

# COMPUMEDICS LIMITED

(ACN 006 854 897)

## ASX Half-year information 31 December 2023

Lodged with the ASX under Listing Rule 4.2A.3

This information should be read in conjunction with the 30 June 2023 Annual Report.

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## Compumedics Limited Half-year ended 31 December 2023

(Previous corresponding period:  
Half-year ended 31 December 2022)

### Results for Announcement to the Market

				<b>\$'000</b>
<b>Revenue</b> from continuing operations <i>(Appendix 4D item 2.1)</i>		Up 38% or \$7,210k	to	26,414
<b>Profit</b> before interest and tax (A\$'000)		Improved by \$9,646k	to	1,306
<b>Profit/(Loss)</b> after tax attributable to members <i>(Appendix 4D item 2.2)</i>		Improved by \$7,354k	to	141
<b>Net Profit/(Loss)</b> for the period attributable to members <i>(Appendix 4D item 2.3)</i>		Improved by \$7,354k	to	141

<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 generated shipped and invoiced revenues from the sale of goods and services of \$26.4m for H1 FY24. This represents a 38% increase over shipped and invoiced revenues for H1 FY23. Revenues included the sale of a MEG system to TJNU in China for \$4.7m. Excluding the MEG sale, revenues were \$21.7m or a 13% increase over H1 FY23.

By region shipped and invoiced revenues were 94% higher in Australia, largely driven by initial Somfit sales (\$1.9m) and a significant improvement in sales to the traditional sleep diagnostic lab-based business. Sales to Europe for the sleep and neuro diagnostic businesses were 72% higher because of gaining market share in sleep diagnostics in the region. Sales into Asia (excluding Japan) were also 26% higher with increased sales across all parts of the business there. Sales to Japan which are predominantly in the neuro diagnostic market were 19% higher. These increases were offset partially by declines in the US business of 27% and the DWL business 18%. Both these areas

of the business have had action taken to reverse the declines in H2 FY24.

The Company took sales orders in the six months to December 31, 2023 (H1 FY24) of \$30.4m, representing a 75% increase over sales orders taken for the prior corresponding period (pcp) (H1 FY23) of \$17.4m. This includes two new MEG sales orders, which were booked late in H1 FY23 for \$9.7m, as notified to the ASX on 12<sup>th</sup> December 2023. Excluding the MEG sales orders, sales orders were \$20.7m or 19% higher than H1 FY23. The increase in sales orders taken for H1 FY24, excluding the MEG orders, were a result of a 111% increase in sales in Australia, largely driven by Somit orders (\$1.6m) but also increased sleep diagnostic sales to the traditional lab-based business. European sales orders taken were 53% higher due to gains in market share there and sales orders taken in Asia were 18% higher. This growth was offset by declines in the US of 16% and DWL down 24%. Both these areas of the business have had action taken to reverse the declines in H2 FY24.

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

Profit/loss after tax for H1 FY24 was a profit of \$0.1m, compared to a loss of \$7.2m for H1 FY23.

The significant improvement in profitability in H1 FY24 was largely a result of the following key factors:

- 1 Increased sales across the business, including the MEG sale to TJNU in China in the six months to 31 December 2023.
- 2 As a result of the MEG sale to TJNU in China the decision to write back some of the intangible asset value associated with the MEG business, that was written off in the pcp. The total pre-tax write back was \$1.7m, which is non-cash.
- 3 Improved gross margins at 55% compared to 50% for H1 FY23. Gross margins were higher due to product and geographic mix as well as input costs stabilising over the period and global supply chains returned to more normal conditions.
- 4 Financing charges were also slightly higher in H1 FY24 by \$0.1m compared to the pcp because of the increase in interest rates, partially offset by the repayment of some debt in the six months to 31 December 2023.
- 5 Foreign exchange movements led to an adverse \$0.3m movement to profit and loss in the current 6 months to 31 December 2023, compared to the pcp.
- 6 Tax expense was an adverse movement of \$2.2m compared to the prior year due to increased profitability in the Australian based business.

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*)

	2023	2022
Net tangible asset backing per ordinary share	5.6 cents	6.8 cents

Net tangible assets of \$9.992m divided by issued ordinary shares of 177.163m = 5.6 cents per share

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# Compumedics Limited

## Half-year report – 31 December 2023

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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 2023 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 2023

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 2023.

### 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. R. North

### Review of Operations

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

	<b>6 months ended Dec 2023</b>	<b>6 months ended Dec 2022</b>
Revenues from continuing operations (A\$'000)	26,414	19,204
Earnings/(loss) before interest, tax, depreciation and amortisation (EBITDA, A\$'000)	2,163	(4,761)
Operating cash flow/(negative) (OCF, A\$'000)	1,174	(918)
Profit/(loss) before interest, and tax (A\$'000)	1,306	(8,340)
Profit/(loss) for the half-year (A\$'000)	141	(7,213)
Basic earnings/(loss) per share (cents)	0.1	(4.1)
Diluted earnings/(loss) per share (cents)	0.1	(4.1)
Net cash/(debt) (A\$'000)	(3,877)	(2,379)

## Business / Product Group Performance

Profit after tax for H1 FY24 was a profit of \$0.1m, compared to a loss of \$7.2m for H1 FY23.

The increase in profitability in H1 FY24 was largely a result of the following key factors:

- 1 Increased sales across the business, including the MEG sale to TJNU in China in the six months to 31 December 2023.
- 2 As a result of the MEG sale to TJNU in China the decision to write back some of the intangible asset value associated with the MEG business, that was written off in the pcp. The total pre-tax write back was \$1.7m, which is non-cash.
- 3 Improved gross margins at 55% compared to 50% for H1 FY23. Gross margins were higher due to product and geographic mix as well as input costs stabilising over the period and global supply chains returned to more normal conditions.
- 4 Financing charges were also slightly higher in H1 FY24 by \$0.1m compared to the pcp because of the increase in interest rates, partially offset by the repayment of some debt in the six months to 31 December 2023.
- 5 Foreign exchange movements led to an adverse \$0.3m movement to profit and loss in the current 6 months to 31 December 2023, compared to the pcp.
- 6 Tax expense was an adverse movement of \$2.2m compared to the prior year due to increased profitability in the Australian based business.

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 non-IFRS measures of performance

	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit/(loss) after tax	141	(7,213)
Tax expense / (benefit)	738	(1,434)
Interest expense	427	307
Earnings/(loss) before interest and tax (EBIT)	1,306	(8,340)
Depreciation	263	189
Amortisation	594	3,390
Earnings/(loss) before interest, tax, depreciation and amortisation (EBITDA)	2,163	(4,761)

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 9.

### **Rounding of amounts**

Compumedics Limited is a type of company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2023/191 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  
29 February 2024



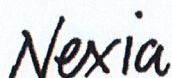
To the Board of Directors of Compumedics Limited

**Auditor's Independence Declaration under section 307C of the *Corporations Act 2001***

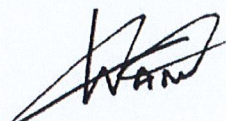
As lead audit director for the review of the condensed consolidated financial statements of Compumedics Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the audit.

Yours sincerely



**Nexia Melbourne Audit Pty Ltd**  
Melbourne



**Chapman Wan**  
Director

Dated this 29<sup>th</sup> day of February 2024

**Advisory. Tax. Audit.**

Registered Audit Company 291969

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**Compumedics Limited**  
**Consolidated statement of profit or loss and other**  
**comprehensive income**  
**for the half-year ended 31 December 2023**

Notes	Half-year 2023 \$'000	Half-year 2022 \$'000
Sale of goods	22,087	15,839
Rendering of services	4,327	3,365
<b>Revenue</b>	<b>26,414</b>	<b>19,204</b>
Cost of sales	(11,890)	(9,657)
<b>Gross profit</b>	<b>14,524</b>	<b>9,547</b>
Other revenue	65	188
Administration	(3,123)	(2,593)
Sales & Marketing	(7,158)	(8,531)
Research & Development	(4,342)	(3,937)
(Impairment)/reversal of impairment - of intangible asset	1,667	(3,088)
Unrealised foreign exchange gain / (loss)	(327)	74
Finance costs	(427)	(307)
<b>Profit/(loss) before income tax</b>	<b>879</b>	<b>(8,647)</b>
Income tax (expense) / benefit	(738)	1,434
<b>Profit/(loss) after income tax</b>	<b>141</b>	<b>(7,213)</b>
<b>Net profit/(loss) for the period</b>	<b>141</b>	<b>(7,213)</b>
<b>Other comprehensive income/(loss)</b>		
Items that may be subsequently reclassified to Profit or Loss when specific conditions are met:		
Foreign currency translation	(400)	426
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>	<b>(259)</b>	<b>(6,787)</b>

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

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**Compumedics Limited**  
**Consolidated statement of profit or loss and**  
**comprehensive income**  
**for the half-year ended 31 December 2023**

Notes	Half-year 2023 \$'000	Half-year 2022 \$'000
<b>Earnings/(loss) per share for profit attributable to the ordinary equity holders of the parent:</b>	Cents	Cents
Basic earnings/(loss) per share	0.1	(4.1)
Diluted earnings/(loss) per share	0.1	(4.1)

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

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**Compumedics Limited**  
**Consolidated statement of financial position**  
**as at 31 December 2023**

	Notes	31 Dec 2023 \$'000	30 June 2023 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	3,670	3,797
Receivables		11,129	12,532
Inventories		12,182	10,690
Other		1,278	2,426
Income tax receivable		-	74
<b>Total current assets</b>		<b>28,259</b>	<b>29,519</b>
<b>Non-current assets</b>			
Investments in associates	6	683	703
Property, plant and equipment		1,539	1,581
Right-of-use assets	5	1,727	2,037
Deferred tax assets		434	1,100
Intangible assets	3	8,040	6,242
<b>Non-current assets</b>		<b>12,423</b>	<b>11,663</b>
<b>Total assets</b>		<b>40,682</b>	<b>41,182</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables		7,507	6,325
Borrowings	4	7,446	7,225
Lease liabilities	5	691	681
Tax liability		-	87
Provisions		4,267	4,177
Deferred revenue		1,575	2,693
<b>Total current liabilities</b>		<b>21,486</b>	<b>21,188</b>
<b>Non-current liabilities</b>			
Borrowings	4	101	205
Lease liabilities	5	987	1,355
Provisions		48	67
Deferred revenue		28	76
<b>Total non-current liabilities</b>		<b>1,164</b>	<b>1,703</b>
<b>Total liabilities</b>		<b>22,650</b>	<b>22,891</b>
<b>Net assets</b>		<b>18,032</b>	<b>18,291</b>
<b>EQUITY</b>			
Contributed equity		35,654	35,654
Reserves		28	428
Retained losses		(17,650)	(17,791)
<b>Total equity</b>		<b>18,032</b>	<b>18,291</b>

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

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**Compumedics Limited**  
**Consolidated statement of changes**  
**in equity for the half-year**  
**ended 31 December 2023**

	Contributed equity \$,000	Reserves \$,000	Retained earnings/ (losses) \$,000	Total \$,000
<b>Balance at 1 July 2022</b>	<b>35,654</b>	<b>(394)</b>	<b>(11,669)</b>	<b>23,591</b>
Profit/(loss) for the period	-	-	(7,213)	(7,213)
Other comprehensive income/(loss)	-	426	-	426
<b>Total comprehensive income for the half year</b>	<b>-</b>	<b>426</b>	<b>(7,213)</b>	<b>(6,787)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Shares issued during the period	-	-	-	-
<b>Balance at 31 December 2022</b>	<b>35,654</b>	<b>32</b>	<b>(18,882)</b>	<b>16,804</b>
<b>Balance on 1 July 2023</b>	<b>35,654</b>	<b>428</b>	<b>(17,791)</b>	<b>18,291</b>
Profit/(loss) for the period	-	-	141	141
Other comprehensive income/(loss)	-	(400)	-	(400)
<b>Total comprehensive income/(loss) for the half year</b>	<b>-</b>	<b>(400)</b>	<b>141</b>	<b>(259)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Shares issued during the period	-	-	-	-
<b>Balance at 31 December 2023</b>	<b>35,654</b>	<b>28</b>	<b>(17,650)</b>	<b>18,032</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 2023**

	Notes	Half-year 2023 \$'000	Half-year 2022 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of goods and services tax)		28,209	22,318
Payments to suppliers and employees (inclusive of goods and services tax)		(26,673)	(23,117)
Receipts from other income		65	188
Income tax paid		-	-
Interest paid (net of interest received)		(427)	(307)
<b>Net cash inflow/(outflow) from operating activities</b>		<b>1,174</b>	<b>(918)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(221)	(518)
Purchase of intangible assets		(726)	(1,701)
<b>Net cash (outflow) from investing activities</b>		<b>(947)</b>	<b>(2,219)</b>
<b>Cash flows from financing activities</b>			
Repayments of leases – finance		(5)	(5)
Repayments of leases – principal		(387)	(311)
Proceeds from borrowings		-	450
Repayment of borrowings		(444)	(382)
<b>Net cash (outflow) from financing activities</b>		<b>(836)</b>	<b>(248)</b>
<b>Net (decrease) in cash held</b>		<b>(609)</b>	<b>(3,385)</b>
Cash and cash equivalents at the beginning of the period		2,300	7,294
Net foreign exchange differences		(201)	152
<b>Cash and cash equivalents at the end of the period</b>	4	<b>1,490</b>	<b>4,061</b>

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

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**Compumedics Limited**  
**Notes to the financial statements**  
**for the half-year ended 31 December 2023**

## **1 Basis of preparation and accounting policies**

### **(a) Basis of preparation**

The general purpose condensed financial report for the half-year ended 31 December 2023 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 2023 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 2023, and other standards issued as of 1 July 2023 or effective as of 31 December 2023 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 2023, the Group generated a profit after tax of \$0.141m and \$1.2m cash inflows from operations. In the corresponding prior half-year, the Group generated a loss after tax of \$7.2m and cash outflows from operations of \$0.9m.

The Group's net cash position (cash less borrowings) on 31 December 2023 was a net debt of \$3.9m, compared to 30 June 2023 of net debt at \$3.4m.

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 2023.

**Compumedics Limited**  
**Notes to the consolidated financial statements**  
**for the half-year ended 31 December 2023**

## **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 support.



**Compumedics Limited**  
**Notes to the consolidated financial statements**  
**for the half-year ended 31 December 2023**

**Note 2. Operating segment - continued**

**Identification of reportable segments - continued**

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 2023 and 31 December 2022.

**Half-year ended 31 December 2023**

	<b>Continuing operations</b>			<b>Total</b>
	<b>USA</b>	<b>Australia and Asia Pacific</b>	<b>Europe</b>	
	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>				
Sales to external customers	4,069	18,679	3,666	26,414
Intersegment sales	231	1,945	313	2,489
Other intersegment revenue	-	-	627	627
<b>Total segment revenue</b>	<b>4,300</b>	<b>20,624</b>	<b>4,606</b>	<b>29,530</b>
Intersegment elimination	(231)	(1,945)	(940)	(3,116)
<b>Total revenue</b>	<b>4,069</b>	<b>18,679</b>	<b>3,666</b>	<b>26,414</b>
<b>Segment Result</b>	<b>(1,786)</b>	<b>4,589</b>	<b>(640)</b>	<b>2,163</b>
Depreciation and amortisation	(51)	(641)	(165)	(857)
Finance costs	(40)	(342)	(45)	(427)
<b>Net profit/(loss) before income tax per the statement of profit/(loss) and comprehensive income</b>	<b>(1,877)</b>	<b>3,606</b>	<b>(850)</b>	<b>879</b>
<b>Segment Assets</b>	<b>4,116</b>	<b>65,573</b>	<b>17,701</b>	<b>87,390</b>
Intersegment eliminations	-	(46,708)	-	(46,708)
<b>Total assets per the Statement of Financial Position</b>	<b>4,116</b>	<b>18,865</b>	<b>17,701</b>	<b>40,682</b>

**Compumedics Limited**  
**Notes to the consolidated financial statements**  
**for the half-year ended 31 December 2023**

**Note 2. Operating segment - continued**

**Identification of reportable segments - continued**

**Half-year ended 31 December 2022**

	Continuing operations			Total \$'000
	USA \$'000	Australia and Asia Pacific \$'000	Europe \$'000	
<b>Revenue</b>				
Sales to external customers	4,967	9,105	5,132	19,204
Intersegment sales	292	2,111	245	2,648
Other intersegment revenue	-	-	498	498
<b>Total segment revenue</b>	<b>5,259</b>	<b>11,216</b>	<b>5,875</b>	<b>22,350</b>
Intersegment elimination	(292)	(2,111)	(743)	(3,146)
<b>Total revenue</b>	<b>4,967</b>	<b>9,105</b>	<b>5,132</b>	<b>19,204</b>
<b>Segment Result</b>	<b>(3,512)</b>	<b>(1,592)</b>	<b>318</b>	<b>(4,786)</b>
Depreciation and amortisation	(109)	(3,355)	(90)	(3,554)
Finance costs	(38)	(255)	(14)	(307)
<b>Net profit/(loss) before income tax per the statement of profit/(loss) and comprehensive income</b>	<b>(3,659)</b>	<b>(5,202)</b>	<b>214</b>	<b>(8,647)</b>
<b>Segment assets</b>	<b>5,547</b>	<b>61,081</b>	<b>11,657</b>	<b>78,285</b>
Intersegment eliminations	-	(38,627)	-	(38,627)
<b>Total assets per the Statement of Financial Position</b>	<b>5,547</b>	<b>22,454</b>	<b>11,657</b>	<b>39,658</b>

**Compumedics Limited**  
**Notes to the consolidated financial statements**  
**for the half-year ended 31 December 2023**

**Note 3. Intangible assets**

	<b>31 Dec 23</b>	<b>30 Jun 23</b>
	<b>\$'000</b>	<b>\$'000</b>
Intangible asset	8,040	6,242

Intangible assets comprise capitalised development costs associated with the MEG project and the Somfit® device. On 31 December 2023 the Company decided that it was appropriate to reinstate development costs associated with the MEG business, which had been previously written off. This has resulted in a \$1.7m increase in the intangible assets, associated with the MEG business. The Company now believes there is significant future opportunity with the MEG technology, as existing technical matters have been or are now largely resolved, particularly with the installation of the MEG system at TJNU in China. Development costs of \$0.366m were capitalised in the half-year to 31 December 2023 for the Somfit® project. Additionally, amortisation of the intangible asset associated with Somfit commenced in the six months to 31 December 2023. The amortisation charge included in the profit and loss for the six months to 31 December 2023 was \$0.291m. It is expected that with the completion of the installation of the MEG system at TJNU, amortisation of the MEG intangible asset will commence in H2 FY24.

The Germany-based DWL business capitalises development costs associated with its new robotic TCD technology. Additional costs were capitalised in the current period of \$78k (EUR48k). Amortisation of \$16k (EUR10k) is included in the profit and loss for the six months to 31 December 2023.

**Compumedics Limited**  
**Notes to the consolidated financial statements**  
**for the half-year ended 31 December 2023**

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

	<b>31 Dec 23</b> <b>\$'000</b>	<b>30 Jun 23</b> <b>\$'000</b>
Current interest-bearing liabilities	7,446	7,225
Non-current interest-bearing liabilities	101	205
<b>Total interest-bearing liabilities</b>	<b>7,547</b>	<b>7,430</b>
<b>Current interest-bearing liabilities comprise:</b>		
Overdraft	1,726	1,497
Fixed term borrowings	4,793	5,097
Other - DWL overdraft	454	54
Other - unsecured loan - DWL COVID	473	577
Total current interest-bearing liabilities	7,446	7,225
<b>Cash and cash equivalents</b>		
Cash	3,670	3,797
Overdraft	2,180	1,497
Cash and cash equivalents	1,490	2,300

Interest bearing liabilities comprise primarily of fixed-term borrowings and an overdraft facility (\$2.0m, which was drawn to \$1.7m at 31 December 2023)) provided by the Group's bank in Australia, as well as an overdraft facility in DWL Germany (EUR0.4m, which was drawn to EUR0.281m at 31 December 2023). The fixed-term facilities comprise a 10-year loan that was fully drawn in December 2023 for \$4.2m under the federal governments SME pandemic recovery scheme (at 31 December 2023 the balance owing was \$4.0m), a \$1.0m loan in relation to the MEG business repayable over 4 years (at 31 December 2023 the balance owing was \$0.625m), and an asset financing facility for \$0.7m (at 31 December 2023 the balance owing was \$0.299m). The Group also has a COVID loan in its DWL business, which is repayable over 5 years. The balance on 31 December 2023 was EUR292k (AUD473k).

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.

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**Compumedics Limited**  
**Notes to the consolidated financial statements**  
**for the half-year ended 31 December 2023**

**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 Freiburg. 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 \$691k (30 June 2023: \$681k).

Non-current lease liabilities are \$987k (30 June 2023: 1,355k).

A right-of-use asset has been booked in relation to these leases. The current value of the right-to-use asset is \$1,727k (30 June 2023: \$2,037k). In the six months to December 31, 2023, an amortisation charge against this asset was booked to income of \$283k. An interest charge of \$57k was also booked to income in relation to the lease liabilities for the six-month period to December 31, 2023.

**Note 6. Investments in associates**

On the 1<sup>st</sup> September 2022 Compumedics Europe GmbH, a wholly owned subsidiary of Compumedics Limited acquired a 50% interest in Dr Grossegger and DRBAL GmbH, which was immediately renamed Compumedics Alpha Trace GmbH.

The Company can acquire the remaining 50% in Alpha Trace over the next three years for up to EUR150k based on certain conditions being met.

Compumedics Europe GmbH does not have a controlling interest in Compumedics Alpha Trace GmbH. Hence the investment is recognised as an investment in an associate and equity accounted.

**Note 7. 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 2023**

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 10 to 21 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 2023 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.

Signed in accordance with a resolution of the directors made pursuant to section 303(5) of the *Corporations Act 2001*.



David Burton  
Executive Chairman

Melbourne  
29 February 2024

## 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 2023, 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 material accounting policy information 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 2023 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* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time 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.

### Advisory. Tax. Audit.

Registered Audit Company 291969

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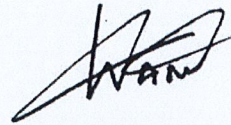
**Auditor's Responsibility for the Review of the Financial Report**

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 2023 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*.

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



**Chapman Wan**  
Director

Dated this 29<sup>th</sup> day of February 2024

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**Compumedics Limited**  
**Supplementary Appendix 4D information**  
**for the half-year ended 31 December 2023**

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

Details of dividends/distributions declared or paid during or after the year ended 31 December 2023 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 2023 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.

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