awarded the 2012 David Dewhurst Award by Engineers Australia, College of Biomedical Engineers.



Dr. Alan Anderson

Non-Executive Director

Dr. Anderson, is a leading American attorney in the areas of commercial litigation, intellectual property and computer law. He has represented Compumedics for all legal matters in the USA since late 1998.

Dr Anderson completed his Bachelor of Arts with Honours (Political Science) at Coe College. He also holds a Master of Business Administration with Distinction, a Doctor in Law with Honours from Cornell University, and a Certificate in International Business and Commercial Law from the McGeorge School of Law (University of the Pacific).



Mr. David Lawson

Executive Director

Mr Lawson has been Chief Financial Officer and the Company Secretary of the Company for over fourteen years. In that time, Mr Lawson has been extensively involved in the development of the Company including the Initial Public Offering of shares in the Company, the subsequent offshore acquisitions in the US and Germany, private equity placements and the recent refinancing of the Company. Mr Lawson also has been involved in the operational turn around of the Company and brings a significant amount of experience and knowledge to the Board. Mr Lawson is also a Director of Swinburne Venture Pty Ltd, the intellectual property commercialisation arm of Swinburne University.

SENIOR MANAGEMENT



Dr. David Burton, Ph.D.
Executive Chairman, CEO



David Lawson
Executive Director,
Chief Financial Officer
& Company Secretary



Warwick Freeman
Chief Technology Officer

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Kerry Hubick
Trademark, Patent
& General Legal Attorney



Christoph Witte
General Managing Director
DWL Compumedics Germany GmbH

Medical Advisory Board



Dr David Burton
Heads up Compumedics Medical
Innovations Division.
Authored > 100 patents or
applications across >20 families



Prof Ian Colrain, Ph.D.
Exec. Director - Brain Sciences &
Senior Director, Center for Health
Sciences, Stanford Research
Institute (SRI) Biosciences.
Professorial fellow - Uni of
Melbourne . Core faculty member -
Palo Alto School of Sleep Medicine.
Member - editorial board of SLEEP



**Prof Patrice Bourgin, M.D.,
Ph.D. Professor of Neurology**
Strasbourg University
Director, Sleep Disorders
Center - Head of Research Team
"Light, Circadian Rhythms, Sleep
Homeostasis and Neuropsychiatry



Prof John Ebersole, MD
Chicago University
Department of Neurology
Director, Adult Epilepsy
Service Director, Clinical
Neurophysiology Program Medical
Director, Illinois MEG Center Editor-
in-Chief, Journal of Clinical
Neurophysiology



Defining *Life's* Signals



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