

2014 Fact Sheet

Making life's important moments possible — one breath at a time.®

Electromed, Inc., is dedicated to designing, manufacturing and marketing innovative airway clearance technologies that help people around the world breathe better, stay healthier, and lead active and fulfilling lives. The Company markets the SmartVest® Airway Clearance System, an innovative technology that provides high frequency chest wall oscillation (HFCWO). HFCWO is a proven clinical therapy that clears mucus from the lungs in patients with a variety of medical conditions, including genetic and neuromuscular diseases and mucociliary clearance disorders.

Electromed's goal has always been to make our SmartVest products as effective, convenient and comfortable as possible so patients will adhere to their prescribed therapy schedule and gain maximum therapeutic benefit.

In fiscal 2014, Electromed introduced the SmartVest® SQL® — an innovative airway clearance system that's significantly smaller, quieter and lighter than previous versions, with new programmability and a simple-to-use interface. Between its launch in January and June 30, 2014, more than 450 units had been placed with patients.

The Electromed team is focused on the critical mission of consistent revenue growth and profitability, and in fiscal 2014 we made significant progress, putting the Company on the right course for success in fiscal 2015 and beyond.

Fiscal 2014 Highlights

Electromed returned to profitability in the fourth quarter of fiscal 2014, meeting its key financial objective for the year. Although the Company continues to face pressure on product pricing and reimbursement from payers, it has strengthened its financial foundation with improved revenue, operating income and cash reserves.

- Improved operating performance as fiscal year 2014 progressed, moving from an operating loss in the first quarter to an operating profit in the fourth quarter.
- Grew revenue sequentially each quarter, from \$3.4 million to \$4.6 million.
- Strengthened cash position with a year-over-year increase of \$1 million.
- Launched the new SmartVest SQL upon FDA market clearance.
- Reduced SG&A expenses by 6.5%.

Electromed is focused on delivering sustained, profitable growth beyond fiscal 2015, while maintaining our history of innovation and high quality as we strive to improve the health of people who benefit from HFCWO therapy.



smartvest[®]
AIRWAY CLEARANCE SYSTEM

The SmartVest SQL System is 25% smaller, 5db quieter and 25% lighter than the SmartVest SV2100 — making it easier for patients to use and integrate HFCWO therapy into their daily lives.

www.smartvest.com

Financial Summary

(As of August 29, 2014)

Exchange:	NYSE MKT: ELMD
Current Price:	\$1.42
Shares Outstanding:	8.11 million
Market Cap:	\$11.5 million
52-week Range:	\$0.90 – \$3.50

Fact Sheet, continued

Testimonial

"We have received the new model [SmartVest SQL]. We love it even more than the old one. It's a lot lighter and easier to travel with. It was also very easy to set up myself. I tell everyone I meet who could benefit from your machines to get one. Thanks for making a great machine that truly helps us keep our son healthy. We just got his X-rays done for this year and for the sixth year in a row there's no scarring on the lungs from CF. My wife and I truly believe it's because we are vigilant on his treatments, which includes his SmartVest."

— Keith, father of 7-year-old cystic fibrosis patient

Growth Strategies

Electromed is implementing key strategies for growth. We are committed to:

- Offering innovation in HFCWO products and services.
- Enhancing our superior service model and world-class reimbursement support.
- Increasing sales team productivity and lead generation.
- Improving third-party payer coverage.
- Expanding our geographic footprint to more institutions.
- Treating our customers and patients with integrity and respect.

Market Opportunities

The market need for HFCWO therapy is large and growing.* Electromed is committed to patients and clinicians who manage diseases and conditions that cause impaired airway clearance. These include:

Amyotrophic Lateral Sclerosis (ALS). As many as 30,000 patients in the U.S. and approximately 280,000–420,000 worldwide.

Bronchiectasis. Approximately 110,000 patients in the U.S.

Cerebral Palsy. Approximately 764,000 children and adults in the U.S.

Chronic Obstructive Pulmonary Disease (COPD). Approximately 15–23.6 million people in the U.S. and more than 52 million worldwide.

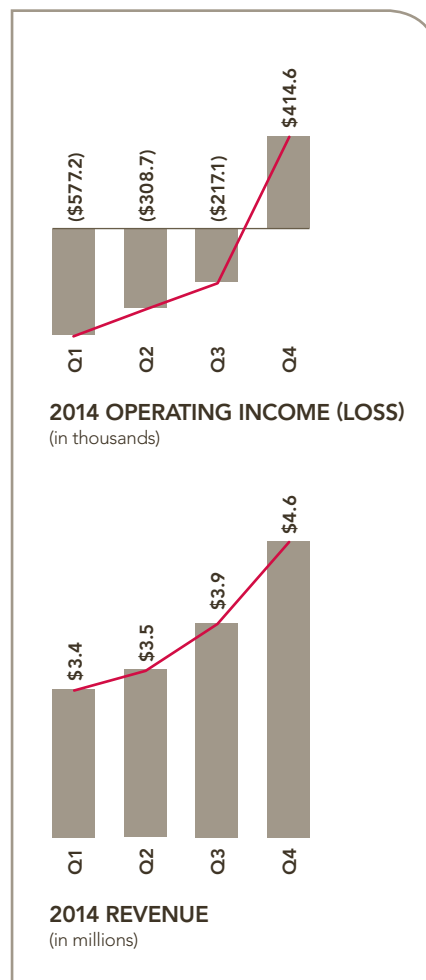
Cystic Fibrosis. Approximately 30,000 patients in the U.S. with an additional 1,000 diagnosed annually; 70,000 worldwide.

Duchenne Muscular Dystrophy (DMD) and Becker Muscular Dystrophy (BMD). Approximately 500–600 male newborns diagnosed each year in the U.S.; worldwide, DMD affects about 1 in 3,500 male births and BMD affects about 1 in 18,500 male births.

Quadriplegia. Approximately 117,500 U.S. patients; incidence of spinal cord injury is about 11,000 new cases per year.

*For more details, please refer to the Company's Annual Report on Form 10-K.

Revenue Charts



Leadership

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