

Thursday, 27th October, 2022
10.30am

INNOVATION



> 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 Election of a Director – Paul Jenz

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])

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

- FY22 Revenues up 6% to \$37.8m, FY22 EBITDA up 27% to \$3.3m.
- FY23 Guidance resumes with revenues expected to be greater than \$40m and EBITDA to be greater than \$4m.
- 140+ 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 \$40m.

FY2022 – Performance Review

- Revenue \$37.8m, EBITDA \$3.3m, NPAT \$1.4m

	FY22	FY21	Variance	Comment
Revenue	\$37.8m	\$35.7m	6%	Revenues improve as the company's diversified revenue streams (geographic and product) improved as our main markets returned to post-pandemic normality
EBITDA	\$3.3m	\$2.6m	27%	Profitability, as represented by EBITDA improved, as a result of the increased revenues and ongoing cost management, despite cost and supply issues.
NPAT	\$1.4m	\$1.0m	40%	NPAT improved, albeit impacted by tax expense adjustments.

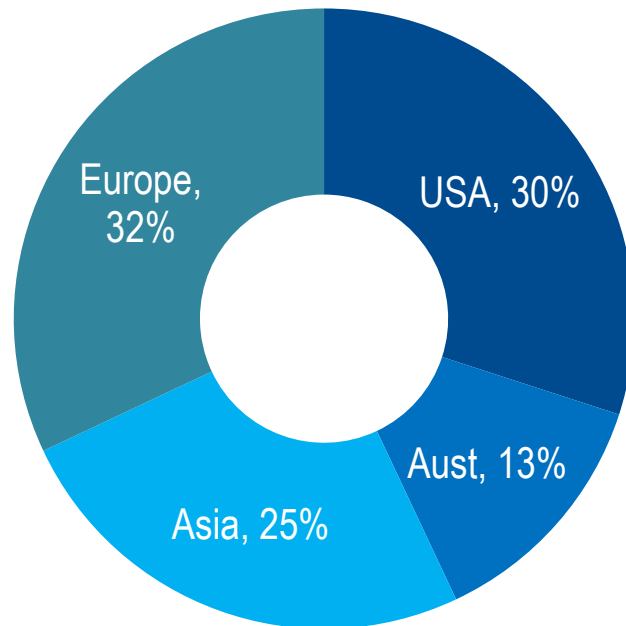
FY2022 – Highlights

- Core: Restored revenue growth in France, Germany, Australia and the US for sleep and neurology markets post pandemic.
- Core: Continued to solidify our position in Asia, other parts of Europe, the Middle East and our DWL business as all markets emerge from the pandemic.
- Core: Profitability (EBITDA) improved as a result of the increase in revenues. Whilst margins declined in FY22 to supply chain and cost pressures on key inputs, the Company did rigorously control costs where it could and will continue to do so.
- MEG growth initiative: The second MEG sale to TJNU in China was received in January 2022 and at the same time the company currently continues to work through the second phase MEG installation at Barrow Neurological Institute in Phoenix, AZ, USA.
- eHealth growth initiative – Nexus 360 subscription services resume growth post pandemic, with 380 beds/devices under management on the platform in the USA which generated \$1.3m of revenues in FY22 compared to \$1.1m in FY21.
- Somfit (consumer application) product development progresses with several programs underway with Australian based research entities and first commercial partners.

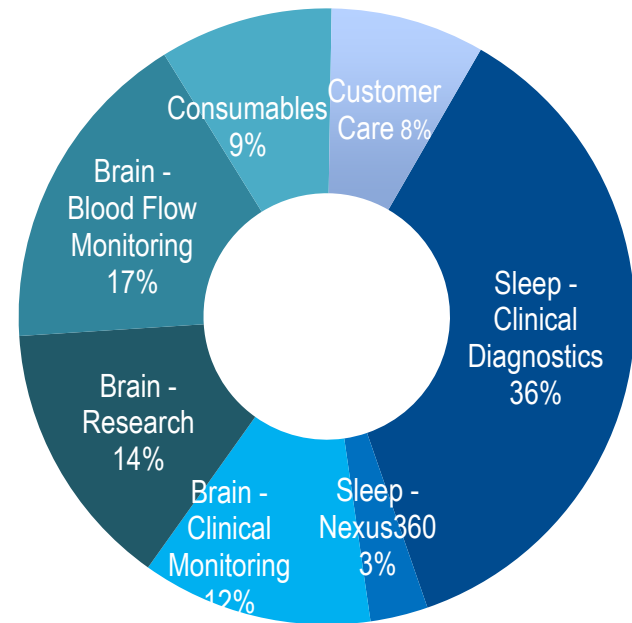
Revenue Composition at \$37.8m

30 June 2022 – Geographic and product diversification serves us well

By geographic region



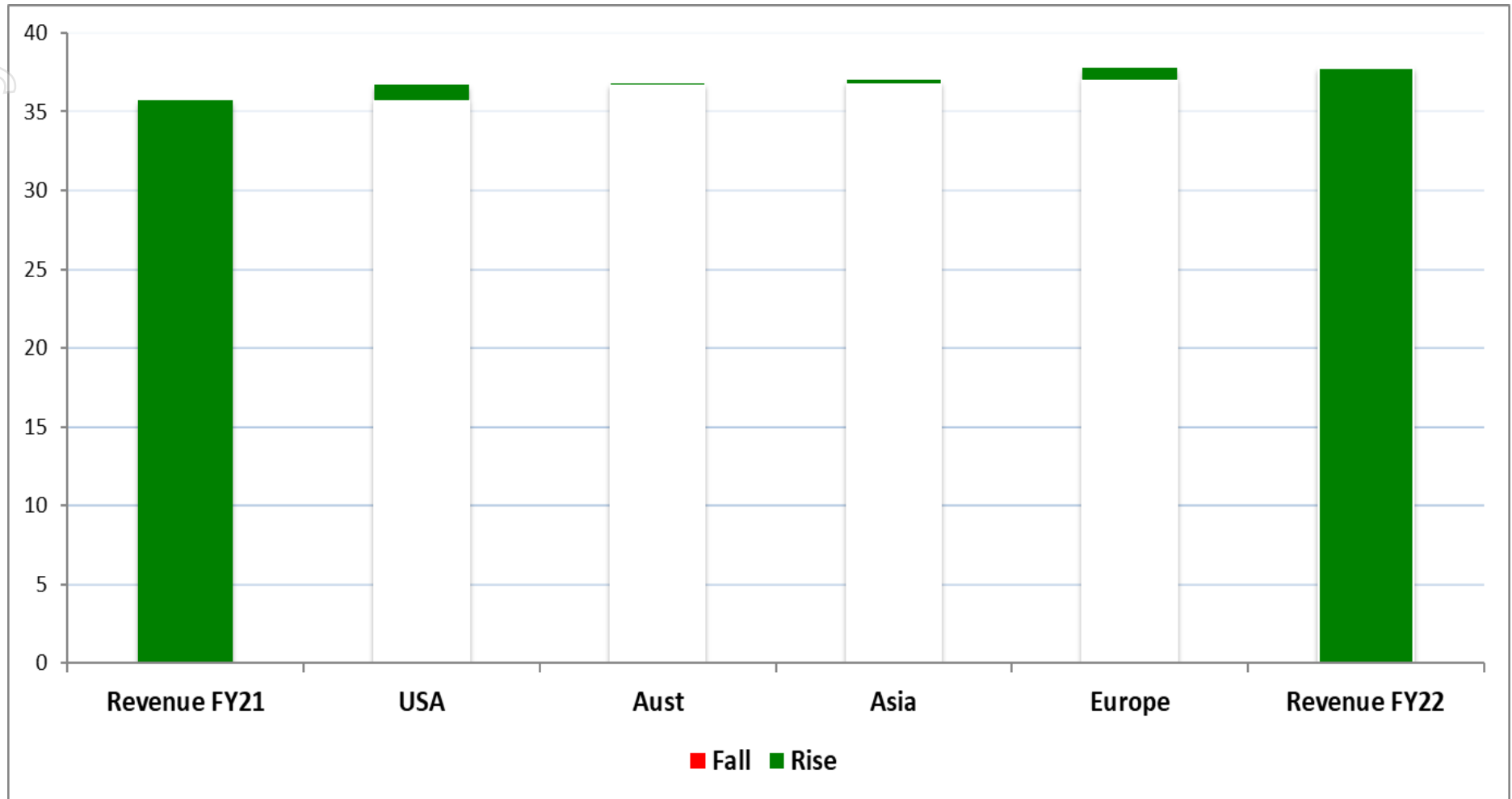
By product/market



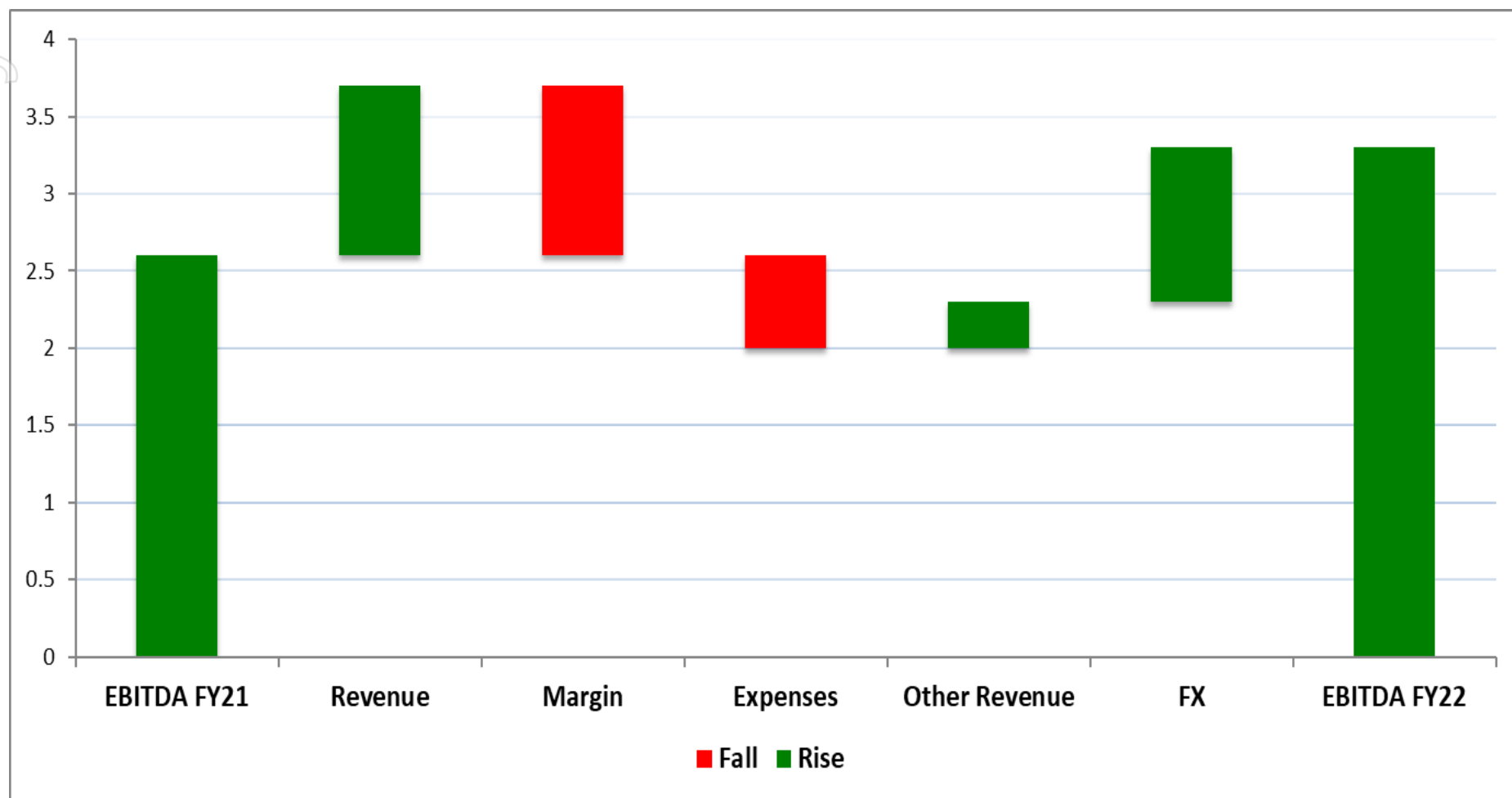
Software upgrades 5 to 10% of system revenues. MEG included in Brain – Research

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

Revenue Bridge Chart – FY21 to FY22



EBITDA Bridge Chart – FY21 to FY22



FX was a small gain in FY22 of \$0.2m compared to a \$0.8 loss in FY21

Core Business - Growth Drivers



Compumedics/Neuroscan innovative brain analysis software and high-performance amplifiers are unrivalled world class technology. Curry 9 now released and selling.



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 FY23 – FY24. New range of ambulatory products for sleep and neurology releasing FY23.



USA business still a key area of growth focus, with seeking and retaining key staff an ongoing priority.



Continued expansion into untapped German market and ongoing growth in France and other parts of Europe.



Continuing growth in Asia, including China, in sleep diagnostics. Emphasis on the neuro diagnostic and monitoring market growth in Japan.



Ideally positioned to accelerate organic growth and value realization as the pandemic abates

Core Business: early FY23 highlights

- As US employment markets have freed up post pandemic, Compumedics has secured 7 new high calibre sales resources into this key market – 4 are key account managers for our digital e-Health (Nexus 360) platform, 2 for geographical expansion and 1 for the research (Neuroscan) product range. The Company will actively look to expand as revenue growth is secured from this investment in sales force expansion.
- Compumedics USA is planning for the launch of Okti at the American Epilepsy Meeting in Nashville in the first week of December.
- Okti is a best in class ambulatory, home or clinical EEG monitoring device, scalable from 32 channels up to 256 channels for routine EEG monitoring through to long-term epilepsy monitoring, including high density EEG capabilities
- Traditional capital equipment EEG market in the US estimated at approximately USD400m pa. Okti gives Compumedics a compelling advantage to convert customers and grow our existing market share to a more substantive market share



Core Business: early FY23 highlights

- Compumedics is in the process of commissioning a new state-of-the-art surface mount line so as to bring in-house electronic manufacture that has been moved to third parties. This is part of a grant with the Victorian Government to bring manufacturing jobs back to Victoria and to Melbourne specifically.
- Compumedics Europe GmbH, based in Germany, being a wholly owned subsidiary of Compumedics Limited, acquires a 50% shareholding in Dr. Grossegger & DRBAL GmbH on 1st September 2022 for €250,000 (in equivalent Compumedics' product) and it is renamed Compumedics Alpha Trace GmbH and is based in Austria
- The Alpha Trace acquisition will firstly, strengthen the selling infrastructure in this part of Europe for Compumedics, as Alpha Trace, will have access to Compumedics' existing range of products for sale into the region. Secondly, Alpha Trace currently has an EMG device that is complementary to Compumedics' existing neuro-diagnostic product range, a neuro-muscular diagnostic technology, that our neurodiagnostic customers often request and one that Compumedics has not had up until this point. With this device/technology Compumedics will be able to sell globally through its existing international sales channels. Compumedics expects that both these benefits will contribute up to €2m (\$3m) in additional annual revenues within 18 months of the initial acquisition

Core Business: early FY23 highlights

- Compumedics will launch Falcon HST at the Australian Sleep Meeting in Brisbane next month. Falcon is a new generation of home or professional user experience for the home sleep testing market.
- Falcon HST will fully integrate with Compumedics existing Nexus 360 platform, our existing digital health platform for users and professionals alike
- There are up to 54m patients in the USA who suffer from OSA and the process for diagnosis has been lab or sleep centre focused, with significant bottlenecks, compounded by the pandemic. Home sleep testing provides a simpler path to initial screening compared to traditional methods and is reimbursable
- Falcon HST will enable Compumedics for the first time to fully participate in this fast growing market segment



Core Business: early FY23 highlights

Falcon HST – market drivers

- The market opportunity (estimates to assist OSA sufferers) – USA 54m people, USD2.7b pa, Europe 66m people, USD 2.6b pa, Asia 77m, USD1.9b pa
- 26%1 of adults worldwide, including 54M in the US alone, suffer from sleep apnea. About 80% of adults in the US are undiagnosed
- Co-morbidities with OSA 2 times increased risk of stroke, 2 times risk of death from sudden cardiac arrest, 5 times risk of death from cardiovascular disease and 42% increased risk of recurrence of atrial fibrillation following ablation
- HST studies likely to grow to 50% of total sleep testing market from just 22% pre-pandemic



Somfit – early FY23 highlights

Sales of the Somfit® services and product have commenced in Australia and in Europe, mainly to research institutions, universities, and elite sports related organisations. These initial sales (about \$200,000) have allowed Compumedics to start the real-world validation of the technology and allow the Company to generate publications in support of the use of Somfit® services and product in these settings.

- Somfit® services and product have also been purchased for two large Insomnia studies currently underway in Australia, which will allow Compumedics to gather data to develop a deep learning algorithm for use in a future Insomnia related product.
- Somfit® services and product have been purchased for evaluation in Occupational Health and Safety (OH&S) management in remote mining sites.
- Somfit® services and product have been purchased for evaluation in pre-screening cardiac surgery patients.
- Somfit® services and product have been purchased for evaluation as a patient monitor in the ICU (intensive care unit) setting.

Somfit – early FY23 highlights

The go-to market strategy for point of care testing has been developed around an initial focus in Australia and east coast of the USA and is currently being executed, targeting three main areas:

- The existing Obstructive Sleep Apnea (OSA) Home Sleep Testing (HST) market
- The primary care market for sleep screening, OSA diagnosis and supporting the diagnosis of Insomnia and circadian rhythm disorders
- eHealth backbone (Nexus 360) implementing across the USA and Australia (a forerunner to home testing), with over 200,000 clinic in the Cloud/SAAS sleep and neurology studies conducted with Nexus 360. This includes over 8,000 premium Onsite with Nexus 360 SAAS home epilepsy studies.

In August 2022, a leading provider of HST services in Australia, with an approximate 20% market share, signed a Memorandum of Understanding (MoU) to evaluate the Somfit® services and product technology. They have signed the MOU to use the Somfit® services and product technology exclusively within their current service operations, with an expectation to move 100% of their home sleep tests to the Somfit® services and product technology over a 24-month period, commencing in January 2023, subject to certain evaluation milestones

Step out 1 - Brain Imaging: MEG, longer development timelines, but the opportunity remains

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 KRISS 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 estimated at up to 20 systems a year, in a normalised year, with a 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 (now Megan), followed by Yokogawa (Japanese market) and CTF MEG (a much smaller player)

Plan

- To finalise the BNI sale as soon as possible
- To install TJNU
- To secure additional MEG sales

Outcome

FY22 – second MEG sales secured with TJNU

BNI conclusion being agreed
Additional sales opportunities being sort.

*MEG = Magnetoencephalography
**MRI = Magnetic resonance imaging



Directors & Executive Team Key Management



Mr Paul Jensz
Non Executive Director
CMP Tenure 12 months



David Burton, Ph.D.
Executive Chairman, CEO
Founder, Tenure 35 yrs



Rod North
Non Executive Director
Tenure Nominated



Mr. David Lawson
Chief Financial Officer
& Company Secretary
CMP Tenure 23 yrs



Mr. Warwick Freeman
Chief Technology Officer
CMP Tenure 29 yrs



Kerry Hubick, Ph.D.
Trademark, Patent &
General Legal Attorney
CMP Tenure 15 yrs



Mr. Christoph Witte
General Managing Director
Compumedics Germany GmbH
CMP/DWL - Tenure 30 yrs

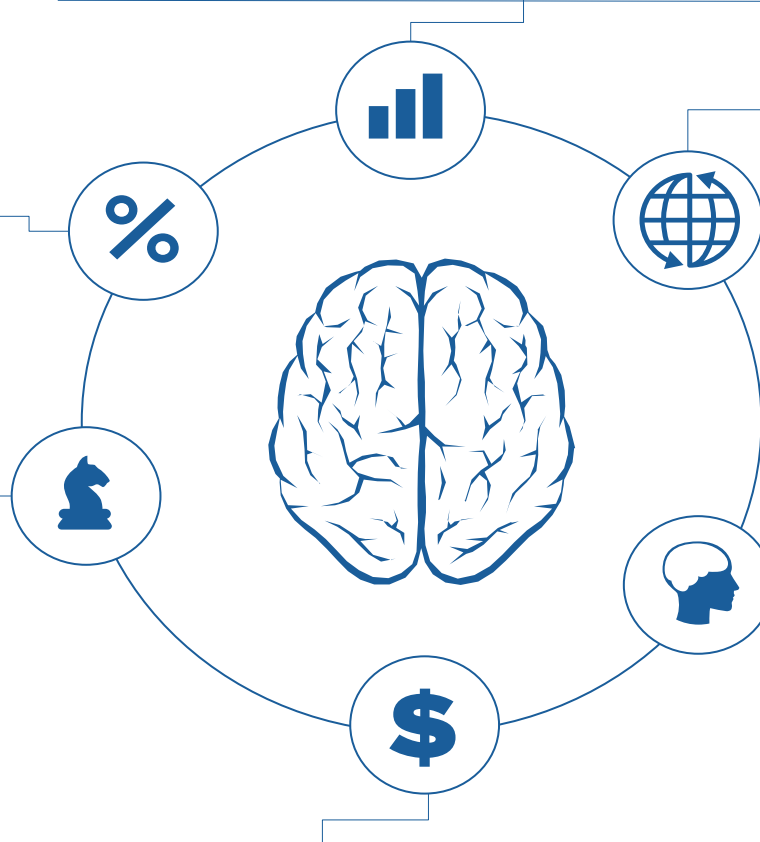


Investor Summary

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

FY23 guidance: Guidance resumes post the COVID-19 pandemic with FY23 revenues forecast to be greater than \$40m and EBITDA to be greater than \$4m.

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