

COMPUMEDICS LIMITED

(ACN 006 854 897)

ASX Half-year information 31 December 2018

Lodged with the ASX under Listing Rule 4.2A.3

This information should be read in conjunction with the 30 June 2018 Annual Report.

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Compumedics Limited

Half-year ended 31 December 2018

(Previous corresponding period:
Half-year ended 31 December 2017)

Results for Announcement to the Market

				\$'000
Revenue from continuing operations <i>(Appendix 4D item 2.1)</i>		Up 16% or \$2,611k	to	18,712
Profit before interest and tax (A\$'000)		Up 55% or \$458k	to	1,294
Profit after tax attributable to members <i>(Appendix 4D item 2.2)</i>		Up 27% or \$170k	to	811
Net Profit for the period attributable to members <i>(Appendix 4D item 2.3)</i>		Up 27% or \$170k	to	811

Dividends/distributions <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, 2018 of \$18.7m, representing 19% growth over sales orders taken for the prior corresponding period (pcp), excluding the MEG sales order in the pcp, or 13% growth adjusted for constant currency.

The Company generated \$18.7m in shipped and invoiced revenues from the sale of goods and services, for the six months to December 31, 2018. This represents growth of 16% over shipped and invoiced revenues for the pcp, or 12% growth adjusted for constant currency. At 31 December 2018, the Company was holding \$7.3m in sales orders to ship, similar to the \$6.9m at 30 June 2018.

Asia-based revenues, predominantly out of China, continued to grow being 37% higher for shipped and invoiced revenues over the pcp, or 24% growth on a constant currency basis. USA-based, shipped and invoiced, revenues grew 19% over the pcp, or 11% growth on a constant currency basis.

Shipped and invoiced revenues generated by the DWL business, based in Germany, were 51% higher than the pcg, or 35% higher on a constant currency basis. This was driven primarily by sales to the US, which benefited from a competitor leaving the TCD market.

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

Profit after tax for the half-year to 31 December 2018 was \$0.8m compared to \$0.6m for the pcg.

The improvement in the profitability of the Company over the pcg was primarily a result of the growth in revenues offset by an increase in expenses, including tax expense, as gross margins held constant at 58% over the six months to 31 December 2018. Expenses, excluding tax, were \$1.2m higher in the six months to 31 December 2018, compared to the pcg. The increase in expenses was the result of the following factors:

- 1 Increase in sales and marketing activities related to the core businesses, as well as investment in Orion MEG manufacturing capabilities \$0.4m (recurring)
- 2 Increase in R&D expenses as the Company progresses to product release for three new platforms for the core sleep, and neuro diagnostic and monitoring businesses, \$0.3m (mostly non-recurring)
- 3 A reduction in the value of the Australian dollar relative to both the US dollar and the Euro, \$0.3m (cyclical)
- 4 Costs associated with the Health 100 transaction, \$0.2m (non-recurring)

The company also had a \$0.3m increase in tax expense as the Australian legal entity has fully utilised carry forward losses.

The Company remains committed to its strategic growth plans, whilst at the same time improving productivity and efficiency throughout the business in order 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)*

	2018	2017
Net tangible asset backing per ordinary share	10.8 cents	9.5 cents

Net tangible assets of \$19.180m divided by issued ordinary shares of 177.163m = 10.8 cents per share

Compumedics Limited

Half-year report – 31 December 2018

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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 2018 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 2018

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 2018.

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

Dr. A. Anderson (ceased to be a director as of 25th October 2018)

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 2018	6 months ended Dec 2017
Revenues from continuing operations (A\$'000)	18,712	16,101
Profit before interest, and tax (A\$'000)	1,294	836
Profit for the half-year (A\$'000)	811	641
Basic earnings per share (cents)	0.5	0.4
Diluted earnings per share (cents)	0.5	0.4

Business / Product Group Performance

Group net profit after tax for the half-year to 31 December 2018 was \$0.8m compared to \$0.6m in the pcp. The result primarily reflects, compared to the pcp, growth in revenues (up 16%), whilst gross margin remained constant (at 58%), offset by an increase in expenses (up \$1.2m). The expenses were higher primarily due to investing activities in the sales and marketing capability of the business and Orion MEG manufacturing capabilities (\$0.4m) as well as new product development costs associated with the core business (\$0.3m), once-off costs related the Health 100 negotiations (\$0.2m) and foreign currency movements (\$0.3m). Tax expense also increased due to the Australian legal entity having utilised carry forward losses (\$0.3m).

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 in order to continue to grow the earnings of the Group.

The Group's key financial metrics over the half-year to 31 December 2018 included:

- EBITDA for the half year to 31 December 2018 was \$1.5m compared to \$1.1m in the prior corresponding period
- Operating cash flows were positive \$2.0m for the half-year to 31 December 2018, compared to negative \$0.2m in the half-year to 31 December 2017
- Borrowings, at 31 December 2018, of \$1.8m were similar when compared to the \$1.9m of borrowings at 30th June 2018
- Cash on hand at 31 December 2018 was \$4.3m, which compared to the balance at 30th June 2018 of \$3.9m

Explanation of non-IFRS measures of performance

	31 Dec 2018 \$'000	31 Dec 2017 \$'000
Profit after tax	811	641
Tax expense / (benefit)	357	93
Interest expense	126	102
Earnings before interest and tax (EBIT)	1,294	836
Depreciation	140	130
Amortisation	107	109
Earnings before interest, tax, depreciation and amortisation (EBITDA)	1,541	1,075

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 subsequent to 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 2018/191 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.

A handwritten signature in black ink, appearing to read 'D. Burton', with a stylized, cursive script.

D. Burton
Executive Chairman

Melbourne
27 February 2019

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 2018 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

**Nexia Melbourne Audit Pty Ltd
Melbourne**



**Andrew S. Wehrens
Director**

Dated this 27th day of February 2019

Compumedics Limited
Consolidated statement of profit or loss and other
comprehensive income
for the half-year ended 31 December 2018

	Notes	Half-year 2018 \$'000	Half-year 2017 \$'000
Sale of goods		16,693	14,315
Rendering of services		2,019	1,786
Revenue		18,712	16,101
Cost of sales		(7,849)	(6,710)
Gross profit		10,863	9,391
Other revenue		108	190
Administration		(2,831)	(2,768)
Sales & Marketing		(4,094)	(3,559)
Research & Development		(2,871)	(2,281)
Unrealised foreign exchange gain / (loss)		119	(137)
Finance costs		(126)	(102)
Profit before income tax		1,168	734
Income tax expense		(357)	(93)
Profit after income tax		811	641
Net profit for the period		811	641
Other comprehensive income			
Items that may be subsequently reclassified to Profit or Loss when specific conditions are met:			
Foreign currency translation		225	174
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,036	815

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
comprehensive income
for the half-year ended 31 December 2018

Notes	Half-year 2018 \$'000	Half-year 2017 \$'000
Earnings per share for profit attributable to the ordinary equity holders of the parent:	Cents	Cents
Basic earnings per share	0.5	0.4
Diluted earnings per share	0.5	0.4

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 2018

	Notes	31 Dec 2018 \$'000	30 June 2018 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	4	4,287	3,906
Trade and other receivables		15,567	18,333
Inventories		8,491	7,561
Total current assets		28,345	29,800
Non-current assets			
Deferred tax asset		-	144
Property, plant and equipment		874	666
Intangible assets	3	5,016	4,042
Total non-current assets		5,890	4,852
Total assets		34,235	34,652
LIABILITIES			
Current Liabilities			
Trade and other payables		3,688	5,087
Borrowings	4	1,794	1,853
Provisions		2,930	2,709
Deferred revenues		1,313	1,571
Income tax payable		72	71
Total current liabilities		9,797	11,291
Non-current liabilities			
Borrowings	4	30	38
Deferred tax liability		187	-
Provisions		19	24
Deferred revenues		6	139
Total non-current liabilities		242	201
Total liabilities		10,039	11,492
Net assets		24,196	23,160
EQUITY			
Contributed equity		35,654	35,654
Reserves		(189)	(414)
Retained earnings / (losses)		(11,269)	(12,080)
Total equity		24,196	23,160

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 2018

	Contributed equity \$,000	Reserves \$,000	Retained earnings/ (losses) \$,000	Total \$'000
Balance at 1 July 2017	35,654	(739)	(14,864)	20,051
Profit for the period			641	641
Other comprehensive income	-	174	-	174
Total comprehensive income for the half year	-	174	641	815
Transactions with owners in their capacity as owners:				
Shares issued during the period	-	-	-	-
Balance at 31 December 2017	35,654	(565)	(14,223)	20,866
Balance at 1 July 2018	35,654	(414)	(12,080)	23,160
Profit for the period	-	-	811	811
Other comprehensive income	-	225	-	225
Total comprehensive income for the half year	-	225	811	1,036
Transactions with owners in their capacity as owners:				
Shares issued during the period	-	-	-	-
Balance at 31 December 2018	35,654	(189)	(11,269)	24,196

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 2018

	Notes	Half-year 2018 \$'000	Half-year 2017 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		20,781	15,071
Payments to suppliers and employees (inclusive of goods and services tax)		(18,764)	(15,314)
Receipts from other income		108	190
Income tax paid		(26)	(47)
Interest paid (net of interest received)		(124)	(96)
Net cash (outflow) from operating activities		1,975	(196)
Cash flows from investing activities			
Purchase of property, plant and equipment		(344)	(26)
Purchase of intangible assets		(1,082)	(1,032)
Net cash (outflow) from investing activities		(1,426)	(1,058)
Cash flows from financing activities			
Contributed equity		-	-
Repayments of finance leases		(1)	(3)
Proceeds from borrowings		-	168
Repayment of borrowings		(119)	-
Net cash (outflow) from financing activities		(120)	165
Net increase/(decrease) in cash held		429	(1,089)
Cash and cash equivalents at the beginning of the period		3,200	3,398
Net foreign exchange differences		137	(18)
Cash and cash equivalents at the end of the period	4	3,766	2,291

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 2018

1 Basis of preparation and accounting policies

(a) Basis of preparation

The general purpose condensed financial report for the half-year ended 31 December 2018 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 2018 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 2018, and other standards issued as of 1 July 2018 or effective as of 31 December 2018 do not have a significant impact on the consolidated financial statements of Compumedics Limited.

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 2018, the Group generated a profit after tax of \$0.8m and \$2.0m of cash flows from operations. In the corresponding prior half-year the Group generated a profit after tax of \$0.6m and had negative cash flows from operations of \$0.2m.

The Group's net cash position (cash less borrowings) at 31 December 2018 was \$2.5m, which was comparable with 31 December 2017 at \$2.3m.

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

Compumedics Limited
Notes to the consolidated financial statements
for the half-year ended 31 December 2018

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 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 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

Compumedics Limited
Notes to the consolidated financial statements
for the half-year ended 31 December 2018

Note 2. Operating segment (continued)

including sleep diagnostic systems, clinical EEG systems, brain monitoring systems, ultrasonic blood-flow systems, supplies and technical service and 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 2018 and 31 December 2017.

Half-year ended 31 December 2018

	Continuing operations				
	Australia and Asia				
	USA	Pacific	Europe	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Sales to external customers	7,135	7,296	4,281	-	18,712
Intersegment sales	316	1,850	341	-	2,507
Other intersegment revenue	-	-	200	-	200
Total segment revenue	7,451	9,146	4,822	-	21,419
Intersegment elimination	(316)	(1,850)	(541)	-	(2,707)
Total revenue	7,135	7,296	4,281	-	18,712
Segment Result	873	912	(244)	-	1,541
Other income					
Depreciation and amortisation	(54)	(30)	(163)	-	(247)
Finance costs	(13)	(90)	(23)	-	(126)
Net profit or loss before income tax per the statement of profit or loss and other comprehensive income	806	792	(430)	-	1,168
Segment Assets	7,330	51,500	2,391	-	61,221
Intersegment eliminations	-	(26,986)	-	-	(26,986)
Total assets per the Statement of Financial Position	7,330	24,514	2,391	-	34,235

Compumedics Limited
Notes to the consolidated financial statements
for the half-year ended 31 December 2018

Half-year ended 31 December 2017

	Continuing operations				
	USA	Australia and Asia Pacific	Europe	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Sales to external customers	5,687	6,082	4,332	-	16,101
Intersegment sales	482	1,394	26	-	1,902
Other intersegment revenue	-	-	-	-	-
Total segment revenue	6,169	7,476	4,358	-	18,003
Intersegment elimination	(482)	(1,394)	(26)	-	(1,902)
Total revenue	5,687	6,082	4,332	-	16,101
Segment Result	1,523	(30)	(418)	-	1,075
Other income					
Depreciation and amortisation	(53)	(17)	(169)	-	(239)
Finance costs	(26)	(62)	(14)	-	(102)
Net profit or loss before income tax per the statement of profit or loss and other comprehensive income	1,444	(109)	(601)	-	734
Segment assets	5,130	43,624	6,216	-	54,970
Intersegment eliminations	(91)	(24,718)	-	-	(24,809)
Total assets per the Statement of Financial Position	5,039	18,906	6,216	-	30,161

Compumedics Limited
Notes to the consolidated financial statements
for the half-year ended 31 December 2018

Note 3. Intangible assets

	31 Dec 18 \$'000	30 Jun 18 \$'000
Intangible asset	5,016	4,042

Intangible assets comprise capitalised development costs associated with the MEG project and the Somfit® device. Development costs of \$1.0m were capitalised in the half-year to 31 December 2018 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 2018. The MEG asset will be amortised over a 10-year period commencing with the installation of the first sale, expected in H2 FY2019. The Somfit® asset will be amortised over a 7-year period, commencing with the first commercial transaction, expected in calendar 2019.

The Germany-based DWL business capitalises development costs associated with its new Multi-Dop X digital system with Colour Doppler Imaging Module. Additional costs of \$0.06m were capitalised in the current period. Amortisation of \$0.1k is included in the profit and loss for the six months to 31 December 2018. Sales commenced during the 2015 financial year and the intangible assets will be amortised over a 7-year period.

Note 4. Cash, Interest bearing liabilities and cash equivalents

	31 Dec 18 \$'000	30 Jun 18 \$'000
Current interest bearing liabilities	1,794	1,853
Non-current interest bearing liabilities	30	38
Total interest bearing liabilities	1,824	1,891
Current interest bearing liabilities comprise:		
Invoice financing facility / Overdraft	521	112
Fixed term borrowings	1,261	1,728
Other – lease commitments	12	13
Total current interest bearing liabilities	1,794	1,853
Cash and cash equivalents		
Cash	4,287	3,906
Overdraft and trade facility	(521)	(706)
Cash and cash equivalents	3,766	3,200

Compumedics Limited
Notes to the consolidated financial statements
for the half-year ended 31 December 2018

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

Interest bearing liabilities comprise primarily an invoice financing facility provided by the Group's bank in Australia and the US, as well as an overdraft facility in DWL Germany and a new working capital facility. The Company also has a trade facility with its bank in Australia specifically to fund the purchasing requirements of the MEG system. The repayments due on this facility are tied to payments from the customer once the product is delivered. Currently the repayments are scheduled for April and June 2019. A hire purchase facility makes up the remainder of the interest bearing liabilities at 31 December 2018.

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. Commitments

The Group has lease commitments relating to the offices it runs the business from in Melbourne, Charlotte, Singen, Hamburg and El Paso. The total commitments under these leases are:

Approximate lease commitments due within one year are \$919k.
Approximate lease commitments due greater than one year are \$1,947k.

Note 6. Events occurring after reporting date

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

**Compumedics Limited
Directors' Declaration
for the half-year ended 31 December 2018**

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 2018 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
27 February 2019

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF COMPUMEDICS LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Compumedics Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2018, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed 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.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity 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

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 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*. As the auditor of Compumedics Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* has been provided to the directors of Compumedics Limited.



Conclusion

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 is not in accordance with the *Corporations Act 2001* including:

- a. giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- b. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Nexia Melbourne Audit

Nexia Melbourne Audit Pty Ltd
Melbourne

Dated this 27th day of February 2019



Andrew S. Wehrens
Director



Compumedics Limited

Supplementary Appendix 4D information for the half-year ended 31 December 2018

Additional dividend/distribution information² *(Appendix 4D item 5)*

Details of dividends/distributions declared or paid during or subsequent to the year ended 31 December 2018 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 2018 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.