

# 2013 fact sheet

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

Electromed, Inc., designs, manufactures and markets airway clearance technologies that help people around the world breathe better, stay healthier, and lead active and fulfilling lives. The company achieves this through innovative products, and patient advocacy and care.

The company's SmartVest® Airway Clearance System is uniquely designed for ergonomic comfort and lifestyle convenience to promote consistent therapy adherence, so patients are more likely to gain maximum therapeutic benefit. Its array of features include a patented single-hose design, a patented open system with active inflate — active deflate, 360° coverage, and a removable, washable micro-suede shell. It is the first truly portable system to provide High-Frequency Chest Wall Oscillation (HFCWO) and with a HomeCare lifetime warranty.

Built on a legacy of innovation, Electromed also pioneered the first programmable and first multi-positional HFCWO generator. The company holds 23 U.S. patents, 27 foreign patents, and has more than 21 U.S. and foreign patent applications pending.

The Electromed team is focused on the critical mission of *Making life's important moments possible — one breath at a time.™* The company is proud of this commitment and encouraged by the opportunities that lie ahead.

## Fiscal 2013 Highlights

While Electromed continued to experience downward pressure on reimbursement rates and length of time for approval in 2013, the company is making progress toward returning to historical profitability in the coming quarters. During fiscal 2013, Electromed saw improvement in the quality of patient referrals, and results indicate that the referral to approval ratio is trending positively.

Other highlights include:

- Institutional/government sales increased 40 percent year-over-year, to \$1.4 million
- Grew international sales by 43 percent year-over-year, to \$782,000
- Created a strong cash position with over \$500,000 in cash and \$2.25 million available on line of credit
- Strengthened balance sheet; moved current ratio to 5.7 from 3.9
- Reduced SG&A costs by \$1.0 million, excluding certain one-time expenses

Electromed is positioned to take advantage of future growth opportunities providing airway clearance technologies that help people around the world breathe better and lead active and fulfilling lives.

## smartvest®

AIRWAY CLEARANCE SYSTEM



The SmartVest® Airway Clearance System stands apart among High-Frequency Chest Wall Oscillation (HFCWO) devices due to its maximum comfort and convenience, which allows patients to easily and consistently fit HFCWO therapy into their daily routines.

## financial summary

(as of Sept. 30, 2013)

Exchange:	NYSE MKT: ELMD
Current Price:	\$1.07
Shares Outstanding:	8.11 million
Market Cap:	\$8.68 million
52-week Range:	\$0.90–2.03

**ELECTROMED, INC.**

## testimonial

*“Our two-year-old son, Brayden was diagnosed with cystic fibrosis when he was eight days old, and we were extremely concerned about how it would affect his ability to live a normal lifestyle. When he was seven months old, Brayden’s doctors introduced us to the SmartVest, and it was life changing. He is able to participate in normal activities and is a typical boy – playful and fun. I’ve heard stories of other young cystic fibrosis patients who experience many problems, and were never introduced to the SmartVest at a young age.*

*“We believe the SmartVest therapy is the main reason why Brayden is so healthy. It’s been a blessing, and we are appreciative that we were introduced to the SmartVest when Brayden was so young. He’s had a very successful two years of life so far.”*

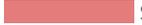
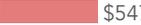
**Keri**, Mother of patient Brayden

### Growth Strategies

Electromed is implementing key strategies for growth, and going forward we are committed to:

- Creating new, innovative products
- Enhancing our superior service model and world-class reimbursement support
- Dedicating efforts to payer relations
- Expanding our international footprint
- Refocusing the domestic sales process
- Executing on our brand strategy and marketing collateral

## revenue charts (in thousands)

Governmental/ Institutional	International	Homecare
2013:  \$1,430	2013:  \$782	2013:  \$12,892
2012:  \$1,018	2012:  \$547	2012:  \$17,959
2011:  \$1,048	2011:  \$608	2011:  \$17,348

### EXECUTIVE OFFICERS

**Kathleen Skarvan**  
Chief Executive Officer

**Jeremy Brock**  
Chief Financial Officer

### BOARD OF DIRECTORS

**Stephen H. Craney**  
Chairman

**Dr. George H. Winn**  
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**Thomas M. Hagedorn**  
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**Craig N. Hansen**  
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