

# COMPUMEDICS LIMITED

(ACN 006 854 897)

## ASX Half-year information 31 December 2020

Lodged with the ASX under Listing Rule 4.2A.3

This information should be read in conjunction with the 30 June 2020 Annual Report.

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# Compumedics Limited

## Half-year ended 31 December 2020

(Previous corresponding period:  
Half-year ended 31 December 2019)

### Results for Announcement to the Market

				<b>\$'000</b>
<b>Revenue</b> from continuing operations <i>(Appendix 4D item 2.1)</i>		Down 1.4% or \$262k	to	18,048
<b>Profit</b> before interest and tax (A\$'000)		Up 54% or \$416k	to	1,186
<b>Profit</b> after tax attributable to members <i>(Appendix 4D item 2.2)</i>		Up 717% or \$1,155k	to	1,316
<b>Net Profit</b> for the period attributable to members <i>(Appendix 4D item 2.3)</i>		Up 717% or \$1,155k	to	1,316

<b>Dividends/distributions</b> <i>(Appendix 4D item 2.4)</i>	Amount per security	Franked amount per security
Final dividend (prior year)	n/a	n/a

**Record date** for determining entitlements to the dividend  
*(Appendix 4D item 2.5)*

**n/a**

No interim dividend has been declared.

### Explanation of Revenue *(Appendix 4D item 2.6)*

The Company took sales orders in the six months to December 31, 2020 (H1 FY21) of \$20.4m, representing a 13% increase over sales orders taken for the prior corresponding period (pcp) (H1 FY20) of \$18.0m. No further MEG sales orders have been booked in H1 FY21. The increase in sales orders taken for H1 FY21 was a result of increased sales orders taken in Europe (up 183%), Australia (up 23%) and DWL (up 2%) partially offset by declines in the US (down 11%) and Asia (down 7%).

The Company generated shipped and invoiced revenues from the sale of goods and services of \$18.0m for H1 FY21. This represents a 1% decline over shipped and invoiced revenues for H1 FY20. Shipments of sales orders received in the six months were impacted by the ongoing effects of lockdowns relating to the COVID-19 pandemic, particularly in the Northern Hemisphere. It is expected sales orders received in H1 FY21, but not shipped in H1 FY21 will be shipped in the

current six-month period to 30 June 2021. At 31 December 2020, the Company was holding \$10.3m in sales orders to ship.

By region shipped and invoiced revenues were 46% higher in Europe in H1 FY21 compared to H1 FY20, 28% higher across the DWL business and 15% higher in Australia. These increases were offset by declines in shipped and invoiced revenues in the US of 17% and Asia of 20%. In the US shipped and invoiced sales declined largely to a fall in the brain research business there, with Universities being more impacted by COVID-19, whereas the sleep and neurology business in the US performed in H1 FY21 at similar levels to H1 FY20.

#### **Explanation of Profit after tax** (*Appendix 4D item 2.6*)

Profit after tax for H1 FY21 was \$1.3m, compared to \$0.2m for H1 FY20.

The increase in profitability in H1 FY21 was largely a result of an improved gross margin at 55% compared to 54% for H1 FY20, and reduced expenses, through the Company's on-going efforts to reduce and/or eliminate costs where possible. Further the Company continued to qualify for assistance through JobKeeper in H1 FY21. This assistance ceased 1<sup>st</sup> January 2021 as the Company was no longer eligible to receive it.

The Company remains committed to its strategic growth plans, whilst at the same time improving productivity and efficiency throughout the business to continue to generate consistent and growing profits.

#### **Explanation of Dividends** (*Appendix 4D item 2.6*)

No dividends were declared or paid in the period.

#### **Net Tangible Asset (NTA) Backing** (*Appendix 4D item 3*)

	2020	2019
Net tangible asset backing per ordinary share	10.1 cents	8.9 cents

Net tangible assets of \$17.981m divided by issued ordinary shares of 177.163m = 10.1 cents per share

# Compumedics Limited

## Half-year report – 31 December 2020

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by Compumedics Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and Australian Stock Exchange Listing Rules.

## Directors' Report

### Interim Report – 31 December 2020

Your directors present their report on the consolidated entity consisting of Compumedics Limited and the entities it controlled at the end of and during the half-year ended 31 December 2020.

#### Directors

The following persons were directors of Compumedics Limited during the whole of the half-year and up to the date of this report, unless otherwise stated.

Dr. D. Burton  
Mr. D. Lawson  
Mr. T. Dunn

#### Review of Operations

A summary of consolidated revenues and results for the half-year is set out below:

	6 months ended Dec 2020	6 months ended Dec 2019
Revenues from continuing operations (A\$'000)	18,048	18,310
Profit before interest, and tax (A\$'000)	1,186	770
Profit for the half-year (A\$'000)	1,316	161
Basic earnings per share (cents)	0.7	0.1
Diluted earnings per share (cents)	0.7	0.1

#### Business / Product Group Performance

Group net profit after tax for H1 FY21 was \$1.3m compared to \$0.2m for H1 FY20. The result primarily reflects, compared to H1 FY20, revenues remaining in line with H1 FY20 (down 1%), along with an improvement in gross margins 54% to 55%, along with a decrease in expenses (down \$0.5m). The Company also benefited from the Federal Government's JobKeeper scheme in H1 FY21 by \$0.8. This contribution ceased as of the 1<sup>st</sup> January 2021, as the Company was no longer eligible to receive it.

The Group continues to focus on the identified growth opportunities and will pursue these in conjunction with productivity gains and cost reductions and/or efficiencies to continue to grow the earnings of the Group, subject to the ongoing effects of the COVID-19 pandemic.

The Group's key financial metrics over the half-year to 31 December 2020 included:

- EBITDA for H1 FY21 was \$1.9m compared to \$1.2m for H1 FY20, primarily because of an improvement in gross margins and expense management.
- Operating cash flows were \$0.2m for H1 FY21, compared to \$2.0m for H1 FY20
- Borrowings, at 31 December 2021, of \$3.7m were higher when compared to the \$3.1m of borrowings at 30<sup>th</sup> June 2020, largely due to timing of customer payments
- Cash on hand at 31 December 2020 was \$5.6m, which compared to the balance at 30<sup>th</sup> June 2020 of \$6.4m. Cash was down primarily due to timing of sales and subsequently payments from customers over the last months of H1 FY21.

### Explanation of non-IFRS measures of performance

	31 Dec 2020 \$'000	31 Dec 2019 \$'000
Profit after tax	1,316	161
Tax expense / (benefit)	(296)	471
Interest expense	166	138
Earnings before interest and tax (EBIT)	1,186	770
Depreciation	279	286
Amortisation	473	99
Earnings before interest, tax, depreciation and amortisation (EBITDA)	1,938	1,155

The Group's financial results are reported under International Financial Reporting Standards (IFRS). This market release also contains non-IFRS measures including EBITDA, EBIT and constant currency. These measures are presented to enable an understanding of the performance of the business before funding, taxation and the treatment of assets is taken into consideration and to review the performance of the business excluding foreign currency movements. The table above explains how EBITDA and EBIT have been calculated.

### Events subsequent to reporting date

There are no matters after half-year end that would materially impact the financial information provided.

### Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 8.

## **Rounding of amounts**

Compumedics Limited is a type of company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2020/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest \$1,000, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of the directors.



D. Burton  
Executive Chairman

Melbourne  
24 February 2021

## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF COMPUMEDICS LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2020 there has been:

- a. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- b. no contraventions of any applicable code of professional conduct in relation to the review.



**Nexia Melbourne Audit Pty Ltd  
Melbourne**



**Andrew S. Wehrens  
Director**

Dated this 24th day of February 2021

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**Compumedics Limited**  
**Consolidated statement of profit or loss and other**  
**comprehensive income**  
**for the half-year ended 31 December 2020**

	Notes	Half-year 2020 \$'000	Half-year 2019 \$'000
Sale of goods		16,207	16,692
Rendering of services		1,841	1,618
<b>Revenue</b>		<b>18,048</b>	<b>18,310</b>
Cost of sales		(8,086)	(8,419)
<b>Gross profit</b>		<b>9,962</b>	<b>9,891</b>
Other revenue		890	206
Administration		(3,149)	(3,079)
Sales & Marketing		(3,910)	(4,135)
Research & Development		(1,744)	(2,103)
Unrealised foreign exchange gain / (loss)		(863)	(10)
Finance costs		(166)	(138)
<b>Profit before income tax</b>		<b>1,020</b>	<b>632</b>
Income tax benefit / (expense)		296	(471)
<b>Profit after income tax</b>		<b>1,316</b>	<b>161</b>
<b>Net profit for the period</b>		<b>1,316</b>	<b>161</b>
<b>Other comprehensive income</b>			
Items that may be subsequently reclassified to Profit or Loss when specific conditions are met:			
Foreign currency translation		(659)	189
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>657</b>	<b>350</b>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**Compumedics Limited**  
**Consolidated statement of profit or loss and other**  
**comprehensive income**  
**for the half-year ended 31 December 2020**

Notes	Half-year 2020 \$'000	Half-year 2019 \$'000
<b>Earnings per share for profit attributable to the ordinary equity holders of the parent:</b>	Cents	Cents
Basic earnings per share	0.7	0.1
Diluted earnings per share	0.7	0.1

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

**Compumedics Limited**  
**Consolidated statement of financial position**  
**as at 31 December 2020**

	Notes	31 Dec 2020 \$'000	30 June 2020 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	5,557	6,412
Receivables		13,274	12,596
Inventories		8,891	8,831
Other		1,782	1,047
<b>Total current assets</b>		<b>29,504</b>	<b>28,886</b>
<b>Non-current assets</b>			
Property, plant and equipment		1,092	1,465
Right-of-use assets	5	1,169	1,618
Deferred tax assets		896	781
Intangible assets	3	3,574	2,777
<b>Non-current assets</b>		<b>6,731</b>	<b>6,641</b>
<b>Total assets</b>		<b>36,235</b>	<b>35,527</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables		3,940	3,832
Borrowings	4	3,715	3,051
Lease liabilities	5	789	902
Provisions		3,032	2,828
Income tax payable		-	106
Deferred revenue		1,564	1,717
<b>Total current liabilities</b>		<b>13,040</b>	<b>12,436</b>
<b>Non-current liabilities</b>			
Borrowings	4	5	11
Lease liabilities	5	473	835
Provisions		51	31
Deferred revenues		215	420
<b>Total non-current liabilities</b>		<b>744</b>	<b>1,297</b>
<b>Total liabilities</b>		<b>13,784</b>	<b>13,733</b>
<b>Net assets</b>		<b>22,451</b>	<b>21,794</b>
<b>EQUITY</b>			
Contributed equity		35,654	35,654
Reserves		(495)	42
Retained losses		(12,708)	(13,902)
<b>Total equity</b>		<b>22,451</b>	<b>21,794</b>

The above statement of financial position should be read in conjunction with the accompanying notes.

**Compumedics Limited**  
**Consolidated statement of changes in equity**  
**for the half-year ended 31 December 2020**

	Contributed equity \$,000	Reserves \$,000	Retained earnings/ (losses) \$,000	Total \$'000
<b>Balance on 1 July 2019</b>	<b>35,654</b>	<b>(273)</b>	<b>(8,064)</b>	<b>27,317</b>
Restatement due to adoption of AASB 16	-	-	(122)	(122)
<b>Balance at 1 July 2019, restated</b>	<b>35,654</b>	<b>(273)</b>	<b>(8,186)</b>	<b>27,195</b>
Profit for the period	-	-	161	161
Other comprehensive income	-	189	-	189
<b>Total comprehensive income for the half year</b>	<b>-</b>	<b>189</b>	<b>161</b>	<b>350</b>
<b>Transactions with owners in their capacity as owners:</b>				
Shares issued during the period	-	-	-	-
<b>Balance at 31 December 2019</b>	<b>35,654</b>	<b>(84)</b>	<b>(8,025)</b>	<b>27,545</b>
<b>Balance on 1 July 2020</b>	<b>35,654</b>	<b>164</b>	<b>(14,024)</b>	<b>21,794</b>
Profit for the period	-	-	1,316	1,316
Other comprehensive income / (loss)	-	(659)	-	(659)
<b>Total comprehensive income for the half year</b>	<b>-</b>	<b>(659)</b>	<b>1,316</b>	<b>657</b>
<b>Transactions with owners in their capacity as owners:</b>				
Shares issued during the period	-	-	-	-
<b>Balance at 31 December 2020</b>	<b>35,654</b>	<b>(495)</b>	<b>(12,708)</b>	<b>22,451</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**Compumedics Limited**  
**Consolidated statement of cash flows**  
**for the half-year ended 31 December 2020**

	Notes	Half-year 2020 \$'000	Half-year 2019 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of goods and services tax)		16,255	18,916
Payments to suppliers and employees (inclusive of goods and services tax)		(16,807)	(16,993)
Receipts from other income		889	206
Income tax paid		-	-
Interest paid (net of interest received)		(166)	(129)
<b>Net cash inflow / (outflow) from operating activities</b>		<b>171</b>	<b>2,000</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(25)	(162)
Purchase of intangible assets		(735)	(2,998)
<b>Net cash (outflow) from investing activities</b>		<b>(760)</b>	<b>(3,160)</b>
<b>Cash flows from financing activities</b>			
Repayments of leases - finance		(6)	(6)
Repayments of leases - principal		(474)	(502)
Proceeds from borrowings		-	546
Repayment of borrowings		(58)	(191)
<b>Net cash (outflow) from financing activities</b>		<b>(538)</b>	<b>(150)</b>
<b>Net increase/(decrease) in cash held</b>		<b>(1,127)</b>	<b>(1,310)</b>
Cash and cash equivalents at the beginning of the period		6,015	4,371
Net foreign exchange differences		(537)	5
<b>Cash and cash equivalents at the end of the period</b>	4	<b>4,351</b>	<b>3,066</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

**Compumedics Limited**  
**Notes to the financial statements**  
**for the half-year ended 31 December 2020**

**1 Basis of preparation and accounting policies**

**(a) Basis of preparation**

The general purpose condensed financial report for the half-year ended 31 December 2020 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This half-year financial report does not include all the notes of the type normally included within the annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by Compumedics Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and Australian Stock Exchange Listing Rules.

The accounting policies adopted for the interim condensed consolidated financial statements are consistent with those followed for the preparation of the Group's annual financial statements for the year ended 30 June 2020, and other standards issued as of 1 July 2020 or effective as of 31 December 2020 do not have a significant impact on the consolidated financial statements of Compumedics Limited unless otherwise stated.

The Group has not elected to early adopt any other new standards, amendments or interpretations that are issued but not yet effective.

**(b) Going Concern assumption**

During the half-year ended 31 December 2020, the Group generated a profit after tax of \$1.3m and \$0.2m cash flows from operations. In the corresponding prior half-year, the Group generated a profit after tax of \$0.2m and cash flows from operations of \$2.0m.

The Group's net cash position (cash less borrowings) at 31 December 2020 was \$1.5m, compared to 30 June 2020 at \$3.3m. This was largely a result of timing of customer payments.

As such, the Directors have prepared the financial statements on a going-concern basis.

**(c) New and revised Accounting Standards**

**Amendments to Accounting Standards and new interpretations that are mandatorily effective for the current reporting period**

There were no new or revised Accounting Standards adopted during the six months to 31 December 2020.

**Compumedics Limited**

**Notes to the consolidated financial statements  
for the half-year ended 31 December 2020**

**Note 2. Operating segment**

**Identification of reportable segments**

The Group has identified its operating segments based on the internal reports, which are produced by geographical segment and which are reviewed and used by the chief operating decision maker, being the Chief Executive Officer and Chief Financial Officer, in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the country of origin and the senior managers who are responsible for the performance of the business in that geographic territory, the type of product and service provided and whether the product is sold directly to end-user customers or via distributors.

The reportable segments are based on geographic territory as these are the sources of the Group's major risks and have the most effect on rates of return.

**Geographic locations**

*Americas*

The Group's Americas based business includes the United States, Canada and Latin America. The Group sells all its product offerings in this region including sleep diagnostic systems, clinical EEG systems, brain monitoring systems, ultrasonic blood-flow systems, supplies and technical service and support. The USA business also includes the sleep diagnostic services business. Sales in the Americas are predominantly direct sales to end-user customers. The USA office is based in Charlotte, North Carolina.

*Australia and Asia Pacific*

The Group's head office is based in Melbourne, Australia and the Australia and Asia Pacific territory includes all countries in the Asia Pacific region with major countries for the territory including Japan and China. The Group sells all of its product offerings in this region including sleep diagnostic systems, clinical EEG systems, brain monitoring systems, ultrasonic blood-flow systems, supplies and technical service and support. The group sells directly to end-user customers in Australia and via a network of distributors into the Asian region.

*Europe and the Middle East*

The Group's Europe-based business has its principal office in Singen, Germany with a second office in Hamburg, Germany. The European territory includes all countries in the European region, plus all Middle Eastern countries. The Group sells all of its product offerings in this region including sleep diagnostic systems, clinical EEG systems, brain monitoring systems, ultrasonic blood-flow systems, supplies and technical service and

**Compumedics Limited**  
**Notes to the consolidated financial statements**  
**for the half-year ended 31 December 2020**

**Note 2. Operating segment - continued**

**Identification of reportable segments - continued**

support. The Group sells its ultrasonic blood-flow systems directly in Germany and all other products are sold via a network of distributors across the territory.

The following table represents revenue and profit information for reportable segments for the half-years ended 31 December 2020 and 31 December 2019.

**Half-year ended 31 December 2020**

	<b>Continuing operations</b>				
	<b>Australia and Asia Pacific</b>				
	<b>USA</b>	<b>Pacific</b>	<b>Europe</b>	<b>Other</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>					
Sales to external customers	5,282	7,413	5,353	-	18,048
Intersegment sales	144	1,851	344	-	2,339
Other intersegment revenue	-	-	742	-	742
<b>Total segment revenue</b>	<b>5,426</b>	<b>9,264</b>	<b>6,439</b>	<b>-</b>	<b>21,129</b>
Intersegment elimination	(144)	(1,851)	(1,086)	-	(3,081)
<b>Total revenue</b>	<b>5,282</b>	<b>7,413</b>	<b>5,353</b>	<b>-</b>	<b>18,048</b>
<b>Segment Result</b>	<b>(134)</b>	<b>332</b>	<b>1,740</b>	<b>-</b>	<b>1,938</b>
Other income	-	-	-	-	-
Depreciation and amortisation	(146)	(337)	(269)	-	(752)
Finance costs	(33)	(109)	(24)	-	(166)
<b>Net profit or loss before income tax per the statement of profit or loss and other comprehensive income</b>	<b>(313)</b>	<b>(114)</b>	<b>1,447</b>	<b>-</b>	<b>1,020</b>
<b>Segment Assets</b>	<b>8,479</b>	<b>51,688</b>	<b>6,619</b>	<b>-</b>	<b>66,786</b>
Intersegment eliminations	-	(30,551)	-	-	(30,551)
<b>Total assets per the Statement of Financial Position</b>	<b>8,479</b>	<b>21,137</b>	<b>6,619</b>	<b>-</b>	<b>36,235</b>



**Compumedics Limited**  
**Notes to the consolidated financial statements**  
**for the half-year ended 31 December 2020**

**Half-year ended 31 December 2019**

	<b>Continuing operations</b>				
	<b>Australia and Asia</b>				
	<b>USA</b>	<b>Pacific</b>	<b>Europe</b>	<b>Other</b>	<b>Total</b>
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>					
Sales to external customers	6,263	8,020	4,027	-	18,310
Intersegment sales	317	2,026	402	-	2,745
Other intersegment revenue	257	-	793	-	1,050
<b>Total segment revenue</b>	<b>6,837</b>	<b>10,046</b>	<b>5,222</b>	<b>-</b>	<b>22,105</b>
Intersegment elimination	(574)	(2,026)	(1,195)	-	(3,795)
<b>Total revenue</b>	<b>6,263</b>	<b>8,020</b>	<b>4,027</b>	<b>-</b>	<b>18,310</b>
<b>Segment Result</b>	<b>728</b>	<b>967</b>	<b>(99)</b>	<b>-</b>	<b>1,596</b>
Other income					
Depreciation and amortisation	(94)	(575)	(157)	-	(826)
Finance costs	-	(124)	(14)	-	(138)
<b>Net profit or loss before income tax per the statement of profit or loss and other comprehensive income</b>	<b>634</b>	<b>268</b>	<b>(270)</b>	<b>-</b>	<b>632</b>
<b>Segment assets</b>	<b>8,252</b>	<b>57,100</b>	<b>5,909</b>	<b>-</b>	<b>71,261</b>
Intersegment eliminations	-	(29,853)	-	-	(29,853)
<b>Total assets per the Statement of Financial Position</b>	<b>8,252</b>	<b>27,247</b>	<b>5,909</b>	<b>-</b>	<b>41,408</b>

**Compumedics Limited**  
**Notes to the consolidated financial statements**  
**for the half-year ended 31 December 2020**

**Note 3. Intangible assets**

	<b>31 Dec 20</b> <b>\$'000</b>	<b>30 Jun 20</b> <b>\$'000</b>
Intangible asset	3,574	2,777

Intangible assets comprise capitalised development costs associated with the MEG project and the Somfit® device. Development costs of \$0.471m were capitalised in the half-year to 31 December 2020 for the MEG project and the Somfit® project. No amortisation charge is included in the profit and loss for the six months to 31 December 2020. The MEG asset will be amortised over a 10-year period commencing with the completion of the installation of the first sale, expected in calendar 2021. The Somfit® asset will be amortised over a 7-year period, commencing with the first commercial transaction, expected in late calendar 2021.

The Germany-based DWL business capitalises development costs associated with its new robotic TCD technology. Additional costs were capitalised in the current period of \$0.371m. Amortisation of \$45k is included in the profit and loss for the six months to 31 December 2020.

**Note 4. Cash, Interest bearing liabilities and cash equivalents**

	<b>31 Dec 20</b> <b>\$'000</b>	<b>30 Jun 20</b> <b>\$'000</b>
Current interest-bearing liabilities	3,715	3,051
Non-current interest-bearing liabilities	5	11
<b>Total interest bearing liabilities</b>	<b>3,720</b>	<b>3,062</b>
<b>Current interest bearing liabilities comprise:</b>		
Invoice financing facility / Overdraft	1,206	397
Bank Bill – working capital MEG	1,600	1,600
Fixed term borrowings	58	116
Other – lease commitments	24	12
Other – unsecured loan	827	926
Total current interest bearing liabilities	3,715	3,051
<b>Cash and cash equivalents</b>		
Cash	5,557	6,412
Overdraft and trade facility	(1,206)	(397)
Cash and cash equivalents	4,351	6,015

**Compumedics Limited**  
**Notes to the consolidated financial statements**  
**for the half-year ended 31 December 2020**

**Note 4. Cash, Interest bearing liabilities and cash equivalents (continued)**

Interest bearing liabilities comprise primarily an overdraft facility provided by the Group's bank in Australia, as well as an overdraft facility in DWL Germany. The Group also has a bank bill related to the MEG business. The Group also has a loan under the Payroll Protection Program in the US, which it expects to be forgiven in H2 FY21, as part of meeting the overall obligations of that program.

The Group reports cash flows back to cash and cash equivalents as noted in the table above, by subtracting the working-capital financing facilities from actual cash held by the Group at reporting date.

**Note 5. Lease Liabilities and Right-of-use Asset**

The Group has lease liabilities relating primarily to the offices it runs the business from in Melbourne, Charlotte, Singen, Hamburg and El Paso. Additional lease liabilities included below relate to cars and office equipment in the DWL business in Germany. The total lease liabilities are:

Current lease liabilities are \$789k (30 June 2020: \$902k).

Non-current lease liabilities are \$473k (30 June 2020: \$835k).

Approximately 90% of the lease liabilities that are non-current relate to the properties the business operates from. The underlying contracts for these properties have expiry dates from late 2021 through 2023.

A right-of-use asset have been booked in relation to these leases. The current value of the right-to-use asset is \$1,169k (30 June 2020: \$1,618k). In the six months to December 31, 2020 an amortisation charge against this asset was booked to income of \$312k. An interest charge of \$41k was also booked to income in relation to the lease liabilities for the six-month period to December 31, 2020.

**Note 6. Events occurring after reporting date**

There are no matters after half-year end that would materially impact the financial information provided.

**Compumedics Limited**  
**Directors' Declaration**  
**for the half-year ended 31 December 2020**

In accordance with a resolution of the Directors of Compumedics Limited, we state that:

In the opinion of the directors:

(a) the financial statements and notes set out on pages 9 to 19 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date; and

(b) there are reasonable grounds to believe that Compumedics Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



David Burton  
Executive Chairman

Melbourne  
24 February 2021

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Compumedics Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of Compumedics Limited, which comprises the Consolidated Statement of Financial Position as at 31 December 2020, the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Compumedics Limited does not comply with the *Corporations Act 2001* including:

- i) giving a true and fair view of Compumedics Limited's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- iii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company, as at the date of this auditor's review report.

#### Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Nexia*

**Nexia Melbourne Audit Pty Ltd  
Melbourne**

Dated this 24th day of February 2021

*A. Wehrens*

**Andrew S. Wehrens  
Director**

## Compumedics Limited Supplementary Appendix 4D information for the half-year ended 31 December 2020

### Additional dividend/distribution information<sup>2</sup> *(Appendix 4D item 5)*

Details of dividends/distributions declared or paid during or subsequent to the year ended 31 December 2020 are as follows:

Record date	Payment date	Type	Amount per security	Total dividend	Franked amount per security	Foreign sourced dividend amount per security
N/A	N/A	N/A	N/A	N/A	N/A	N/A

### Dividend/distribution reinvestment plans *(Appendix 4D item 6)*

NOT APPLICABLE

### Material factors affecting the revenues and expenses of the economic entity for the current period

The major impacts to the revenues and expenses of the economic entity in the half-year to 31 December 2020 have already been disclosed elsewhere in this document.

### Material factors affecting the assets, liabilities and equity of the economic entity for the current period

The major factors impacting the assets and liabilities of the Company relate to the on-going focus of the Company on enhancing its financial performance.

### Material factors affecting the cash flows of the economic entity for the current period

The major factors impacting the cash flows of the Company relate to the on-going focus of the Company on enhancing its financial performance.