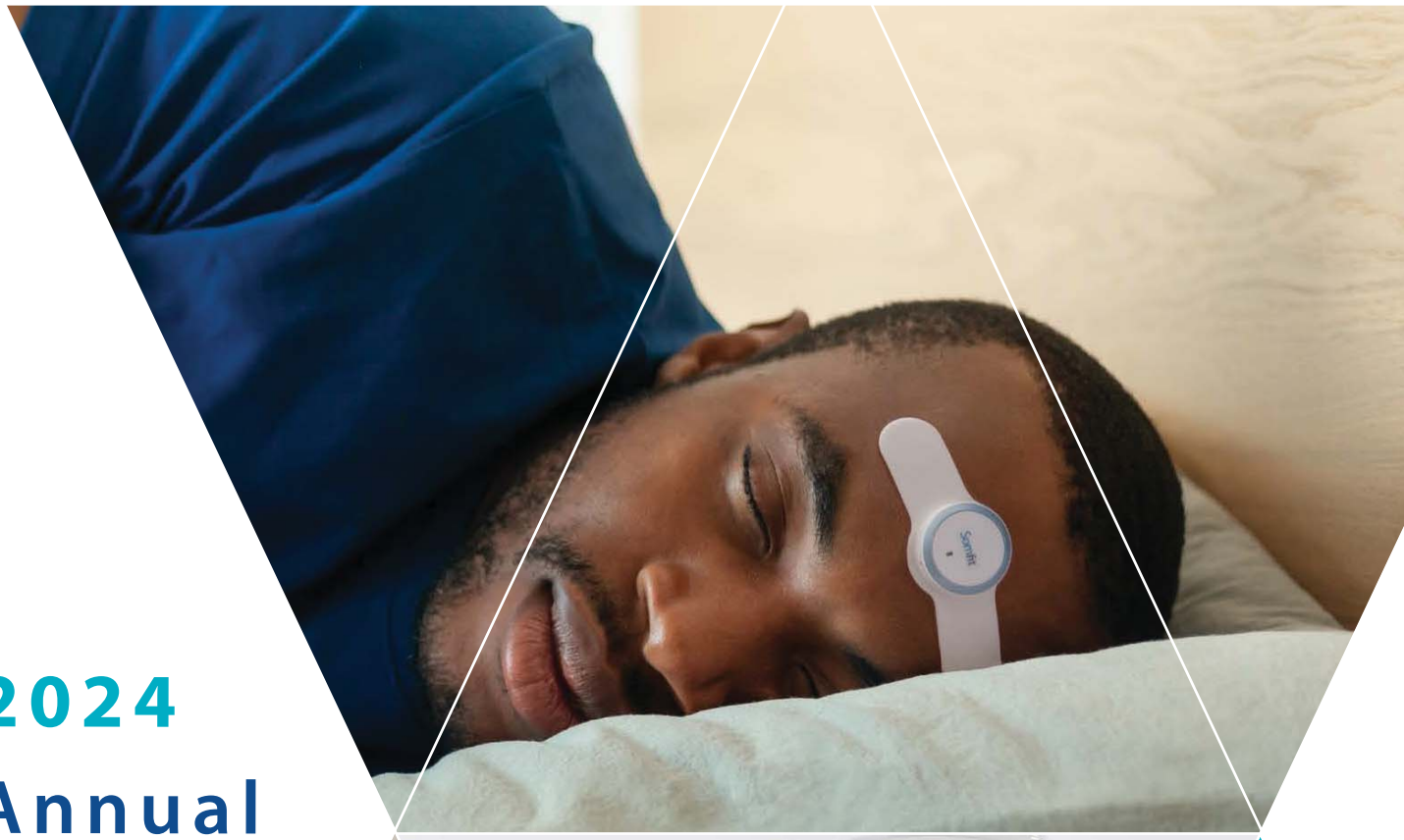
COMPUMEDICS®

‘Defining *Life’s* Signals’



2024 Annual Report

- > Sleep Diagnostics & Treatment
- > Neuro Diagnostics
- > Brain Research
- > Ultrasonic Blood Flow Monitoring
- > Medical Innovations

30 OVER THIRTY YEARS OF EXCELLENCE IN DIAGNOSTICS

COMPUMEDICS®

'Defining *Life's* Signals'

Compumedics Limited
ABN 95 006 854 897

Annual General Meeting
Thursday, 31st October, 2024
at 10.30am

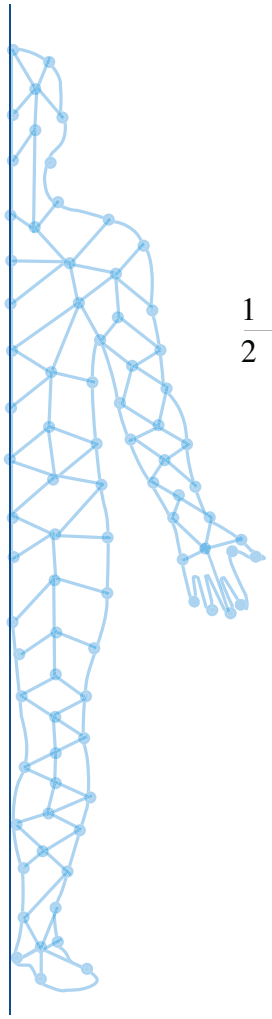
To be held at:
Compumedics Limited
30-40 Flockhart Street Abbotsford
Victoria 3067 and Virtually

OVER THIRTY YEARS OF EXCELLENCE IN DIAGNOSTICS

Who is Compumedics?

Compumedics is a leading global, innovative developer and manufacturer of medical devices for:

Diagnosing sleep disorders	Monitoring neurological disorders including long-term epilepsy monitoring (LTEM)	Highly sophisticated brain research	Ultrasonic monitoring of blood flow through the brain (Transcranial Doppler [TCD])



Compumedics is a technological leader in its chosen markets:

#1	#1	#1	#3
Australian sleep & neuro diagnostics device supplier	**Japan** sleep diagnostics device supplier	**China** sleep diagnostics device supplier to premier facilities & **#1 TCD** device supplier	**USA** sleep diagnostics device supplier and emerging **#3** supplier for neurological monitoring devices

Since 1987 Compumedics has grown into a company:

- with 155 employees across seven locations, Melbourne, Australia (Home Office), Charlotte, NC, USA, Hamburg, Dresden and Singen, Germany, Paris, France and Daejeon, South Korea.
- which listed on the ASX on Dec 21, 2000.
- that has generated more than $800m in revenues since listing of which $700m have been export revenues.

All $ = A$ unless otherwise specified

David Burton, Ph.D.

Executive Chairman and Chief Executive Officer
Compumedics Limited

Dear Compumedics investors, colleagues, and business partners,

On behalf of the Board, management and the Compumedics team, we present to you the following highlights in the results contained within the Compumedics 2024 Annual Report. We would also like to take this opportunity to thank our clients, shareholders, partners and staff for their support, loyalty, and dedication during the past 2024 financial year (FY24).

We are pleased to see our revenue growth strengthen, amidst strong investment and corresponding commercial traction across our breakout businesses including Somfit® Software as a Service (SaaS) Home Sleep Testing (HST), NEXUS 360® clinical SaaS, and OrionMEG® LifeSpan systems.

Revenue increased 17% to $49.7m for the year ended 30 June 2024.

Earnings before interest, tax, depreciation, and amortisation (EBITDA) returned to profit in H2 FY24 at $2.7m, compared to an EBITDA LOSS of $2.0m in FY23. Net profit after tax (NPAT) was a loss of $0.3m, compared to a loss of $6.1m for FY23.

Compumedics FY24 Highlights: *Strong core business growth coupled with significant Somfit® SaaS HST and OrionMEG® LifeSpan system commercial traction.*

CORE BUSINESS Update

- Record sales orders received of $52m for FY24 (Up 22% on FY23)
- Record revenues booked of $49.7m for FY24 (Up 17% on FY23)
- Full year FY24 profitability with EBITDA returning to profit at $2.7m, compared to a $2.0m loss in FY23.

Somfit® Commercialisation Update

- $4.2m in SaaS revenue for FY24 from Somfit® and NEXUS 360® sales ($1.7m in FY23)
- Craig Gallivan joined USA-based business as National Vice President of Sales – Home Sleep Testing (HST) on June 17 (ASX announcement, 17 June 2024) and is now establishing an HST sales team around him
- Somfit® sales commenced in the USA following FDA approval. First USA revenues currently invoiced in Q4 FY24
- Indications CMP has secured over 75% of the pharmacy-based Home Sleep Testing (HST) market in Australia and New Zealand.

KEY PERFORMANCE MEASURES

✓ **SOMFIT®**
SALES LEADERSHIP TEAMS IN PLACE IN USA (SaaS)

✓ **SOMFIT®**
FDA CLEARANCE

✓ **TJNU MEG**
INSTALLED
(PENDING ACCEPTANCE)

SOMFIT® REVENUES
▲ $2.1M
UP FROM $0.6M in FY23

NEXUS™ 360 (SaaS) REVENUES
▲ $2.1M
UP FROM $1.7M in FY23

HST PHARMACY MARKET SHARE AUS
▲ 75% SECURED
FROM 15% IN FY23

RECORD ORDERS TAKEN
▲ $52.0M
UP FROM $42.4M IN FY23

RECORD REVENUE
▲ $49.7M
UP FROM $42.4M IN FY23

EBITDA
▲ $2.7M
FROM $2.0M LOSS IN FY23

OrionMEG® LifeSpan System Update

- Installation of its OrionMEG® LifeSpan system sale to Tianjin Normal University (TJNU), China, largely completed and expected to be signed-off by end of September 2024.
- Two additional OrionMEG® LifeSpan system sales in China are in process for delivery in calendar 2025
- This represents about $14m of new OrionMEG® LifeSpan system shipments and new orders in a 12-month period
- A milestone achieved was the completion of over 500,000 clinic in the Cloud/SaaS sleep and neurology NEXUS 360® studies to date, including 140,000 in FY24
- A milestone achieved was the completion of over 40,000 Somfit® SaaS studies to date, including 24,000 in FY24
- This represents an overall milestone achieved for the combined SaaS studies (Somfit® and NEXUS 360®) being over 540,000, including 180,000 in FY24

Further underscoring the strength of the core business profitability, over $4.0m was invested in next-generation growth platforms (medical innovations) including Somfit® sleep-healthcare and the associated health SaaS business model.

Gross margins increased from 51% in FY23 to 52% in FY24, mainly as a consequence of ongoing operational and manufacturing efficiency initiatives and improvements.

OPERATIONS, QUALITY REGULATORY SYSTEM AND SERVICE

Continued Focus on Quality, Production, Productivity and Overall Operational Performance.

The past FY24 was a year of continued focus on continued improvements to service, quality and productivity initiatives, designed to enhance our Company's reputation, operational efficiencies, along with enhanced standards applicable to services and our quality management system.

Production Advancements included further establishment integration and establishment of processes and quality included further New Surface Mount Technology (SMT) production line: The newly commissioned, latest generation SMT line underwent further deployment as it related to expanded manufacturing implementation, thereby further enhancing on-time delivery capabilities and manufacturing productivity.

Margin analysis and ongoing improvements across key production lines continued to yield benefits.

Quality and Productivity focus with Ongoing Manufacturing and Operational Initiatives: This focus included continual staff training linked to ongoing reinforcement of Compumedics overall quality management system requirements coupled with specific skill training across specialist areas.

Gross Margins: Increased from 51% to 52%

On-time deliveries maintained at 95% or above, during a period of 9.6% increased demand.

New FY24 Production Lines included FALCON,® whilst Somfit® and Somfit® Pro underwent further fabrication automation, further contributing to improved manufacturing margins.

Scaled-up Production Lines: Okti®, Somfit® and Somfit® Pro.

Operational Benefits: decrease in freight and packaging expenses, enhanced production throughput efficiencies, increased inventory accuracies, reduced waste via improved planning and tracking of time-sensitive materials, improved report transparency and data tracking.

Global Service Achievements included reorganising the Repair Department, resulting in substantial improvement in repair turn-around time improvements, along with enhanced customer satisfaction outcomes. Substantial investment in strengthening of clinical scientific, engineering, technical and field support expertise further strengthened Compumedics' positive customer and overall market impact. Strengthened training capabilities and tools, along with video training and other customer-oriented tools further assisted towards raising customer satisfaction standards. In particular, Global Online Training Video Platform for HST proved to be an important initiative. Further continued improvements including meaningful real-time KPI's reflective of true customer experience excellence and fast reactive support responses, will be a continued focus for the 2025 year-ahead.

Successful regulatory Compliance Audits included: Regulatory mandate of MDSAP Audit (comprising; ISO 13485) from FDA US, Health Canada, TGA Australia, ANVISA Brazil & PMDA Japan was successfully achieved after consecutive stage audits in 2 phases, focusing on Compumedics hardware and software products to comply with MDS & MDA codes. **Regulatory mandate of ISO 27001 (Information security, cybersecurity, and privacy protection)**. Certification has been upgraded to the latest revision (ISO 27001-2022). **European MDD registration/listing** is now extended until 31 Dec 2028. **Regulatory mandate of EU-MDR 2017/745 compliance (QMS Audit) phase 1 has been completed successfully with 2nd phase to achieve EU-MDR underway.**

Compumedics product Registration in global markets included: 510K approval completed for Somfit® and Okti®. **Somfit® (new product)**, has been registered in Canada, New Zealand, and Brazil. FALCON® has also been registered with CE for Europe, TGA for Australia, and US FDA submission is underway. Products such as Okti®, Grael® v2, Neuvo,® Synamps2RT, Profusion PSG & EEG, Somte® and Somte® PSG, have been registered/ renewed in countries, including Canada, Saudi Arabia, China, Taiwan, Malaysia, and Brazil.

Compumedics future outlook in global market: New registrations for Okti®, Somfit®, and FALCON® are currently underway in several countries, including Canada, Hong Kong, France, Singapore, Malaysia, Korea, China, and Brazil.

The registration/renewal processes include: products such as Grael®v2, Neuvo,® Synamps2RT, CURRY® 9, Somte® and Somte® PSG in international markets, including Canada, China, Japan, Hong Kong and Thailand.

Somfit® Somfit® PRO

Somfit® Pro System

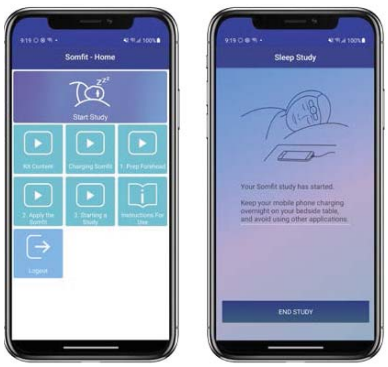
Somfit® and Somfit® Pro Commercial Activation

Somfit® Strategic Objective: The strategic objective for Somfit® is the use of its platform technology in a consumer environment providing actionable sleep health information and/or other interventions to improve patient health outcomes.

Somfit® Superior Value Proposition: Somfit® provides a more comfortable, convenient, and cost-effective and true-sleep, comprehensive way for people with sleep problems to assess and monitor their sleep-health.

Somfit® Unique Selling Proposition:

- **Highly scalable:** quality health SaaS business model.
- **Clinical grade at home device:** Light and comfortable for the patient while enabling collection of high-quality signals to provide medical-grade (reimbursable) data.
- **Greater convenience:** At-home monitoring eliminates the need for patients to travel to a hospital or sleep clinic, which can be time-consuming and inconvenient.
- **Reduced cost:** At-home monitoring is less expensive than hospital monitoring, as it eliminates the need for hospital resources.
- **True-sleep with traditional vascular-based-measures:** In an age of mental health and wellbeing awareness, Somfit® provides the world first of its kind brain-based HST monitoring covering the traditional sleep respiratory disorders such as apnoea but also enabling providing these measures in the context of a brain and body based monitoring, or polysomnography (PSG) per the clinical term.



Somfit® APP

Somfit® FY24 Commercialisation Update;

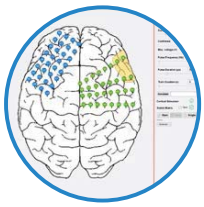
- **$4.2m in SaaS revenue** for FY24 from Somfit® and NEXUS 360® sales ($1.7m in FY23).
- **Somfit® launched in the US** in Q3, following US FDA market clearance in December 2023.
- **The first US significant customers onboarded in Q4.** We are excited about the potential to target the US HST market, and leverage our existing significant PSG installed base with this exciting new technology.
- **Craig Gallivan joined USA-based business as National Vice President of Sales** – Home Sleep Testing (HST) on June 17 (ASX announcement, 17 June 2024) and is now establishing and leading a high-impact USA HST sales team.
- **Increased the pace and penetration of the Somfit®** in the non-Medicare home sleep testing (HST) market, with approximately 75% market share achieved in ANZ, primarily through our relationship with Philips Healthcare in conjunction with Australia's major pharmacy chains.
- **First peer reviewed publication on the Somfit® Technology accepted for publication in Nature and Science of Sleep.**
- **Regulatory:** We anticipate the registration of the Somfit® Pro in the USA in FY25. Having secured CE and FDA authorities in FY24, the Compumedics Regulatory team will focus on key international markets for the Somfit® and its variants in FY25. These markets will be primarily be Canada, LATAM and the Asia Pacific region.
- **Somfit® Business Development:** US Sales - We plan significant investment in sales, clinical and customer service support in the USA to support the rapid expansion of the Somfit® Technology.
- **Somfit® as a research tool** - we expect to onboard a number of pharmaceutical companies in FY25 who will use Somfit® as part of their drug development pathways. These will be a mix of existing and new pharmaceutical customers.
- **We anticipate further peer-reviewed publications** that will further support the performance of Somfit® in the HST environment.
- **Product Development:** We anticipate the development and validation of the Somfit® disposable in Australia and other markets in FY25.
- **We anticipate trialling a novel primary care diagnostic model** in Australia with a significant national partner.

ProDigi™ PSG
Web-based PSG Scoring and Reporting platform

FALCON® HST
Home Sleep Testing device

FALCON® PSG
Full PSG Sleep Testing device

Okti ®
Wireless & Modular EEG



Profusion™ EEG
EEG Acquisition, Analysis and Reporting software

Growth Outlook in Core Neuro, Sleep Diagnostics and Digital ehealth/SaaS Business Sectors

Compumedics' business growth drivers remain strong, including the growing demand for sleep and neurology equipment and services, driven by the high prevalence of associated health disorders. For example, with the ongoing elderly population growth and neurological diseases disproportionally affecting this population group, healthcare costs are expected to increase exponentially in coming years, as the elderly population doubles by 2050. In terms of Compumedics' core business underlying market demand, reports indicate that up to 10 percent of people will have a seizure at some time in their life, and 1 in 26 people will develop epilepsy.

Traumatic brain injury (TBI) remains a major source of health loss and disability worldwide, with 69,000 TBI-related deaths in the USA alone 2021, or about 190 TBI-related deaths every day.

Stroke is a leading cause of death and disability worldwide, and globally, 1 in 4 adults over the age of 25 will have a stroke in their lifetime.

Additionally, there are 84 classified sleep disorders, with the most common including insomnia with a prevalence of about 30% and sleep disordered breathing with a prevalence of about 20%.

Compumedics' major upcoming step-out business opportunities cover a number of large and new emergent market opportunities including our new *Somfit® patented wearable monitoring systems, incorporating Compumedics world-class technology and analytics, NEXUS 360® (SaaS), and the new OrionMEG® LifeSpan brain functional imaging systems. As noted elsewhere both the Somfit® SaaS home-sleep testing and OrionMEG® LifeSpan brain functional imaging systems are currently undergoing high-impact commercial activation, providing a number of larger-scale structural and organic Compumedics value-realisation opportunities, moving forward.*

NEXUS 360®
SaaS platform

Compumedics Product Developments

During the past year, multiple new projects have been launched, a range of refinements and major product updates have been implemented, and an expanded market outreach has been achieved via world-wide regulatory approvals, including:

Somfit® gained FDA market clearance which was the culmination of a large clinical trial managed by Compumedics staff along with demonstrating that the advanced AI and ML automated analysis technology developed for Somfit® produces equivalent results to human scoring. The results of the study were also published in a peer review journal.

Prodigi™ PSG browser based scoring and reporting platform continued to evolve into a full sleep study platform that encompasses all modalities of sleep studies. This complements the release of the Profusion™ PSG 5.1 desktop software which has long been the flagship sleep diagnostic software.

FALCON® HST release represents the latest in sleep diagnostic equipment for conducting studies in the patients home. With its optimised set focused on direct patient setup and comprehensive AI based sleep analysis along with Browser based study setup and conversion the FALCON® HST represents the state-of-the-art in portable reduced-channel sleep-diagnostic recorders.

FALCON® PSG providing capabilities for a comprehensive polysomnography (PSG) study, with similar ease of use, compact format and new generation hardware, and software platforms including integration with Compumedics clinical and remote NEXUS 360® (SaaS) Cloud enterprise solution, is scheduled for market presentation 25FY.

Okti's® successful launch incorporated all three models the ®Okti32, ®Okti64 and ®Okti128 in full production and ongoing work to add additional advanced features. The Okti® represents a significant advance in EEG and epilepsy monitoring allowing a single device to satisfy all modalities of studies from portable in-home studies to high density advanced surgical investigations.

NEXUS 360® SaaS platform continued to expand in capabilities and maturity. Work focused on the enhancements of the platform from a laboratory focus to now encompass service-based businesses and multiple modalities. Inclusion of referral workflow, Medicare billing and secure messaging support further enhances NEXUS 360® to be a study-management system for all types of users.

Profusion™ EEG software package for clinical EEG acquisition and analysis had some major additions to its capabilities. With a full trending and QEEG capabilities along with AI based automatic seizure detection Profusion™ EEG made significant progress while complementing the Okti® release.

Additionally, significant progress was achieved towards future releases of products that represent models of the existent range of products, in conjunction with new categories of products and technology platforms that are complementary to the core range of products.

DWL® EZ-Dop

DWL® AI Robotic TCD Prototype

Compumedics DWL® Overview

Doppler Ultrasound in a wide range of applications: Transcranial Doppler (TCD) provides rapid, noninvasive, non-expensive, repeatable, and real-time measures of cerebrovascular hemodynamics with a high diagnostic accuracy. TCD can be easily performed at the patient bedside, in the ICU or in the OR. TCD is a comfortable and without risk procedure. It provides real-time information about Cerebrovascular Hemodynamics, Vasospasm, ICP/CP and Cerebral Vascular Autoregulation. TCD has established utility as a valuable tool in the clinical diagnosis of TIA's and Stroke, Traumatic Brain Injury (TBI), Aneurysm and Arteriovenous Malfunction (AVM) after Subarachnoid Hemorrhage (SAH), Brain Death, Sickle Cell Anemia, Vasculitis and Infection of the Central Nervous System, Brain Tumors, Sepsis and presence of Patent Foramen Ovale.

DWL's® Multi-Dop T and Doppler-BoxX EU-MDR certification has been achieved.

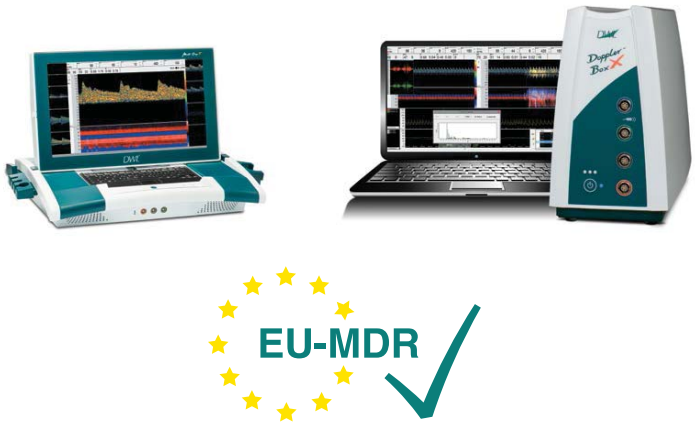
DWL's® newly released EZ-Dop, has received strong market response and product demand, driving strong pre-orders. This compact, battery, system DWL's® trusted and customary precision performance capabilities, enables deployment across a wide and diverse range of applications from traditional clinical, emergency room or outpatient settings, or ambulance and other field-based applications. MDR, US FDA, and other country-specific certification processes are well underway.

Development DWL® AI Robotic TCD: First Prototype Presented with AI Integration in Development: The development of the DWL® AI Robotic TCD measuring module has made significant progress with the presentation of the first prototype. This innovative system features a portable module that supports use in various positions - lying, sitting, or standing - enhancing its versatility. The lightweight bilateral units are designed to be easily detached from the head mount and repositioned on either side of the head or both, providing the flexible application in diverse clinical scenarios like emergency rooms, intensive care units, sports fields, battlefields, and ambulances.

The development of a dedicated AI software to be used with the Robotic capability is to expand the capabilities of this Robotic module even for a broader market, opening up applications particularly in the field of traumatic brain injury (TBI) diagnostics. The AI software is scheduled to be available for the prototype in the first quarter of the calendar year 2025.

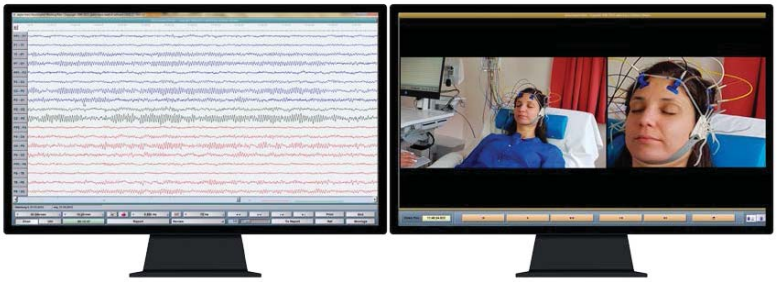
The commercialization of this advanced DWL® AI Robotic TCD device will need its own regulatory compliance with MDR, FDA and country specific registration requirements.

TCD-based noninvasive assessment of ICP: New evidence has emerged, showing a new method for the noninvasive assessment of ICP (Intracranial Pressure) with the use of TCD facilitating decision-making in patients with suspected idiopathic intracranial hypertension. According to the paper published by a group from the Neurology department of the Chemnitz Medical Center in Germany, the ICP was calculated using continuous signals of arterial blood pressure and cerebral blood flow velocity (DWL® "2-MHz pulse Doppler") in the middle cerebral artery (Schmidt B, et al. 2021). The results of this TCD-based assessment of ICP were promising, suggesting that the method may eliminate the need for a painful invasive lumbar puncture in cases of a pre-diagnosis with low noninvasive ICP while it will allow a patient-friendly long-term monitoring.



DWL® Multi-Dop T and Doppler-Box X

DWL® AI Robotic TCD Prototype



Compumedics® alpha trace® system software

TCD does not measure ICP and CP directly, but it can provide indirect estimates through its parameters and indices. Several past and recent research studies have validated the use of TCD for the estimation of ICP (Intracranial Pressure) and CP (Cerebral Perfusion) by showing a correlation between TCD parameters and direct ICP measurements through invasive methods. Cerebrovascular diseases can affect ICP and CP, prompting the recognition and monitoring of ICP and CP measures, as important considerations for the management of these disorders.

The new upcoming DWL® AI Robotic TCD system can be fitted to an individuals head, similar to wearing headphones. A small robotic probe system is located in each of the left or right headsets located around individual's ears, or the temporal region, which is ideal for Trans-Cranial Doppler (TCD) measures. Artificial intelligence (AI) and conventional analysis techniques control the robotic positioning of a TCD probe, along with analysing the probe signals and presenting corresponding image and computational data outcomes. The new DWL Robotic technology expands usage and market deployment of TCD as a valuable non-invasive tool for viewing the inside of the brain, characterising blood flow properties, tracking a patient's emboli, along with ICP and CP conditions. This can be achieved in real-time to assist in the diagnosis of neurological disorders, such as stroke and TBI for the determination of further health treatment pathways, or more invasive assessments.

Traumatic brain injury (TBI) is a major source of health loss and disability worldwide, with the annual incidence of TBI estimated at 27 to 69 million. There were over 69,000 TBI-related deaths in the United States in 2021, or about 190 TBI-related deaths every day. **Stroke** is a leading cause of death and disability worldwide, and globally, 1 in 4 adults over the age of 25 will have a stroke in their lifetime. Worldwide, over 12 million people will have their first stroke this year and 6.5 million will die as a result. Over 100 million people in the world have experienced stroke.

Traditional manually controlled TCD probe-positioning systems typically rely upon highly skilled, trained and experienced health experts (monographers) and hence the deployment of such brain measurement approaches can be limited.

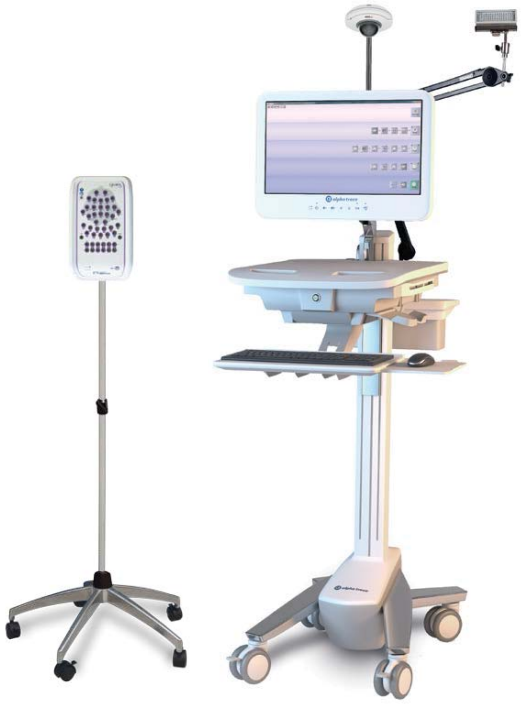
The goal of the DWL® AI Robotic TCD and unique selling proposition is to combine the latest DWL® robotics and artificial intelligence (AI) analytics with DWL's® long-time proven best of world-class precision TCD technology, as a means of enabling trusted and widespread deployment of this potentially life-saving technology.

Compumedics'® alpha trace® Business Overview

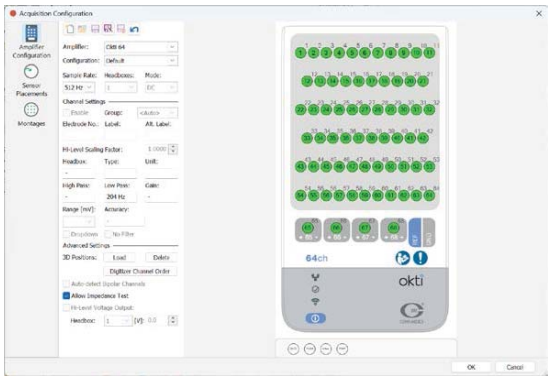
Compumedics'® alpha trace® has proven to be a solid partner in Austria and selected markets. In its first year following Compumedics' acquisition announcement, last year alpha trace® has generated a profitable 10% growth in revenues. A number of prestigious contracts have been won including Cyprus where the prestigious Cyprus Institute of Neurology and Genetics has been equipped with 64-channel Neuvo® systems for LTM and Grael® systems for routine EEG running under NEXUS 360®. The University of Cyprus received a 128-channel Neuvo® EEG system with CURRY® software for innovative research.

In Austria, where Compumedics – alpha trace is the dominant EEG equipment supplier, numerous hospitals and private neurological practices have been equipped with Grael®/ Okti® hardware and ™NeuroSpeed-EEG software.

™NeuroSpeed-EMG software progressed well with the rigorous MDR certification and is expected to be finalised in 2024. The interest for the new upcoming range of Compumedics'® alpha trace® EMG equipment continues to grow strongly. This new range of products presents major new European and global market opportunities and complements Compumedics' range of neurology/electrophysiology products.



Compumedics® alpha trace®
Grael® LT system



Global leading brain analytics with CURRY® 9 - Okti® support

Okti ® home-based cognitive monitoring studies

Okti ® sports research EEG studies

Compumedics® Neuroscan® CURRY® 9 (CURRY ®) Neuroimaging Software Suite

24FY has been a pivotal year for Neuroscan, a team of talented people dedicated to advancing neurological studies and diagnosis through innovative EEG technology. The year was marked by significant improvements in customer support, enhanced marketing visibility, strategic team development, and the introduction of a SaaS model for its flagship neurophysiological software. These initiatives have yielded the highest revenue growth of CURRY® software, and laid a strong foundation for our anticipated return to the overall Neuroscan business growth, setting the stage for a successful 2025.

During the 24FY the Neuroscan USA team delivered neurophysiological research/clinical products to a substantial number of research institutes and hospitals in North America. Its EEG hardware, the SynAmp series, remained among the top choices for the traditional brain science market in US and Canada.

Neuroscan's efforts to increase market visibility include implementing market outreaches through issuing product newsletters, webinars, and product training curriculums. CURRY® customers are invited to participate in usability tests to gather objective feedback for the continuous improvement of the software.

Improving Neuroscan Support Quality: The team practices the rule of within 2-hour response time to customers' tech support requests during business hours, covering all three time zones in North America. Aimed for monthly zero pending support cases in the Neuroscan support queue.

Customer Outreach included quarterly distribution of CURRY® Newsletters, offering the latest updates on CURRY® development, clinical-use-tip video links for clinicians, updates on scientific publications, and selected successful stories from the customer. We also launched the new Quarterly NeuroTalk Webinar series, inviting prominent neuroscientists and clinicians to share their research and clinical works relevant to the use of CURRY® to the neurological clinical and research communities.

Winning of the COGA Contract: Neuroscan 's laser focus on customer support contributed to the contract to modernize the EEG equipment for the COGA project (Collaborative Studies of Genetic Alcoholism), a 5-year cohort study on genetic alcoholism conducted by 6 labs from US universities.

In 24FY the CURRY® team released a further update to CURRY®9, adding features that extend functionality with a sustained focus on the clinical market.

Highlights include the ability to open and record NEXUS 360® studies, support for multi- Okti® devices, improved support for dual-helmet recordings on OrionMEG® devices, enhanced annotating capabilities using Function Keys and expanded support for JPEG 2000 image format.

In addition to the continued availability of virtual CURRY® Schools, focused on either research or clinical applications, in-person CURRY® Schools continue to be held in Hong Kong and Seoul (Republic of Korea). Future training courses will continue to be both virtual and in-person.

24FY CURRY® 9 extended feature and functionality included a sustained focus on the clinical market. Highlights include the ability to open and record NEXUS 360® studies, support for multi- Okti® devices, improved support for dual-helmet recordings on the OrionMEG® LifeSpan system, enhanced annotating capabilities using Function Keys and expanded support for JPEG 2000 image format. Additionally, the continued availability of virtual CURRY® Schools, focused on either research or clinical applications, in-person CURRY® Schools will be held in Hong Kong and Seoul (Republic of Korea). Future training courses will continue to be both virtual and in-person.

CURRY® 10 continues in development and has entered the alpha testing phase, covering a wide range of enhancements and capabilities across database management, data-acquisition capabilities, epileptic spike analysis, stereo-EEG capabilities, expanded co-registration options, further OrionMEG® LifeSpan system integrated functionality, further source localisation modelling capabilities, as well as cutting-edge user interface tools to assist more mainstream clinical usage of CURRY® moving forward.

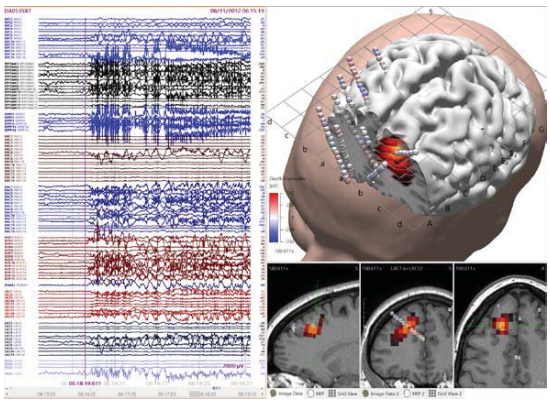
Upcoming CURRY® and Neuroscan Customer Engagement activities include CURRY® Asian workshops being held in Seoul November 21-23 and in Hong Kong November 21-23, this year. This event will focus on EEG data acquisition, online/offline data processing and analysis for both research and clinical data in CURRY®.

CURRY® 9 Neuroimaging Software

Additionally, two virtual CURRY® schools are currently planned for March 2025. These virtual schools are primarily for customers in North America, and EU, and feature lectures by Dr. John Ebersole on developing core clinical skills on spike detection, source localisation and sEEG planning in CURRY®. This school will also for the first time offer attendees ASET's CEU certification for those who pass a test at the end of the school, providing certification critical to EEG techs who seek or maintain the CLTM or NA- CLTM status.

FY25 Outlook includes continuing the synergy and momentum established in 2024 between the CURRY® development, Neuroscan marketing outreach, and support service. The customers' trust in Neuroscan and CURRY®'s technical support have paved a solid foundation for rapid traction with new product rollouts including the newly released Okti® wireless EEG for the research, interfaced with CURRY®'s advanced neuroimaging software suite.

Upcoming Neuroscan and CURRY® educational and workshop activities include and marketing CURRY®. As we look ahead, our commitment to advancing neurological research technology and delivering advanced neurophysiological tools to clinicians will continue to drive research breakthroughs, with positive brain healthcare transformational outcomes.



CURRY® 9 Neuroimaging Software -
Stereo-EEG Review and Source Localization

OrionMEG® LifeSpan Functional Brain Imaging System

Installation and Sales Progress: Compumedics® has shipped and installed a dual-helmet OrionMEG® LifeSpan system MEG system to Tianjin Normal University (TJNU) in China. The system is capable of adult, pediatric and hyperscanning (measurement of two subjects simultaneously to study their interaction) MEG system data acquisition. TJNU staff have already begun taking measurements with their instrument.

The company received additional orders for its OrionMEG® LifeSpan system technology from Tsinghua University (TU) and Tianjin University (TJU) in China. These sales are via Compumedics' long-term Chinese distributor and partner, Beijing Fistar. The OrionMEG® LifeSpan systems, along with a host of peripherals including magnetic shielding, simultaneous EEG, stimulators, computers, and CURRY® neuroimaging software, will ship to both sites in 2025. The first order is for two single-helmet OrionMEG® systems, and the second is for a dual-helmet OrionMEG® LifeSpan system. Both will be configured for hyper-scanning.

Manufacturing Progress: The company has further strengthened its technological position and ability to innovate with respect to OrionMEG® LifeSpan by hiring additional experienced engineering expertise and further developing the OrionMEG® LifeSpan. One experienced new employee comes to Compumedics from KRISS, the company's technology development partner, with many years of MEG-specific electronics experience.

The OrionMEG® LifeSpan system manufacturing and assembly facility moved to an improved location still within Daejeon, South Korea to begin the process of ramping up production. The facility is large enough to accommodate the company's own magnetic shielded room (MSR), a requirement for full system integration and testing. Compumedics has already acquired the MSR and will be assembling it on-site within the next months. The company still has access to the MSR at KRISS, allowing for the simultaneous construction of two OrionMEG® LifeSpan systems in parallel, a requirement to fulfil the orders described above, and those to follow, in a timely manner.

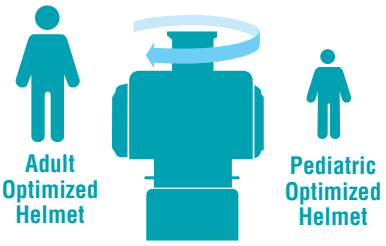
State-of-the-art OrionMEG® LifeSpan

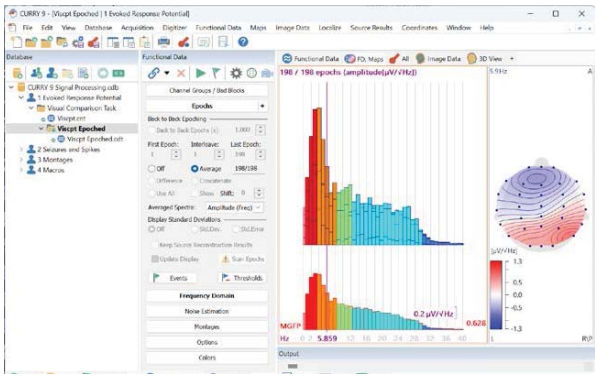
Development of the OrionMEG® LifeSpan system continued across the scanner itself and also the CURRY® OrionMEG® LifeSpan analytics platform. For example, hyperscanning analysis was improved and streamlined. This capability has shown itself to be an important market driven function. The function enables, for example, a parent-child interaction, along with investigational analysis relating to the effects of mental development.

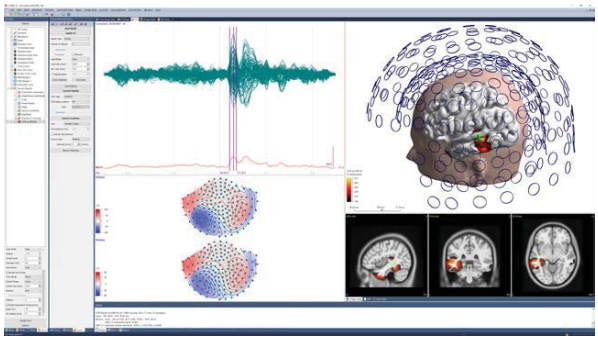
The OrionMEG® LifeSpan system incorporates a number of unique capabilities including:

1. Dual-helmet dewar with the ability to rotate between adult and pediatric configurations, so that no additional space is required for the installation over a traditional MEG system;
2. Hyper-scanning to correlate brain signals between subjects with millisecond accuracy;
3. Advanced Double Relaxation Oscillation SQUID (DROS) sensors, with significantly higher signal-to-noise ratio than traditional MEG sensors;
4. Integrated, zero-loss, closed-loop, continuous helium recycler enabling 24/7 OrionMEG® LifeSpan MEG system uptime and reducing system operating costs by as much as $100,000 annually;
5. Integrated OrionMEG® LifeSpan-video to correlate brain function and subject actions with high-definition accuracy; and
6. Full integration of the CURRY® Neuroimaging platform, universally known as the gold standard for MEG/EEG data acquisition and processing. This complete end-to-end CURRY® MEG functionality is only available for OrionMEG® LifeSpan system users and incorporates seamless integration. This enables improved precision and minimises the reliance, risks and added complexities associated with interfacing multiple vendor solutions.

OrionMEG® LifeSpan dual-helmet dewar







Global leading brain analytics with Neuroscan CURRY®

Somfit® pharmacy-based Home Sleep Testing

SUMMARY AND FINANCIAL OUTLOOK

The FY24 year was a year of solid progress and performance with a number of highlights, positioning Compumedics for ongoing profitable core business growth, coupled with substantial Somfit® and OrionMEG® LifeSpan breakout business, ongoing high-growth commercial traction.

In terms of financial performance sales increased 17% to $49.7m. Importantly EBITDA returned to profit in FY24 at $2.7m, compared to a loss of $2.0m for FY23.

Key FY24 highlights include:

- *Increased CORE BUSINESS sales orders and revenues, with a return to strong EBITDA profit, amidst extraordinary investment in both core and new breakout businesses*
- *Somfit® commercialisation achieving $4.2m in SaaS revenue for FY24 from Somfit® and NEXUS 360® sales*
- *Appointment of accomplished US HST business commercial leader*
- *Somfit® USA FDA market clearance in December 2023, followed by first USA Somfit® revenues*
- *Somfit® securing over 75% of the pharmacy-based Home Sleep Testing (HST) market in Australia and New Zealand based on Philips and leading Australian pharmacy chains*
- *A milestone achieved was the completion of over 500,000 clinic in the Cloud/SaaS sleep and neurology NEXUS 360® studies to date, including 140,000 in FY24*
- *A milestone achieved was the completion of over 40,000 Somfit® SaaS studies to date, including 24,000 in FY24*
- *This represents an overall milestone achieved for the combined SaaS studies (Somfit® and NEXUS 360®) being over 540,000, including 180,000 in FY24*
- *OrionMEG® LifeSpan system Tianjin for Normal University (TJNU), China, shipped and entering final commissioning stages*
- *Two additional OrionMEG® LifeSpan sales in China are in process for delivery in calendar 2025*
- *OrionMEG® LifeSpan shipments now representing about $14m of new orders in a 12-month period*
- *DWL's® new AI Robotic TCD development, opens the pathway to investigate strategic collaboration or other major deal opportunities, to assist accelerated commercialisation of this new technology.*

We are pleased to continue guidance with Compumedics forecast of FY25 revenues, to be in excess of $55m and EBITDA to be about $5m.

As a quick wrap-up, the FY24 was certainly a transformative year with the core sleep and neuro-diagnostic businesses demonstrating strong growth, and major commercial traction achieved for both Somfit® and OrionMEG® LifeSpan breakout businesses.

We thank you for your continued support and we look forward to sharing with you further announcements over the year ahead.

Yours sincerely,

Dr. David Burton, Ph.D.

Executive Chairman and Chief Executive Officer
Compumedics Limited

CORE PRODUCTS

Core Products

Sleep Diagnostics

Compumedics Grael® - 4K HD and PSG

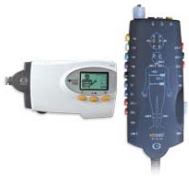
Compumedics Siesta®

Compumedics Falcon™ PSG

Compumedics Falcon™ HST

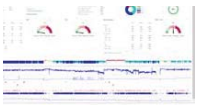
Compumedics Somfit®

Compumedics Somfit® pro



Compumedics Somté® PSG

Compumedics Profusion™ Sleep Software



Compumedics Profusion ProDigi™ Software

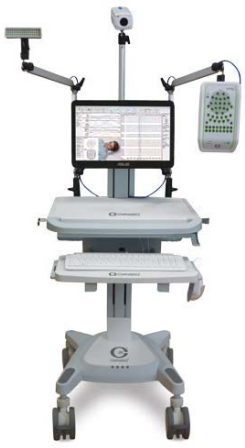
Compumedics Profusion™ NeXus Software

DWL Doppler Diagnostics

Multi-Dop® T digital

Doppler-Box™ X

Neuro Diagnostics (including Brain Research)



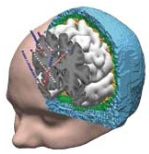
Compumedics Grael EEG® Neuroimaging Suite - 4K HD

Compumedics Okti® Portable LTM - EEG

Compumedics Grael LT®- HD EEG

Compumedics CORRiS® Cortical Stimulator

Compumedics Profusion™ EEG Software



Compumedics CURRY® Neuroimaging Suite

Compumedics Neuvo® LTM EEG

ONsight™ A.V.S. Ambulatory EEG Video Solution

Compumedics Orion LifeSpan™ MEG

Quik-Cap® EEG Electrode Arrays

STRATEGIC GROWTH PLATFORMS

The Company is focused on a number of substantial opportunities based on next-generation growth platforms applicable to DWL, Neuroscan brain imaging, and medical innovation projects such as eHealth and sleep treatment.

The NeXus™ 360 opportunity is highlighted here.

Compumedics' cloud based sleep diagnostic platform includes a professional application, NeXus™ 360, and a consumer application, Somfit.® NeXus™ 360 has grown to over 50 sites in the USA and Australia.

profusion neXUS™ 360

Laboratory Management System

A Revolution in Laboratory Management

Introducing Compumedics Profusion neXus 360, the next generation of Profusion neXus. Built on the proven Profusion neXus platform with more than 15 years of customer use and thousands of users, Profusion neXus 360 offers the full functionality of Profusion neXus and more, in a fully web-based interface.

Profusion NeXus 360 Features:

- Simple, browser/internet-based access via HTML5
- Two-factor Authentication Access
- Digitally secure study "sign-off"
- User-defined, group-based access privileges
- Template/Document Integration
- Non-editable audit-log
- Multi-language Support (English, French, Chinese, Spanish)
- Fully managed Cloud Service, simple installation, reliable system backups and easy system updating
- In-lab acquisition and real-time uploading to the web.

Platform and Browser Independent

**Optimised for touch displays*

STRATEGIC GROWTH PLATFORMS

Somfit® Somfit® PRO

Somfit® and Somfit® pro are the next generation wearable devices for collecting patient's physiological data, primarily for use in assisting medical professionals to diagnose sleep disorders.

Somfit® and Somfit® Pro Systems

Somfit® - 4 Components, **Somfit® Pro** - 5 Components

A single-use adhesive-gel electrode.
This is worn on the patient's forehead and collects the physiological data.

The Somfit® device, which is pressed onto the electrode. The Somfit houses the sensors and transmits the data to the App via Bluetooth. Somfit can collect up to 12 hours of data.

The Respifit® device, which is located on the Thoracic belt houses the ECG, Airflow, chest movement and position body sensors and transmits the data to the App via Bluetooth.

The Somfit® App
This is used to control the Somfit and to transmit the study data to be processed.

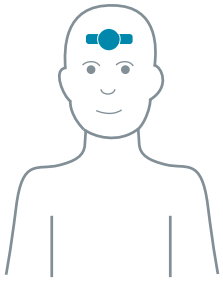
The Profusion Nexus360™ cloud-based data management and reporting system.

Consumable Revenue | **Capital cost or build into SaaS fees** | **Recurring SaaS fee to access**

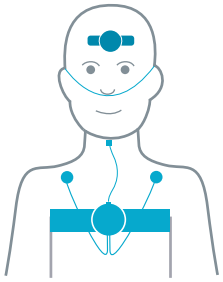
Small, simple to use and comfortable.

Ease of use and comfort were the main considerations in the design of the Somfit and Somfit pro.

- The Somfit system comprises of the Somfit device, a disposable adhesive electrode and a phone app.
- The Somfit pro system includes the Respifit device adding extra measures such as ECG, airflow and body position.



Somfit® device



Somfit® Pro device

Somfit® and Somfit® Pro Commercial Activation

Somfit® Strategic Objective: The strategic objective for Somfit® is the use of its platform technology in a consumer environment providing actionable sleep health information and/or other interventions to improve patient health outcomes.

Somfit® Superior Value Proposition: Somfit® provides a more comfortable, convenient, and cost-effective way for people with sleep problems to assess and monitor their sleep-health.

Somfit® Key Market Opportunities Include:

5.0m
People suffering from sleep disorders in Australia, which includes sleep apnoea, insomnia, restless leg syndrome (RLS)

AUD35.4b
Total cost of sleep disorders in Australia (2021) AUD13.1b sleep apnoea, AUD13.3b insomnia, AUD 9.0b RLS

60m
People suffering from some form of sleep disorders in the USA

USD94b
Direct healthcare costs (2021)

Somfit® Unique Selling Proposition:

- **Highly scalable:** quality health SaaS business model
- **Clinical grade at home device:** Light and comfortable for the patient while enabling collection of high-quality signals to provide medical-grade (reimbursable) data
- **Greater convenience:** At-home monitoring eliminates the need for patients to travel to a hospital or sleep clinic, which can be time-consuming and inconvenient
- **Reduced cost:** At-home monitoring is less expensive than hospital monitoring, as it eliminates the need for hospital.

STRATEGIC GROWTH PLATFORMS

THE ORION LIFESPAN™ MEG
FURTHER INNOVATION FROM COMPUMEDICS

What is MEG and what is it used for?

Advanced Magnetoencephalography (MEG) technology uses superconducting sensors to record the tiny magnetic fields created by the human brain. It is completely safe, non-invasive and silent. It can be used even on children with no side effects. The Orion LifeSpan™ capitalises on this by including a dedicated pediatric helmet, optimized for five-year-olds.

The primary clinical application of MEG is to detect activity from locations where epileptic seizures begin. This can help to accurately guide a resection surgery, resulting in a reduction or complete elimination of those seizures. MEG can also be used to precisely mark the location of sensory, language and motor functions. Knowledge of these locations is critical to the successful resection of a tumour or other lesion without subsequent mental impairment. Furthermore, researchers worldwide use MEG to study normal and developing brain function. They are developing exciting new diagnostic capabilities for many debilitating disorders.

Another emerging research application for MEG is hyperscanning. That is, the measurement of the brain signals from two subjects simultaneously while they interact with each other or are presented the same stimulation synchronously. The Orion LifeSpan™ is uniquely capable of MEG hyperscanning due to the dual helmet design. This is a key research topic for TJNU, TU and TJU. Each of these prestigious universities has, or will soon have, Compumedics MEG technology.

Key Features and Advantages

- 186 high-sensitivity sensors in a helmet-shaped array optimized for the average adult head size.
- 138 high-sensitivity sensors in a second helmet optimized for the average five-year-old.
- The system can rotate between adult and pediatric configurations, so no additional space is required for the installation over a traditional MEG.
- Alternatively, both helmets can be recorded for hyperscanning.
- Each sensor is equipped with an advanced Double Relaxation Oscillation SQUID (DROS) with significantly higher signal-to-noise ratio that traditional MEG sensors.
- Additional “reference” sensors monitor and subtract environmental magnetic interference, for example from moving metal objects and electrical lines.
- Up to 128 channels of integrated EEG utilizing SynAmps RT amplifiers.
- Fully integrated simulators for auditory, visual, electrical and motor response. All are controlled/monitored by the powerful STIM2 software.
- All acquisition and analysis functions are within the powerful CURRY Neuroimaging Suite.

Orion LifeSpan™

Patented Dual-Helmet Adult/Pediatric Dewar

Patented SQUID Sensing System

Fully Integrated EEG

Patented Zero-Loss Helium Recycling

Full CURRY Integration

Fully Integrated CURRY Software

- Integrated, zero-loss, closed-loop, continuous helium recycler. Liquid helium is used to cool the superconducting sensors. The recycler reduces system operating costs by as much as $100,000 annually and eliminates weekly labour to refill helium. Continuous operation allows MEG system uptime 24/7.
- Sampling Frequency of up to 10,000 measurements per second, to record even the most fleeting of brain signals.
- Full video recording integration for simultaneous study of symptoms and brain activity.
- Compumedics works with world-class suppliers of shielding to provide a magnetically quiet recording environment.

Full CURRY® Integration

The CURRY® Neuroimaging platform is universally known as the gold standard for MEG/EEG data processing. One of the key benefits of CURRY® is its ability to integrate the high-temporal resolution functional measures of MEG and EEG with anatomical/structural/metabolic neuroimaging data such as MRI, CT, DTI, PET, SPECT and fMRI. CURRY® is the de-facto software platform for clinical MEG community, particularly those assessing epilepsy. It has US FDA certification, CE Mark and other regulatory approvals for immediate clinical use at hospitals, but is also well regarded by the neuroscience research community.

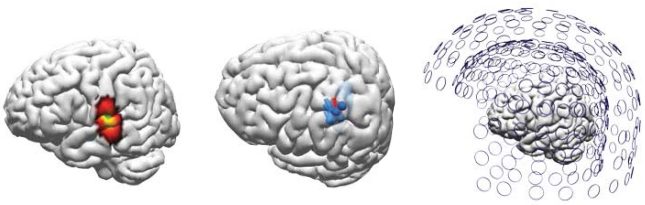
CURRY® is fully imbedded in the Orion LifeSpan™ hardware platform, including MEG/EEG acquisition, visualisation, review, analysis, source modelling and multi-modal integration.

FY24 Highlights

- Strengthened the company's technical position by hiring additional experienced engineering staff.
- Enhanced the performance characteristics of the system hardware and analysis software.
- Moved manufacturing and assembly facility to ramp up production capability. Acquired an MSR to install there.
- Installed the MEG system at TJNU.
- Received orders for three additional MEG system: Two from TU and one from TJU.

FY25 Plan

- Continue to strengthen the company's position by hiring additional management expertise.
- Continue to develop the hardware and CURRY MEG analysis capabilities.
- Deliver all three MEG systems currently on order.
- Secure two or three additional MEG orders.



BOARD OF DIRECTORS

Compumedics is committed to developing a world class working environment that rewards individuals for the contributions they, and their teams, make to the business each year. Compumedics is proud of the diversity of its people, and continues to develop its people infrastructure under the guidance of the Senior Management Team and the Board.

Dr. David Burton, Ph.D.
Executive Chairman, CEO

Dr. David Burton, Ph.D., is the founder, Chairman and CEO of Compumedics. After establishment of Compumedics the company was listed on the ASX in 2000, and has been awarded 24 awards for design, innovation, business and exports including the Australian Exporter of the Year in 1998 and Small Business of the Year in 1999.

Dr. Burton started his career at the Bureau of Meteorology, where he studied radar techniques and electronic equipment. He founded Linear Transfer Pty Ltd, which designed, manufactured and marketed high fidelity recording and sound equipment. He was awarded an Associate Diploma in Engineering (Electronics) by the Royal Melbourne Institute of Technology and a Ph.D. (Eng. Sc.) by Monash University, Melbourne (Australia). Dr. Burton's engineering background includes the design and project management of Compumedics' first sleep laboratory and portable sleep systems. Dr. Burton has authored 150 patents or patent applications across more than 20 families of patents that form part of Compumedics' intellectual property. Dr. Burton has served as an advisor for the Victorian Government as a member of the Council for Knowledge, Innovation, Science and Engineering (KISE), being the Victorian Government's key advisory body on issues and policies focusing on science and innovation.

Dr. Burton was presented the Clunies Ross National Science and Technology Award in 2002 for his development of innovative sleep monitoring technology. He was awarded the 2003 Centenary Medal by the Prime Minister and Governor General of Australia for outstanding contribution to science and technology, particularly public science policy. In 2003 Dr. Burton was awarded the Ernst & Young Victorian Entrepreneur of the year award for technology, communications, E-commerce and life sciences. In 2007 Dr. Burton was inducted into the Victorian Manufacturing Hall of Fame in recognition of manufacturing achievements and world-wide medical device exports.

Dr. Burton served as a Victorian Government adviser as a Board member of the Design Victoria (2008-2011), was appointed to the Academy of Technological Science and Engineering (ATSE) committee in 2012 and in recognition of his outstanding contribution to the profession of Biomedical Engineering and was awarded the 2012 David Dewhurst Award by Engineers Australia, College of Biomedical Engineers.

Mr. David Lawson
Executive Director

Mr Lawson has been Chief Financial Office and the Company Secretary of the Company for over twenty three years. In that time, Mr Lawson has been extensively involved in the development of the Company including the Initial Public Offering of shares in the Company, the subsequent offshore acquisitions in the US and Germany, private equity placements and the recent refinancing of the Company. Mr Lawson also has been involved in the operational turn around of the Company and brings a significant amount of experience and knowledge to the Board.

Mr. Rod North
Non-Executive Director

Mr Rod North has been working in the financial services & corporate sector for 30 years, having held leading roles in share broking, investment and funds management and provided investor relations, media & PR services to a large range of ASX listed companies over the past 17 years. He has extensive experience in company analysis and financial management. He has served on a number of investment committees in funds management. He has also acted in high-level corporate advisory roles to private and public companies at senior executive and board level, advising on capital raisings, communication and investor relations strategies.

SENIOR MANAGEMENT

Dr. David Burton, Ph.D.
Executive Chairman, CEO

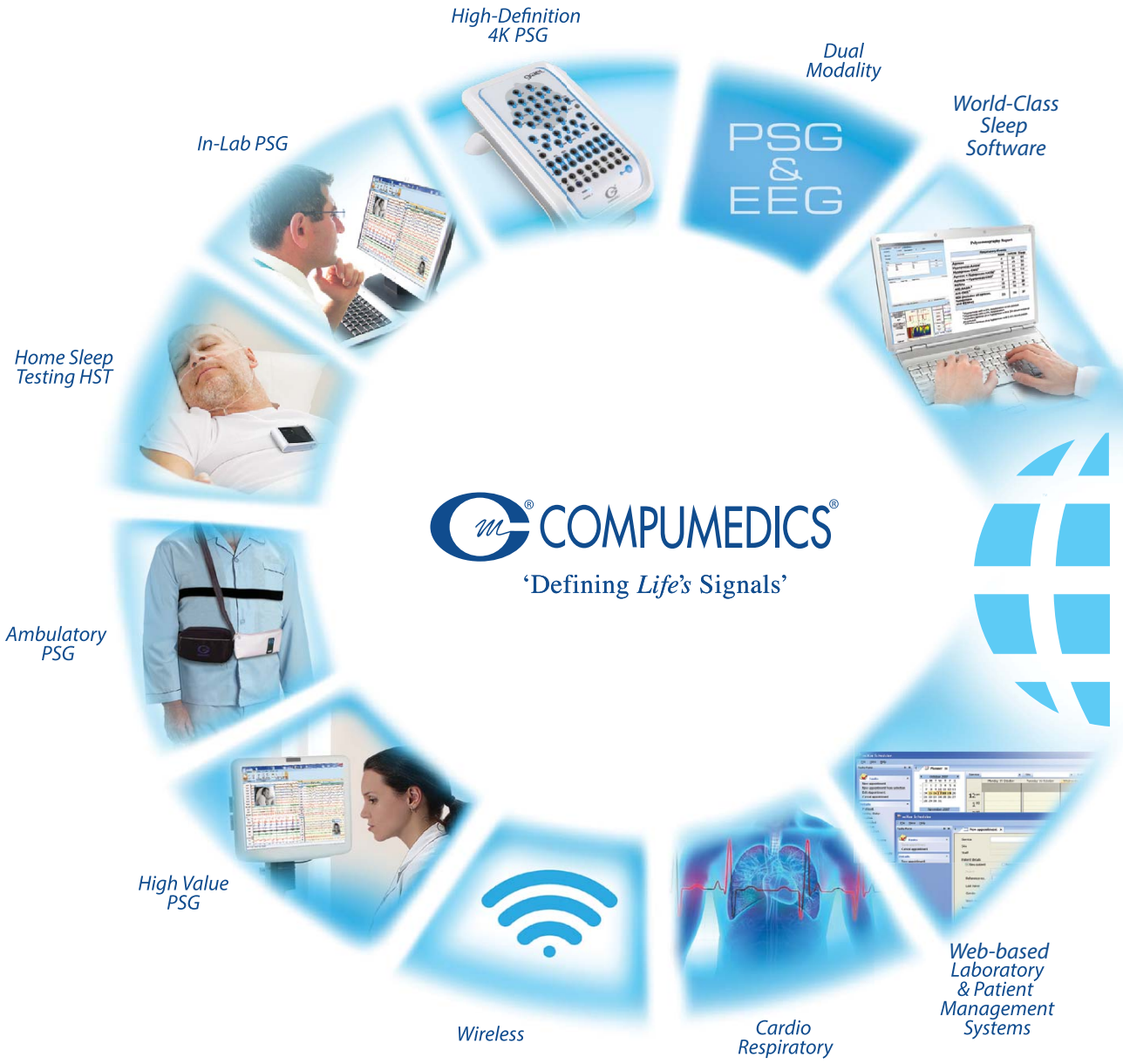
David Lawson
Executive Director,
Chief Financial Officer
& Company Secretary

Dr. Dieter Grossegger, Ph.D.
Compumedics alpha trace

Warwick Freeman
Chief Technology Officer

Christoph Witte
General Managing Director
DWL Compumedics Germany GmbH

Your World of **Sleep and Neuroscience**



From Clinical to Research

INNOVATION. VALUE. VERSATILITY.

COMPUMEDICS®

'Defining *Life's* Signals'

Financial Statements

2024

Annual Financial Statements

for the year ended 30 June 2024

Contents

Corporate Information

This annual report covers Compumedics Limited as a consolidated entity comprising Compumedics Limited and its subsidiaries. The Group's functional and presentation currency is AUD ($).

A description of the Group's operations and its principal activities is included in the review of operations and activities in the directors' report on pages 2 to 14. The directors' report is not part of the financial report.

Directors	Dr. David Burton Mr. David Lawson Mr. Rod North
Company secretary	Mr. David Lawson
Executive team	**Executive Chairman, CEO** David Burton **Executive Director and CFO** David Lawson **Chief Technology Officer** Warwick Freeman **General Managing Director DWL Compumedics Germany GmbH** Christoph Witte
Notice of annual general meeting	The Annual General Meeting of Compumedics Limited **will be held at** Compumedics Limited 30-40 Flockhart Street Abbotsford VIC 3067 **time** 10.30am **date** Thursday 31October 2024
Principal registered office in Australia	30-40 Flockhart Street Abbotsford VIC 3067 Telephone: (03) 8420 7300
Share register	Automic Pty Ltd Level 12 575 Bourke Street Melbourne VIC 3000 Phone: Local: 1300 288 664 Phone: International: +61 2 9698 5414
Auditor	Nexia Melbourne Audit Pty Ltd Level 35 600 Bourke Street Melbourne VIC 3000
Stock exchange listings	Compumedics Limited shares are listed on the Australian Stock Exchange. Compumedics' ASX code is CMP.
Website address	www.compumedics.com.au

Directors' Report

Your directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Compumedics Limited and the entities it controlled at the end of, or during, the year ended 30 June 2024.

The following persons were directors of Compumedics Limited during the whole of the financial year and up to the date of this report unless otherwise stated:

Dr. David Burton
Mr. David Lawson
Mr. Rod North

Principal activities

During the year the principal continuing activities of the Group were the research, development, manufacture and distribution of medical equipment and associated technologies. There have been no significant changes in the operation of the Group during the year.

Dividends

The directors have not declared a dividend in the current financial year (2023: nil).

Review of operations

Information on the operations and financial position of the Group and its business strategies and prospects and a summary of consolidated revenue and results by operating segments are set out below:

	Total Revenue		Segment Results	
	2024 $000	**2023 $000**	**2024 $000**	**2023 $000**
USA	10,520	12,046	(3,014)	(4,438)
Australia and Asia Pacific	30,264	19,565	6,363	275
Europe	8,935	10,797	(642)	2,197
Total continuing operations	**49,719**	**42,408**	**2,707**	**(1,966)**
Depreciation and amortisation			(1,488)	(1,013)
Impairment of intangible assets			-	(3,088)
Finance costs			(739)	(652)
Profit/(loss) before income tax expense			480	(6,719)
Income tax (expense)/benefit			(818)	597
Loss for the year			**(338)**	**(6,122)**

Comments on the operations and the results of those operations are set out below:

During the 2024 financial year the Company continued the growth in its core business of sleep diagnostics and monitoring, neurological monitoring, brain research and trans cranial Doppler. The Company was able to continue to grow its core business in key markets around the world, whilst it continued to invest significantly in development and commercialisation activities related to its two step-out growth opportunities being MEG and Somfit, which has restricted earnings.

FINANCE

During the 2024 financial year the Company maintained its existing facilities with its bank in Australia. The Company has a loan of $3.8m repayable over about 8 remaining years and it is at current interest rates. This loan is in addition to the existing working capital facilities the Company already has. The Company's existing $2.0m overdraft facility remains in place, on an ongoing basis in Australia, where the Company also has an existing principal and interest loan in relation to the MEG business, with a balance on 30 June 2024 of $0.4m. The Company also has a loan related to its offices in Melbourne, with a remaining balance of $0.2m, which is repayable over the next 18 months. The Company concluded a capital raise and secured new banking facilities in early July 2024, the details of which are in this report, under Matters Subsequent to Year End.

OPERATIONS

Compumedics research and development (R&D) investment was slightly less than the prior year at approximately 8% of sales for the 2024 financial year, compared to 13% for the 2023 financial year, which remains about twice the industry standard. This reflects the increased activities related to the Somfit and MEG step-out growth opportunities. Consequently, the Group has retained its technological leadership, with a strong pipeline of new and exciting upcoming product releases and upgrades.

To ensure the Group operates as efficiently as possible a number of existing projects have concluded, and new projects commenced during the financial year. While these structural transformations have demanded on-going investment in the short term, in terms of personnel, engineering and components, they have and will continue to result in substantial savings and elevated shareholder returns in the medium term through on-going improved margins.

STRENGTHENED SALES AND MARKETING

The Group achieved the following geographical outcomes.

(a) Americas
Total US revenues were $10.5m for the year ended 30 June 2024 compared to $12.0m for the prior year. The decreased sales revenue in the USA reflects primarily a difficult first half of the financial year for both sleep diagnostic and Neuroscan sales compared to the prior year. Whilst the second half showed a significant lift in sales, compared to the first half, this was not enough to offset the declines in the first half of the financial year. With that said, the Company expects significantly more growth from this key market and the Company continues to strengthen the structure of the sales and marketing management and team members to drive growth in the foreseeable future.

(b) Asia Pacific
Australian and Asia Pacific revenues for the year ended 30 June 2024 were $30.3m compared to $19.6m for the prior year. The strong improvement in sales reflects a turnaround in the Australian sleep business, which includes the initial Somfit sales, a strong performance by our neurological monitoring and also the return of Asia and in particular China and Japan, post the pandemic. It also includes the $4.7m MEG sale in China for the year ended 30 June 2024.

(c) Europe
European revenues for the year ended 30 June 2024 were $8.9m compared to the prior year of $10.8m reflecting a pullback of orders primarily in DWL where shipments to China were disrupted. France was also down on the prior year whilst our German sleep and neuro business were higher, but not enough to offset the losses in the the other areas, as noted. We expect sales to improve in the first half of the 2025 financial year.

The Group will continue to look for ways to make gains in neuro diagnostic markets around the world, particularly where we sell directly, such as, the US, Australia, Germany and France.

In the Group's core sleep diagnostic business, Compumedics has the most sophisticated and advanced range of sleep-monitoring systems of any of the companies competing in these markets. This includes the highly innovative Somfit Home Sleep Testing (HST) device, which will enable a major expansion of the Company's Software as a Service (SaaS) business. The Group continues to be recognised as a leading sleep diagnostic Company worldwide and as such global sleep diagnostic markets continue to offer opportunities for growth, particularly with the launch of the Somfit device here in Australia and then to other key markets around the world as regulatory clearance/ approvals are gained.

The Group is continuing to develop its eHealth, Cloud and WEB enabled, sleep diagnostic and neuro diagnostic and monitoring solutions for its key markets around the world, which include Somfit and the Nexus 360 platform. The Company's combined Somfit and Nexus 360 (SaaS) revenues were $4.2m for the year ended 30 June 2024, up from a combined $1.7m for the year ended 30 June 2023.

The Group also resolved many of the technical issues related to the MEG technology, such that is has now shipped the MEG system to TJNU in China and has largely installed at the time of this report.

BREAKOUT MEDICAL INNOVATIONS

Compumedics Medical Innovation (CMI) division has continued to develop several breakout technology platforms. Each of these CMI platforms incorporates a folio of patents, compliments Compumedics' core business, presents unique and significant product differentiation, and has been independently validated, as outlined in the subsequent sections.

SUMMARY

The Group is clearly focused on the following key goals being:

1 The geographical expansion of the core sleep diagnostic and neuro diagnostic monitoring businesses into global territories, where the Group has little or no market share.
2 Completing the installation of the MEG system at TJNU in China
3 Continue the significant commercialisation of the Group's consumer sleep technology, Somfit, following its launch in Australia and the USA and substantially grow the Nexus 360 cloud-based sleep diagnostic business. Combined Somfit and Nexus 360 revenues to significantly grow from the current $4.2m revenues achieved in the 2024 financial year.
4 Continue the productivity enhancement programs to eliminate and reconfigure expensive and inefficient processes with all parts of the business.

This is a great Company, and we remain confident the operational initiatives currently being undertaken will continue to improve profitability in the short term, allowing our very positive prospects for the medium and long-term to be realised. The demand for innovative healthcare solutions continues to be underpinned by an ever-increasing ageing population, coupled with the growing incidence and awareness of neurology and sleep disorders.

Likely Developments and Expected Results

The focus for the Group will be on underpinning the resumption of growth now underway across the Group and maximising future growth opportunities. The Group will also continue development of its MEG business and commercialisation of its Somfit product with interested local and international partners.

Compumedics expects the identified Key Growth Opportunities to deliver an increase in revenues and earnings in FY25 and provides guidance of forecast FY25 revenues, to be in excess of $55m and for EBITDA to be about $5m.

Significant Changes in State of Affairs

There have been no significant changes in the state of affairs of the Group during the financial year.

Matters Subsequent to the End of the Financial Year

The Company completed a capital raising for $1.9m, as announced to the ASX on 4th July 2024. At that time the Company stated the funds raised would be used as set out below:

(a) The employment of up to 6 additional sales staff in the USA, over the next 6 months approximately, who will report directly to the newly appointed Vice President of Sales – Home Sleep Testing, for the development of the Somfit home sleep test business there, including specific sales goals aligned with their territories as they are onboarded; and
(b) Additional working capital to support the increased sales to be generated by the new sales staff mentioned above, including the ramp up in the volume of Somfit devices manufactured and the associated resources required to deliver this.

In addition, the Company also put in place with its existing bank, in early July, new lending facilities of $6.5m. The facilities are in two parts, one for $4.5m to facilitate the growing MEG business and the manufacture of the MEG systems for the two orders received in FY24, and two, a further $2.0m in general working capital facilities.

The Directors are not aware of any other matters subsequent to the end of the financial year that would have a material impact on the financial performance of the Group.

Environmental Regulation

The Group is not subject to significant environmental regulation in respect of its activities.

Information on directors

Dr. David Burton, Chairman and Chief Executive Officer

Experience and expertise
Founder and major shareholder through related entity. He was awarded an Associate Diploma in Engineering (Electronics) by the Royal Melbourne Institute of Technology and a Ph.D. (Eng. Sc.) by Monash University, Melbourne (Australia). Dr. Burton's engineering background includes the design and project management of the Compumedics' first sleep laboratory and portable sleep systems. Dr. Burton has authored fifteen patents or patent applications that form part of Compumedics' key intellectual property. Extensive experience in the development, design, manufacture and sale of medical devices and the development of the business.

Other current directorships
D & DJ Burton Holdings Pty Ltd
Intellirad Pty Ltd
Electro Molecular Pty Ltd

Former directorships in last 3 years
None

Special responsibilities
Chairman of the Board
Member of Remuneration Committee
Member of Audit Committee

Interests in shares and options through related entities
98,044,319 ordinary shares in Compumedics Limited
Nil options over ordinary shares in Compumedics Limited

Mr David Lawson, Executive Director and Chief Financial Officer

Experience and expertise
Has a Bachelor of Commerce from Melbourne University and is a Member of Chartered Accountants Australia and New Zealand. He has extensive experience in the development of the Compumedics business over the last 25 years and prior to that held a number of management positions with another listed public entity.

Other current directorships
None

Former directorships in last 3 years
None

Special responsibilities
Member of the Remuneration Committee
Member of the Audit Committee

Interests in shares and options
3,470,724 ordinary shares in Compumedics Limited

Mr Rod North, Non-Executive Director

Experience and expertise
Rod North has been working in the financial services & corporate sector for 30 years, having held leading roles in share broking, investment and funds management and provided investor relations, media & PR services to a large range of ASX listed companies over the past 18 years. He has extensive experience in company analysis and financial management. He has served on several investment committees in funds management. He has also acted in high-level corporate advisory roles to private and public companies at senior executive and board level, advising on capital raisings, communication, and investor relations strategies.

Other current directorships
None

Former directorships in last 3 years
None

Special responsibilities
Member of the Audit Committee
Member of the Remuneration Committee

Interests in shares and options
2,000 ordinary shares in Compumedics Limited

Company secretary

The Company secretary is Mr. D. F. Lawson, Chartered Accountant. Mr. Lawson was appointed to the position of Company Secretary in 2000. Mr. Lawson has a Bachelor of Commerce from Melbourne University and is a Member of Chartered Accountants Australia and New Zealand.

Meetings of directors

The numbers of meetings of the Company's Board of directors and of each Board committee held during the year ended 30 June 2024 and the numbers of meetings attended by each director were:

			Meetings of committees			
	Full meetings of directors		Audit		Remuneration	
	A	B	A	B	A	B
Dr. David Burton	9	9	2	2	1	1
Mr. David Lawson	9	9	2	2	1	1
Mr. Rod North	9	9	2	2	1	1

A – Number of meetings attended
B – Number of meetings held during the time the director held office or was a member of the committee during the year

Remuneration report (audited)

The remuneration report is set out under the following main headings:
A Principles used to determine the nature and amount of remuneration
B Details of remuneration
C Service agreements
D Share-based compensation
E Additional information

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

A Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders and conforms to market practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

- capital management

The Group has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation. The Board is satisfied remuneration recommendations are made free from undue influence by the members of the key management personnel.
Alignment to shareholders' interests:

- has economic profit as a core component of plan design
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price
- delivering constant return on assets as well as focusing the executive on key non-financial drivers of value
- attracts and retains high calibre executives

Alignment to program participants' interests:

- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards
- provides recognition for contribution

The framework provides a mix of fixed and variable pay, and a blend of short and long-term incentives. As executives gain seniority with the group, the balance of this mix shifts to a higher proportion of "at risk" rewards.

The Board has established a remuneration committee, which provides advice on remuneration and incentive policies and practices and specific recommendations on remuneration packages and other terms of employment for executive directors, other senior executives and non-executive directors. The Corporate Governance Statement provides further information on the role of this committee.

Non-executive directors

Fees and payments to non-executive directors reflect the demands, which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board. The Chairman's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to determination of his own remuneration.

Non-executive directors do not receive share options.

Directors' fees
The current base remuneration was last reviewed with effect from 1 July 2023. The Chairman's remuneration is inclusive of committee fees while other non-executive directors who chair a committee receive additional yearly fees.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at $250,000 total pool per annum.

The following fees have been applied:

	From 1 July 2023 to 30 June 2024 $	From 1 July 2022 to 30 June 2023 $
Base fees		
Chairman	50,000	50,000
Other non-executive directors	30,000	30,000
Executive directors	30,000	30,000
Additional Fees		
Audit committee – chairman	5,000	5,000
Audit committee – member	2,500	2,500
Remuneration committee – chairman	5,000	5,000
Remuneration committee – member	2,500	2,500

Executive pay

The executive pay and reward framework has 5 components:

- Base pay and benefits
- Short-term performance incentives
- Long-term incentives through participation in the Compumedics Limited Employee Option Plan
- Other remuneration such as superannuation, and
- Long-term equity linked incentive program specifically for the head of the Medical Innovations Division.

The combination of these comprises the executive's total remuneration.

Base pay

Structured as a total employment cost package, which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

Benefits

Executives may receive benefits including health insurance, car allowances, other expense reimbursements and tax advisory services.

Superannuation

Retirement benefits are currently limited to the statutory rate of superannuation but are not capped based on salary. Executives may elect to make further salary sacrifice additions to superannuation funds of their choice, up to the allowable limits prescribed.

Short-term incentives

Should the Group achieve a pre-determined profit target set by the remuneration committee a pool of short-term incentive (STI) is available to executives during the annual review. Using a profit target ensures variable award is only available when value has been created for shareholders and when profit is consistent with the business plan. The incentive pool is leveraged for performance above the threshold to provide an incentive for executive out-performance.

Each executive has a target STI opportunity depending on the accountabilities of the role and impact on the organisation or business unit performance. The maximum target bonus opportunity can be up to 60% of base pay, as determined by the remuneration committee each year.

Each year, the remuneration committee considers the appropriate targets and key performance indicators (KPIs) to link the STI plan and the level of payout if targets are met. This includes setting any maximum payout under the STI plan, and minimum levels of performance to trigger payment of STI.

For the year ended 30 June 2024, the KPIs linked to short-term incentive plans were based on Group, individual business and personal objectives. KPIs are set according to the individual responsibilities of each member of the executive team.

Each year the remuneration committee considers the appropriate targets and key performance indicators (KPI's) to link the Short-Term Incentive (STI) plan and the level of payout if targets are met. This includes setting any maximum payout under the STI plan and minimum levels of performance to trigger payment of STI.

The short-term bonus payments may be adjusted up or down in line with under or over achievement against the target performance levels. This is at the discretion of the remuneration committee.

The STI target payment is assessed by the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) following the end of each financial year and any payments due are recommended to the remuneration committee for authorisation. The CEO and CFO recommend STI targets for the following year for key executives, which are put to the remuneration committee for review and authorisation annually.

Long-term incentives
The Group has instigated a long-term incentive program for one executive. At 30 June 2024 no other long-term incentive plans were in place for any other Director or key management personnel. Any instigation of a long-term incentive program for any other executive of the Group will be determined by and authorised by the remuneration committee and the remuneration committee will assess subsequent performance.

Medical Innovation Long Term Performance Plan (MI-LTPP)
The Group has formalised and gained approval at the 2009 and 2014 annual general meetings for the MI-LTPP for the head of the Medical Innovations Division ("Division Head"), who is currently the Executive Chairman. The rationale of the MI-LTPP is to reward the Division Head where future commercial projects are met on the following criteria:

1. The future commercial project is based on innovative, novel and patentable technology;
2. The patented technology is supplementary to, but consistent with, the ongoing businesses of Compumedics Limited; and
3. There is significant risk attached to the development of the intellectual property or technology and the commercialisation thereof.

On the basis that these 3 criteria exist, and, determined by the Remuneration Committee, a commercial project will be eligible for inclusion under the MI-LTPP. At 30 June 2024 the Remuneration Committee has approved several projects that are eligible under the MI-LTPP subject to the parameters discussed below.

The parameters of the MI-LTPP include that the Division Head will be entitled to an incremental 8% equity in any subsidiary entities of the Group that develop projects that meet all of criteria 1 to 3. The 8% equity will only deliver value to the Divisional Head where value is created for the whole Group, in which case the Group receives 92% of the incremental value created.

The entitlement will be calculated after repayment of any initial costs of establishment or development costs outlaid by Compumedics. The Directors have sought and gained expert advice that the entitlements under the plan form part of remuneration for the purposes of accounting standards and are fair and reasonable, having regard to relevant circumstances.

The Board recommended to shareholders and the shareholders approved, at the 2014 AGM, the 8% equity be issued to the Division Head. As a result, 8% of the issued capital of Compumedics Medical Innovation Pty Ltd was issued to David Burton, late October 2014.

Compumedics Employee Option Plan
Information on the Compumedics Option Plan is set out in section D and note 29 to the Financial Statements. There are no share-based payments for the year ended 30th June 2024.

Details of remuneration

Amounts of remuneration

Details of the remuneration of the directors and the key management personnel (as defined in AASB 124 Related Party Disclosures) of Compumedics Group are set out in the following tables.

The key management personnel of the Group are the directors of Compumedics Limited (see pages 5 to 6 above) and those executives that report directly to the Chief Executive Officer being:
- Warwick Freeman, Chief Technology Officer
- Christoph Witte, Managing Director – Compumedics Germany GmbH

Remuneration of key management personnel and other executives of the Group

2024	Short-term benefits			Post-employment benefits		Long term benefits	Share based payments	
Name	**Cash salary and fees $**	**Cash bonus $**	**Non-monetary benefits $**	**Super-annuation $**	**Retirement benefits $**	**Long service leave $**	**Options $**	**Total $**
Non-executive directors								
Rod North	30,000		-	-	-	-	-	30,000
Sub-total non-executive directors	**30,000**	**-**	**-**	**-**	**-**	**-**	**-**	**30,000**
Executive Chairman								
David Burton	50,000	-	-	5,500	-	-	-	55,500
Executive Director & CEO								
David Burton	178,280	-	-	19,611	-	-	-	197,891
Executive Director								
David Lawson	35,000	-	-	3,464	-	-	-	38,464
Executive Director & CFO								
David Lawson	313,768	-	-	31,050	-	6,624	-	351,442
Other key management personnel								
Warwick Freeman	305,229	-	-	29,724	-	4,667	-	339,620
Christoph Witte	358,152	-	-	24,773	-	-	-	382,925
Total key management personnel compensation	**1,270,429**	**-**	**-**	**114,122**	**-**	**11,291**	**-**	**1,395,842**

2023	Short-term benefits			Post-employment benefits		Long term benefits	Share based payments	
Name	**Cash salary and fees $**	**Cash bonus $**	**Non-monetary benefits $**	**Super-annuation $**	**Retirement benefits $**	**Long service leave $**	**Options $**	**Total $**
Non-executive directors								
Rod North	30,000	-	-	-	-	-	-	30,000
Paul Jensz	29,006	-	-	-	-	-	-	29,006
Sub-total non-executive directors	**59,006**	**-**	**-**	**-**	**-**	**-**	**-**	**59,006**
Executive Chairman								
David Burton	50,000	-	-	-	-	-	-	50,000
Executive Director & CEO								
David Burton	178,280	-	-	23,969	-	-	-	202,249
Executive Director								
David Lawson	35,000	-	-	3,675	-	-	-	38,675
Executive Director & CFO								
David Lawson	302,768	-	-	29,271	-	6,022	-	338,061
Other key management personnel								
Warwick Freeman	249,432	-	-	26,190	-	17,349	-	292,971
Christoph Witte	350,990	14,705	-	24,011	-	-	-	389,706
Total key management personnel compensation	**1,225,476**	**14,705**	**-**	**107,116**	**-**	**23,371**	**-**	**1,370,668**

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	**Fixed Remuneration**		**At risk – STI**		**At risk - LTI**	
	2024 %	**2023 %**	**2024 %**	**2023 %**	**2024 %**	**2023 %**
Directors of Compumedics Limited						
David Burton	100	100	-	-	-	-
David Lawson	100	100	-	-	-	-
Rod North	100	100				
Paul Jensz	N/A	100	-	-	-	-
Other key management personnel of Compumedics Limited						
Warwick Freeman	100	100	-	-	-	-
Other key management personnel of the Group						
Christoph Witte	100	100	-	-	-	-

The table below identifies for each cash bonus and grant of options included in the tables on page 10, the percentage of the available bonus or grant that was paid, or that vested, in the financial year, and the percentage that was forfeited because the person did not meet the service and performance criteria set. No other cash bonus targets were set for any other executive of the Group for the year ended 30 June 2024. As such no other executive was eligible for a cash bonus and as a consequence did not forfeit a cash bonus.

	Cash bonus	
Name	**Paid %**	**Forfeited %**
David Burton	**N/A**	N/A
David Lawson	**N/A**	N/A
Christoph Witte	**N/A**	N/A

C Service agreements

On appointment to the Board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of the director.

Remuneration and other terms of employment for the Chief Financial Officer and the other key management personnel are also formalised in service agreements. Each of these agreements provide for the provision of performance-related cash bonuses, other benefits including health insurance, car allowances and tax advisory services, and other benefits set out below.

All contracts with executives may be terminated early by either party, subject to termination payments, as detailed below.

David Burton, Chief Executive Officer/Chairman

- Fee for services provided for the year ended 30 June 2024 of AUD197,891 to be reviewed annually by the remuneration committee. Director's fees of $55,500 were also paid (2023: $50,000). David Burton is also entitled to participate in the Medical Innovation Long Term Performance Plan as approved at the 2009 and 2014 Annual General Meetings.
- D & DJ Burton Holdings Pty Ltd a Company associated with D. Burton receives licence fees, described in Note 30.
- Performance bonus: No performance bonus was paid during the financial year. (2023: NIL).
- Review of last salary and fees - 1 July 2023
- David Burton has a formal Employment Contract, which covers the above terms, amongst other items, including a twelve-month notice period.

David Lawson, Executive Director, Chief Financial Officer/Company Secretary

- Base salary inclusive of superannuation, for the year ended 30 June 2024 of AUD351,442 to be reviewed annually by the remuneration committee. Director's fees of $38,464 were also paid (2023: $38,675)
- Performance bonus: No performance bonus was granted or paid during the financial year. (2023: NIL)
- Review of last salary - 1 July 2023
- The service agreement takes the form of a letter of offer, which incorporates Compumedics standard conditions of employment, which includes a twelve-month termination notice period, amongst other statutory conditions.

Warwick Freeman, Chief Technology Officer

- Base salary inclusive of superannuation, for the year ended 30 June 2024 of AUD339,620 to be reviewed annually by the remuneration committee. (2023: $292,971)
- Review of last salary – 31 May 2023
- The service agreement takes the form of a letter of offer, which incorporates Compumedics standard conditions of employment, which includes a twelve-month termination notice period, amongst other basic statutory conditions.

Christoph Witte, Managing Director, DWL

- Base salary inclusive of superannuation, for the year ended 30 June 2024 of EUR223,188 (2023: EUR 231,405) to be reviewed annually by the remuneration committee
- Car Allowance of EUR8,673 (2023: EUR 7,643)
- Performance bonus – a NIL performance bonus was granted or paid during the year ended 30 June 2024. (2023: EUR9,480)
- Review of last salary -1 July 2023
- Christoph Witte's service agreement contains a notice period of six months, amongst other conditions.

D Share-based compensation

The establishment of the Compumedics Limited Employee Option Plan was approved by shareholders immediately prior to the listing of the Company in December 2000. All staff are eligible to participate in the plan. Options are typically granted under the plan for no consideration except when options are issued in lieu of a cash bonus as noted below. Options are granted for a five-year period and each new tranche vests is exercisable on the following basis:

(i) 20% of each new tranche vests and is exercisable at the 1st anniversary date of the grant
(ii) 30% of each new tranche vests and is exercisable at the 2nd anniversary date of the grant
(iii) 50% of each new tranche vests and is exercisable at the 3rd anniversary date into one ordinary share of the Company.

The exercise price of the options is based on the closing price at which the Company's shares are traded on the Australian Securities Exchange on the day prior to the grant.

Where options have been taken in lieu of a cash bonus the vesting period does not apply, and the exercise price is 1 cent per share. The number of options issued is calculated by dividing the cash bonus available by the average share price for the 5 trading days prior to the granting of the options taken in lieu of the cash bonus.

The Group did not have any share-based payments in the full year ended 30 June 2024. Unissued ordinary shares in Compumedics Limited under option at the date of this report held by directors are Nil.

E Additional information

Loans to directors and executives

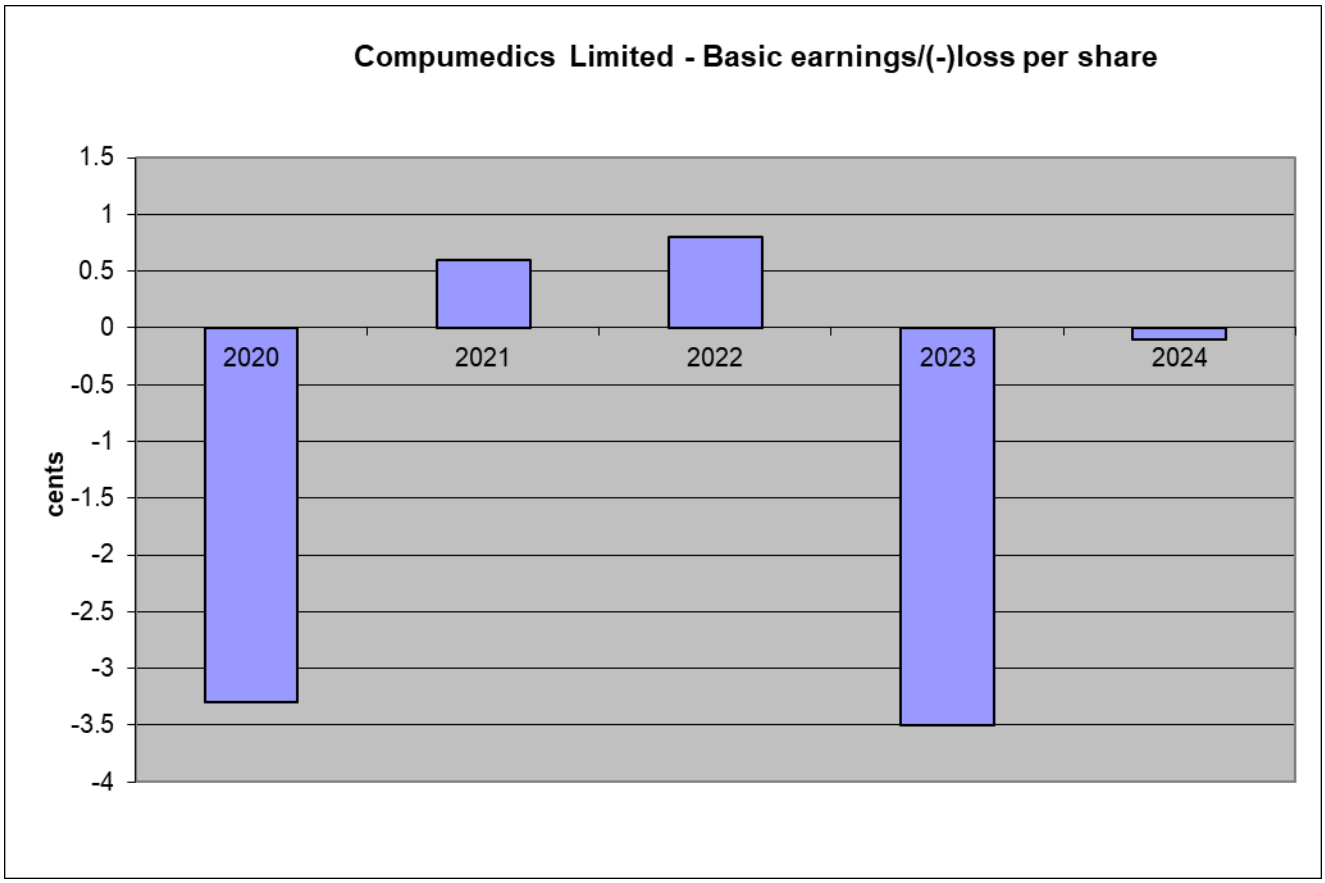
There are no current loans to directors and executives.

Shares under option

There were no unissued ordinary shares of Compumedics Limited under option at the date of this report. No options expired during the financial year ended 30 June 2024 (2023: NIL).

There were no new options issued during the year.

Group performance



The earnings/(loss) per share performance of the Compumedics Group in the 2024 financial year reflects the improved trading performance of the Company on the back of higher sales, despite difficulties in the US and DWL businesses. The USA business began to turnaround in the second half of FY2024.

Insurance of officers

During the financial year, Compumedics Limited paid premiums of $62,042 to insure the Directors and Secretary of the Company and its Australian-based controlled entities, and the Executives and other senior managers of each of the divisions of the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Group. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001.*

Non-audit services

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

Details of the amounts paid or payable to the auditor Nexia Melbourne Audit Pty Ltd, for non-audit services provided during the year are set out below.

The Board of directors has considered the position and, in accordance with advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.* The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants.*

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

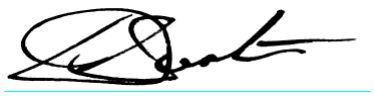
	Consolidated	
	2024	**2023**
	$	**$**
Non-audit services		
Taxation services		
Tax compliance and fringe benefits tax services	62,000	59,000
Total remuneration for taxation services	**62,000**	**59,000**

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 15.

Rounding of amounts
Compumedics Limited is a type of Company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 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.

Auditor
Nexia Melbourne Audit Pty Ltd continues in office in accordance with section 327 of the *Corporations Act 2001.*

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



David Burton
Director

Melbourne
30 September 2024

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nexia.com.au

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 audit of the financial statements of Compumedics Limited for the financial year ended 30 June 2024, 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 audit; and

(b) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Nexia Melbourne Audit Pty Ltd
Melbourne

Chapman Wan
Director

Date this 30th day of September 2024

Financial Statements – 30 June 2024

This financial report covers consolidated financial statements for the consolidated entity consisting of Compumedics Limited and its subsidiaries. The financial report is presented in the Australian currency and all values are rounded to the nearest thousand dollars ($000) unless otherwise stated.

Compumedics Limited is a Company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Compumedics Limited
30-40 Flockhart Street
Abbotsford VIC 3067
Australia

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations and activities on pages 2 - 3 in the directors' report, which is not part of this financial report.

The financial report was authorised for issue by the directors on 30 September 2024. The Company has the power to amend and reissue the financial report.

Using the Internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the Company. All press releases, financial reports and other information are available to our investors on our website: www.compumedics.com.au.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Notes	Consolidated 2024 $'000	Consolidated 2023 $'000
Revenue			
Sale of goods and services	5	49,719	42,408
		49,719	**42,408**
Other income	6	543	515
Expenses			
Cost of sales		(23,651)	(20,818)
Administration		(7,082)	(6,412)
Sales and marketing		(14,056)	(13,251)
Research and development	7	(5,742)	(5,461)
Impairment of intangible asset		-	(3,088)
Reversal of impairment of intangible assets		1,666	-
Finance costs	7	(739)	(652)
Net foreign exchange gain		(178)	40
Profit/(loss) before income tax		**480**	**(6,719)**
Income tax (expense)/benefit	8	(818)	597
Net loss for the year		**(338)**	**(6,122)**
Other comprehensive income: *Items that will be reclassified subsequently to profit and loss when specific conditions are met.*			
Foreign currency translation		(560)	822
Other comprehensive income/(loss) for the year		(560)	822
Tax impact of other comprehensive income/(loss)		-	-
Total comprehensive income/(loss) for the year		**(898)**	**(5,300)**
Profit/(Loss) is attributable to:			
Equity holders of Compumedics Limited		**(388)**	**(5,300)**
Total comprehensive income/(loss) for the year is attributable to:			
Equity holders of Compumedics Limited		**(898)**	**(5,300)**
Earnings/(loss) per share for profit/(loss) attributable to the ordinary equity holders of the Company:		**Cents**	**Cents**
Basic earnings / (loss) per share	35	(0.2)	(3.5)
Diluted earnings / (loss) per share	35	(0.2)	(3.5)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	Consolidated 2024 $'000	Consolidated 2023 $'000
ASSETS			
Current assets			
Cash and cash equivalents	9	1,890	3,797
Trade and other receivables	10	11,139	14,958
Inventories	11	13,211	10,690
Income tax receivable		-	74
Total current assets		**26,240**	**29,519**
Non-current assets			
Deferred tax assets		354	1,100
Right-of-use assets	27	1,566	2,037
Property, plant and equipment	12	1,387	1,581
Intangible assets	13	10,159	6,242
Investments accounted for using the equity method		652	703
Total non-current assets		**14,118**	**11,663**
Total assets		**40,358**	**41,182**
LIABILITIES			
Current liabilities			
Trade and other payables	14	7,703	6,325
Borrowings	15	6,977	7,225
Lease liabilities	27	775	681
Provisions	16	4,459	4,177
Deferred income	17	1,338	2,693
Income tax payable	8	-	87
Total current liabilities		**21,252**	**21,188**
Non-current liabilities			
Borrowings	18	-	205
Lease liabilities	27	826	1,355
Provisions	19	36	67
Deferred income	20	34	76
Total non-current liabilities		**896**	**1,703**
Total liabilities		**22,148**	**22,891**
Net assets		**18,210**	**18,291**
EQUITY			
Contributed equity	21	35,654	35,654
Reserves	22(a)	(132)	428
Accumulated losses	22(b)	(17,312)	(17,791)
Total equity		**18,210**	**18,291**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total $'000
At 1 July 2022	**35,654**	**(394)**	**(11,669)**	**23,591**
Loss for the year	-	-	(6,122)	(6,122)
Other comprehensive income	-	822	-	822
Total comprehensive income/(loss) for the year	-	**822**	**(6,122)**	**(5,300)**
At 30 June 2023	**35,654**	**428**	**(17,791)**	**18,291**
At 1 July 2023	**35,654**	**428**	**(17,791)**	**18,291**
Loss for the year	-	-	(338)	(338)
Other comprehensive income	-	(560)	-	(560)
Total comprehensive income/(loss) for the year	-	**(560)**	**(338)**	**(898)**
Transactions with owners in their capacity as owners				
Conversion of losses to equity in Compumedics France SAS	-	-	817	817
At 30 June 2024	**35,654**	**(132)**	**(17,312)**	**18,210**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Notes	Consolidated 2024 $'000	Consolidated 2023 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		52,938	45,410
Payments to suppliers and employees (inclusive of goods and services tax)		(50,793)	(45,233)
Interest and other costs of finance paid		(739)	(652)
Income tax paid		-	-
Receipts from grants and other income		595	524
Net cash inflow from operating activities	34	**2,001**	**49**
Cash flows from investing activities			
Payment for property, plant, and equipment		(313)	(924)
Payment for intangible assets		(2,674)	(3,484)
Net cash (outflow) from investing activities		**(2,987)**	**(4,408)**
Cash flows from financing activities			
Proceeds from borrowings		-	450
Repayment of borrowings		(946)	(865)
Repayment of lease liabilities (principal only)		(544)	(590)
Net cash (outflow) from financing activities		**(1,490)**	**(1,005)**
Net (decrease) in cash and cash equivalents		(2,476)	(5,364)
Cash and cash equivalents at the beginning of the financial year		2,300	7,294
Effects of exchange rate changes on cash and cash equivalents		(93)	370
Cash and cash equivalents at end of year	9	**(269)**	**2,300**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 30 June 2024

1. Material accounting policy information

The material accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes financial statements for the consolidated entity consisting of Compumedics Limited and its subsidiaries. Compumedics Limited is the ultimate parent entity.

(a) Basis of preparation

This general-purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report has been prepared for a for-profit-entity.

Compliance with IFRS
The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Historical cost convention
These financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Going Concern and funding facilities
During the year ended 30 June 2024 the Group reported a profit before tax of $0.5m and net positive cash flow from operations of $2m. The Group reported cash of $1.9m on 30 June 2024, compared to $3.8m on 30 June 2023 and debt of $7.0m on 30 June 2024, compared to $7.4m on 30 June 2023.

The Company has three covenants related to its borrowings, which are tested on 30 June 2024. The Company was not in compliance with the Capital Ratio and the Debt Service Cover Ratio but was in compliance with the Financial Debt to EBITDA ratio. The Company expects to be in compliance with the tested covenants on 31 December 2024, based on the current forecast of the business, which underpins the guidance to market provided, being revenues of more than $55m and EBITDA of about $5m for the full financial year 2025. Whilst the Company's bank reserves it rights under the existing lending facilities, the bank is not taking any action against the Company in relation to the non-compliance of two of the covenants on 30 June 2024.

As noted in the Subsequent events at Note 33, the Company completed a capital raising for $1.9m, as announced to the ASX on 4th July 2024. At that time the Company stated the funds raised would be used as set out below:

(a) The employment of up to 6 additional sales staff in the USA, over the next 6 months approximately, who will report directly to the newly appointed Vice President of Sales – Home Sleep Testing, for the development of the Somfit home sleep test business there, including specific sales goals aligned with their territories as they are onboarded; and
(b) Additional working capital to support the increased sales to be generated by the new sales staff mentioned above, including the ramp up in the volume of Somfit devices manufactured and the associated resources required to deliver this.

In addition, the Company also put in place with its existing bank, in early July, new lending facilities of $6.5m. The facilities are in two parts, one for $4.5m to facilitate the growing MEG business and the manufacture of the MEG systems for the two orders received in FY24, and two, a further $2.0m in general working capital facilities. As such the Directors have prepared the financial statements on a going-concern basis.

Changes in Accounting Policies
There were no changes in accounting policies in the year ended 30 June 2024.

1. Material accounting policy information (continued)

(b) Principles of consolidation

Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Compumedics Limited ("Group") as at 30 June 2024 and the results of all subsidiaries for the year then ended. Compumedics Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which the Group obtains control and cease to be consolidated from the date on which control is transferred out of the Group. The Group uses the acquisition method of accounting to account for the acquisition of subsidiaries.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Operating segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations, which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the Board of directors.

Operating segments have been identified based on the information provided to the chief operating decision maker being the executive management team.

The group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:
- Nature of the products and services,
- Nature of the production processes,
- Type or class of customer for the products and services,
- Methods used to distribute the products or provide the services, and if applicable
- Nature of the regulatory environment.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

(d) Foreign currency translation

(i) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Compumedics Limited's functional and presentation currency.

1. Material accounting policy information (continued)

(d) Foreign currency translation (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are taken to foreign currency translation reserve. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in profit or loss, as part of the gain or loss on sale where applicable. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

(e) Revenue from contracts with customers

The core principle of AASB15 is that revenue is recognised taking into consideration the following five elements in any contract of sale by the Company to a customer:

1. Identification of a contract with a customer
2. Identification of the performance obligations in the contract with a customer
3. Determination of the transaction price of the contract with a customer
4. Consideration of the transaction price alongside the performance obligations in the contract
5. Recognition of revenue (or the transaction price) when (or as) the Company satisfies a performance obligation

In assessing the above criteria, the Company has reviewed the parameters of the contracts of sale it typically enters into with customers when selling products and/or services to them and has grouped contracts of sale with similar parameters together for the purposes of recognising revenue.

The accounting policy for the sale of products and the sale of services is:

The sale of products

The Company typically sells its products, being medical devices (hardware and software), either directly to end-user customers, such as hospitals, private physicians, universities or medical service providers, or to distributors, who then sell the product onto end-user customers.

Where the Company sells products to end-user customers there is typically an installation and training obligation at the end-user customer site, once the goods have been shipped to the end-user customer. In such situations the contract of sale with the end-user customer will separately identify the installation and training obligation, with a separate price for that installation and training obligation.

Taking into consideration the terms and conditions of sale, which forms the basis of the contract of sale between the Company and the end-user customer the Company recognises the sale of the products when the products are shipped from the Company's facility to the end-user customer, excluding that part of the price that is separately attributable to the installation and training obligation. This revenue will be recognised once the installation and training obligation has been satisfied.

1. Material accounting policy information (continued)

(e) Revenue from contracts with customers (continued)

Where the Company sells its products to its distributors, who then sell those products to end-user customers the Company typically, does not have an installation and training obligation with the distributor. As such the Company will recognise revenue for the sale of products to its distributors when the products are shipped to the distributor.

Should the Company sell products to end-user customers or distributors that have different terms and conditions in the contract of sale, to those typically entered into then the Company will review the specific contract of sale and book revenue according to the completion of the terms of the contract of sale.

The sale of services

The Company typically sells its services, being post product-sale technical service and support or software-as-a-service (typically diagnostic software sold on a per-use or per-user basis) either under an annual or multi-year contract with an end-user customer, or on a per-use, or once-off basis.

Typically, the entering of a contract for post product-sale technical service and support by an end-user customer will involve the Company providing pre-defined on-site, over the phone, or WEB-based technical advice regarding the use and/or application of the product. Typically, the contract for service will also include performance parameters for service and repair of the products, should they malfunction, be broken or be damaged in use.

Where the Company sells post product-sale technical service and support services to end-user customers under an annual or multi-year contract, the Company will recognise the revenue associated with these contracts for service on a monthly basis as the service obligation for that month is satisfied.

If an end-user customer does not enter into an annual or multi-year service contract and requires these types of services to be performed by the Company then the end-user customer shall pay for these services on a per-use, or once-off basis. Revenue associated with these per-use or one-off contracts for service will be recognised at the time the service obligation by the Company is satisfied with the end-user customer.

Typically, distributors of the Company's products will not require services as described above, but where they do, revenue will be recognised in the manner described above.

Where the Company sells its diagnostic software on a per-use or per-user basis under an annual or multi-year contract to an end-user customer, the Company will recognise that revenue each month as the delivery of the diagnostic software obligation on a per-use or per-user basis is satisfied with the end-user customer for that month.

Should the Company sell services to end-user customers or distributors that have different performance obligations in the contract of service, to those typically entered into, and as described above, then the Company will review the specific contract of service in relation to terms of that contract and book revenue according to the obligations of the contract of service.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be compiled with. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset. Government grants relating to an asset are presented in the Statement of Financial Position as unearned revenue.

Government grants and assistance that compensate for costs incurred are deferred and recognised in the Statement of Comprehensive income on systematic basis over the period in which the costs are recognised. Government grants and assistance that compensate for costs are presented in the Statement of Comprehensive income as other income.

1. Material accounting policy information (continued)

(f) Income tax

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that enough taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation legislation
Compumedics Limited and its wholly owned Australian controlled entities have not implemented the tax consolidation legislation.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable
- Receivables and payables, which are stated with the amount of GST included

1. Material accounting policy information (continued)

(f) Income tax (continued)

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(g) Leases

At inception of a contract, the Group assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right, then there is no identified asset.
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Group has the right to direct the use of the asset i.e. decision-making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy. The right-of-use asset is subject to the impairment requirements and is assessed for impairment indicators at each reporting date.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Group's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Group has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Group recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

1. Material accounting policy information (continued)

(h) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(i) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts, which are known to be uncollectible, are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within 'sales and marketing expenses'. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(k) Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

1. Material accounting policy information (continued)

(l) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Equity instruments

The Group has a number of strategic investments in listed and unlisted entities over which are they do not have significant influence nor control. The Group has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost; and
- contract assets.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is

1. Material accounting policy information (continued)

(l) Financial instruments (continued)

relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables, bank and other loans and finance lease liabilities.

Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for goodwill, the recoverable amount of the asset is estimated. Where assets do not operate independently of other assets, the recoverable amount of the relevant cash generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash generating unit.

1. Material accounting policy information (continued)

(k) Impairment of non-financial assets (continued)

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(m) Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost or re-valued amounts, net of their residual values, over their estimated useful lives. The expected useful lives for all categories of property, plant and equipment are between 3 and 6 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(h)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(n) Intangible assets

Research and development
Expenditure on research activities, undertaken with the prospect of obtaining new scientific or technical knowledge and understanding, is recognised in the statement of comprehensive income as an expense when it is incurred. Expenditure on development activities, being the application of research findings or other knowledge to a plan or design for the production of new or substantially improved products or services before the start of commercial production or use, is capitalised if the product or service is technically and commercially feasible and adequate resources are available to complete development.

The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life, which is dependent on the specific activity capitalised. The Somfit and MEG is currently being amortised over 20 years.

(o) Trade and other payables

Trade and other payables are carried at amortised cost and due to their short-term nature, they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

1. Material accounting policy information (continued)

(p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(q) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

Borrowing costs include:
- Interest on bank overdrafts, other short-term funding facilities and short-term and long-term borrowings,
- Finance lease charges, and
- Bank charges on borrowing facilities.

(r) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(s) Employee benefits

(i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

1. Material accounting policy information (continued)

(s) Employee benefits (continued)

(iii) Share-based payments

Share-based compensation benefits, if applicable, are provided to employees via the Compumedics Employee Option Plan. Information relating to these schemes is set out in note 29.

The fair value of options granted under the Compumedics Employee Option Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market-vesting conditions but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period considers the most recent estimate. The impact of the revision to original estimates, if any, is recognised in profit or loss with a corresponding adjustment to equity.

(iv) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after reporting date are discounted to present value.

(t) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(u) Dividends

Provision is made for any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at reporting date.

(v) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

1. Material accounting policy information (continued)

(w) Rounding of amounts

Compumedics Limited is a type of Company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 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.

(x) Reclassifications

Certain reclassifications have been made in the financial statements to ensure that prior year comparisons conform to the current year presentations.

(y) New accounting standards and interpretations

The following standards and interpretations have been issued by the AASB but are not yet effective for the year ended 30 June 2024.

Standard Name	Requirements	Effective date	Likely impact on initial application
AASB 2020-1 and AASB 2022-6	***Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*** The amendments to AASB 101 specify that conditions (covenants) to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, an entity discloses information about these conditions in the notes to the financial statements. Where AASB 2022-6 is adopted before its mandatory application date, AASB 2020-1 must also be applied at the same date.	1 January 2024	30 June 2025
AASB 2022-5	***Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback*** The Standard amends AASB 16 *Leases* to add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 *Revenue from Contracts with Customers* to be accounted for as a sale. AASB 16 already requires a seller-lessee to recognise only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. The amendments ensure that a similar approach is applied by also requiring a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that does not recognise any amount of the gain or loss related to the right of use it retains.	1 January 2024	30 June 2025
AASB 2023-1	***Amendments to Australian Accounting Standards – Supplier Finance Arrangements*** AASB 2023-1 requires the disclosure of information about an entity's supplier finance arrangements (also known as supply chain finance, payables finance or reverse factoring arrangements). The new disclosures are designed to enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows.	1 January 2024	30 June 2025

Standard Name	Requirements	Effective date	Likely impact on initial application
AASB 2023-5	***Amendments to Australian Accounting Standards – Lack of Exchangeability*** The Standard amends AASB 121 and AASB 1 to require entities to apply a consistent approach to determining whether a currency is exchangeable into another currency and the spot exchange rate to use when it is not exchangeable. The Standard also amends AASB 121 to extend the exemption from complying with the disclosure requirements of AASB 121 for entities that apply AASB 1060 for Tier 2 financial statements.	1 January 2025	30 June 2026
AASB 2014-10	***Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to AASB 10 and AASB 128)*** Amends AASB 10 and AASB 128 to remove the inconsistency in dealing with the sale or contribution of assets between an investor and its associate or joint venture. A full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The mandatory application date of AASB 2014-10 has been amended and deferred to annual reporting periods beginning on or after 1 January 2025 by AASB 2021-7c.	1 January 2025	30 June 2026
AASB 18	***Presentation and Disclosure in Financial Statements*** AASB 18 will replace AASB 101 Presentation of Financial Statements. AASB 18 will: a) Better align the presentation of the statement of profit or loss to the categories in the statement of cash flows by introducing two new defined subtotals — operating profit and profit before financing and income taxes (EBIT). b) require disclosure of management-defined performance measures — subtotals of income and expenses not specified by IFRS Accounting Standards that are used in public communications to communicate management's view of an aspect of a company's financial performance (such as funds from operations, cash profit, etc); c) enhance the requirements for aggregation and disaggregation to help a company to provide useful information.	1 January 2027	30 June 2028

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

2. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance and financial position of the Group.

Risk management is carried out by the senior managers of the Group.

(a) Market risk

(i) Foreign currency risk

Foreign exchange risk arises when recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The Group operates internationally and is exposed to foreign exchange risk primarily arising from currency exposures to the US dollar and the Euro.

The Group does not generally use derivative financial instruments as the Group seeks to offset its revenues and receivables denominated in US dollars and Euros with expenses and payables in the same currency where it is appropriate to do so. The Group will look to cover specific foreign currency exposures where it is appropriate to do so.

The Group's and parent entity's exposure to foreign currency risk at the reporting date was as follows:

	30 June 2024		30 June 2023	
	USD $'000	EUR $'000	USD $'000	EUR $'000
Financial assets				
Cash and cash equivalents	619	483	1,261	935
Trade receivables	3,002	2,664	4,389	2,284
Financial liabilities				
Bank and other loans	-	(359)	-	(375)
Trade payables	(590)	(237)	(1,347)	(756)
Net exposure	**3,031**	**2,551**	**4,303**	**2,088**

Sensitivity analysis

Based on the financial instruments held on 30 June 2024, had the Australian dollar weakened/strengthened by five percent against the US dollar with all other variables held constant, the Group's post-tax profit for the year would have been $0.218m higher / $0.241m lower (2023: $0.309m higher / $0.341m lower), as a result of foreign exchange gains/losses on translation of US dollar denominated financial instruments as detailed in the above table. Based on the financial instruments held on 30 June 2024, had the Australian dollar weakened/strengthened by five percent against the EURO with all other variables held constant, the Group's post-tax profit for the year would have been $0.196m higher / $0.217m lower (2023: $0.163m higher / $0.181m lower), as a result of foreign exchange gains/losses on translation of EURO dollar denominated financial instruments as detailed in the above table. The Group and parent entity's exposure to other foreign exchange movements is not material. The Group considers a five percent movement in either the US dollar or the Euro appropriate for the purposes of this sensitivity analysis as historically the Australian dollar has moved in a plus or minus five percent band against the US dollar and the Euro in any given recent financial year.

2. Financial risk management (continued)

(a) Market risk (continued)

The parent entity has a current intercompany account receivable with the US business, all of which is considered a net investment in the US legal entity. As such, any exchange gain or loss resulting from the translation into Australian Dollars of the net investment of the intercompany account is taken to a foreign currency translation reserve. There is no profit or loss impact from movements in exchange rates relating to this net investment.
The parent entity likewise considers its intercompany account with the German and French businesses as part of its net investment and again there is no profit or loss impact from movements in exchange rates related to these net investments.

(ii) Interest rate risk
As at the reporting date, the Group had the following variable rate borrowings outstanding:

	30 June 2024		30 June 2023	
	Weighted average interest rate %	Balance $'000	Weighted average interest rate %	Balance $'000
Consolidated				
Cash and cash equivalents	0.00%	1,890	0.00%	3,797
Bank overdrafts and loan facilities	8.80%	7,026	8.80%	7,430

Sensitivity analysis
The Group's overall sensitivity to interest rate movements is, in part, dependent on the underlying profitability of the Group. If the Group delivers profits at the level achieved in the year ended 30 June 2024, then based on 30 June 2024 year end borrowing of $5.0m a plus or minus 2% movement in interest rates (+/- $100,000) would not cause a material change in underlying profitability of the Group.

The Group has adopted a policy of predominantly borrowing in Australian dollars with Australian banks and/or other financial institutions as it builds its offshore businesses. The Group does have an overdraft in its 100% subsidiary Compumedics Germany GmbH. The facility limit is EUR350k. The Group also has a further German government loan in this subsidiary with a current fully drawn limit of EUR125k.

(b) Credit risk

The Group currently sells goods and services primarily to four major geographic regions being:
- Australia and New Zealand (A & NZ)
- United States of America (USA)
- Europe, the Middle East and Africa (EMEA)
- Asia

The sale of goods and services into Australia and New Zealand, the USA, France and Germany are made directly to the end user customer.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

2. Financial risk management (continued)

(b) Credit risk (continued)

The sale of goods and services to Europe, the Middle East, Africa and Asia are typically made via distributors based in specific countries in Europe (excluding France and Germany), the Middle East, Africa and Asia. The distributor then on sells the goods to the end user customer in the specific country in Europe, the Middle East, Africa and Asia.

The collectability of receivables within agreed terms is typically better where the goods and services are sold to a direct customer rather than to a distributor.

The Group does not hold any credit derivatives to offset its credit exposure. The Company also has an overdraft facility in its 100% owned Germany based subsidiary, Compumedics Germany GmbH as well as a EUR125k German Government COVID-19 loan facility. Details of which can be found at Note 15. These financing activities do not affect this analysis of credit risk summarised here.

The Group trades only with recognised, creditworthy third parties.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Risk limits are set for each individual customer in accordance with parameters set by the Board. These risk limits are regularly monitored.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's experience of bad debts has not been significant, despite receivable balances remaining payable beyond terms. The following tables identify accounts receivable at 30 June 2024 and 30 June 2023 identified by debt owed into major region and currency. The aging analysis is presented based on due date of invoice.

Region	Not Due $'000	1 to 29 Days $'000	30 Days $'000	60 Days $'000	90+ Days $'000	Total $'000
2024						
Australia and Asia Pacific (AUD)	1,132	176	368	105	37	**1,818**
Australia and Asia Pacific (USD)	1,765	103	67	(92)	321	**2,164**
Australia and Asia Pacific (EUR)	168	72	-	(2)	173	**411**
USA Entities (USD)	1,666	479	119	24	80	**2,368**
European Entities (EUR)	403	1,852	501	18	1,114	**3,888**
	5,134	**2,682**	**1,055**	**53**	**1,725**	**10,649**
Provision		-	-	-	(222)	(222)
2023						
Australia and Asia Pacific (AUD)	2,022	121	152	16	51	**2,362**
Australia and Asia Pacific (USD)	3,011	74	1	128	171	**3,385**
Australia and Asia Pacific (EUR)	396	-	72	-	48	**516**
USA Entities (USD)	1,944	694	126	69	448	**3,281**
European Entities (EUR)	1,951	182	102	100	891	**3,226**
	9,324	**1,071**	**453**	**313**	**1,609**	**12,770**
Provision		-	-	-	(238)	(238)

The table highlights that:

The collection of cash from the sale of goods and services to direct end user customers as identified by USA (USD) and Australia and Asia Pacific (AUD) accounts receivable usually occurs at or not long after agreed payment terms. Debtors in the 90-day column are 3.4% (2023: 13.7%) and 2.0% (2023: 2.1%) of the total debtors owing in the respective territories. Variations in the 90 day column year-on-year are usually not significant in absolute dollar terms, but in the current year reflect an outstanding debt in the US, which the Group views as recoverable, as such the balances do not reflect any deterioration in amounts owing but rather reflect timing issues related to installation and training and the subsequent collection of cash.

2. Financial risk management (continued)

(b) Credit risk (continued)

- The collection of cash from the sale of goods and services to distributors in Europe, the Middle East, Africa and Asia as represented by Australia and Asia Pacific (USD) accounts receivable usually occur well after agreed payment terms.
- Debtors in the 90-day column are approximately 14.8% (2023: 5.1%) of the total debtors outstanding in the current year. The Company does not consider these accounts receivable to be at risk of non-payment but are the result of some delays with installations, particularly in Compumedics France and Germany at 30th June 2024. These have now largely been completed post financial year-end.
- The collection of cash from the sale of goods and services in the Europe-based business, which is primarily via distributors into Europe and Asia typically occurs after agreed payment terms. Debtors in the 90-day column for European Entities represent 28.7% (2023: 27.6%) of all debtors owed to this business, again reflecting delays in payment as a result of delayed installations. The Group sees this as a timing issue and expects full recoverability of the amounts owing.

Information on the Group's maximum exposure to credit risk and financial assets that are either past due or impaired can be found at Note 10.

(c) Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases and committed available credit lines.

The Group does not have a specific policy as to the ratio of long term to short term debt and has instead focused on minimising total Group debt.

The Group manages its liquidity risk by monitoring the total cash inflows and outflows expected on a monthly basis across its worldwide business units that reflect expectations of management of the expected settlement of financial assets and liabilities.

However, where the counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Group can be required to pay. When the Group is committed to make amounts available in instalments, each instalment is allocated to the earliest period in which the Group is required to pay. For financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee can be called.

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows of non-derivative financial instruments. Leasing obligations, trade payables and other financial liabilities mainly originate from the financing of assets used in the Group's ongoing operations such as property, plant, equipment and investments in working capital (e.g. inventories and trade receivables).

Liquid non-derivative assets comprising cash and receivables are considered in the Group's overall liquidity risk. The Group ensures that sufficient liquid assets are available to meet all the required short-term cash payments.

The Company decreased bank debt from $7.4m to $7.0m during the financial year, whilst decreasing the cash balance to $1.9m on 30 June 2024 from $3.8m on 30 June 2023. The increase in bank debt results primarily from working capital needs and the timing of funds in and out of the business.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

2. Financial risk management (continued)

(c) Liquidity risk (continued)

Details of the Group's financing arrangements can be found at Note 15.

Liquid Financial Assets and Liquid Financial Liabilities

Consolidated	6 months $000	6-12 months $000	1-5 years $000	> 5 years $000	Total $000
Year ended 30 June 2024					
Liquid financial assets					
Cash and cash equivalents	1,890	-	-	-	1,890
Trade and other receivables	10,427	-	-	-	10,427
	12,317	-	-	-	12,317
Financial liabilities					
Trade and other payables	7,703	-	-	-	7,703
Interest bearing loans and borrowings	6,977	-	-	-	6,977
	14,680	**-**	**-**	**-**	**14,680**
Net inflow / (outflow)	**(2,363)**	**-**	**-**	**-**	**(2,363)**
Year ended 30 June 2023					
Liquid financial assets					
Cash and cash equivalents	3,797	-	-	-	3,797
Trade and other receivables	14,958	-	-	-	14,958
	18,755	-	-	-	18,755
Financial liabilities					
Trade and other payables	6,325	-	-	-	6,325
Interest bearing loans and borrowings	7,225	-	205	-	7,430
	13,550	**-**	**205**	**-**	**13,755**
Net inflow / (outflow)	**5,205**	**-**	**(205)**	**-**	**5,000**

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Deferred revenues
In calculating the Group's deferred revenues at any point in time the Group makes a judgement regarding the revenues to be deferred to future periods in respect of future installations and training obligations.

The Group reviews its installation and training obligations charged specifically against invoices raised with customers and defers this amount. This amount is deferred until such time as the future installation and training obligations have been extinguished.

(ii) Inventory
At any given point the Group has an obligation to carry its inventory at the lower of cost and net realisable value. In determining the Group's compliance with this requirement, the Group reviews its slow-moving inventory at December 31 and June 30 each year. As a consequence of this review the financial provision for slow moving inventory is adjusted with a resulting profit or loss impact.

In determining the appropriateness of the slow-moving inventory provision, the Group makes estimates about its future use of certain product lines and the ultimate recoverability and usefulness of the inventory on hand.

Given the leading-edge technology nature of the Group's activities, this may mean that inventory that was previously considered usable and therefore of value may quickly become redundant, obsolete or simply no longer usable.

(iii) Trade receivables
Similarly, for trade receivables the Group must make an estimate at any given point in time as to the recoverability of the receivables it has on its ledger and a provision for impairment is created based on this estimate.

The estimate is based on many factors including:

- The Group's knowledge of its customers and the likelihood of there being any issue with payment
- The Group's prior good history in relation to collecting receivables
- The territory where the receivable is owed from; and
- The age of outstanding balances.

Using this information, the Group makes an assessment of the recoverability of its trade receivables.

(iv) Recoverability of capitalised development costs
The Group did capitalise additional costs of $2.7m (2023: $3.5m) related predominantly to the development of the Somfit product, but also including MEG. The recoverability of these costs is primarily dependent on the commercial success of the Somfit and MEG products, which form the basis of the net present value calculations, so that they will generate future economic benefits more than the costs capitalised and therefore supports the carrying value of the assets. The Company did review the carrying value of the intangible assets of the Group for the year on 30 June 2024 and is satisfied the carry values are recoverable. The Group continued amortisation of these costs in the 2024 financial year with a $0.5m (2023: $0.6m) charge to profit or loss in the current year, related to Somfit, MEG and the intangible assets in the DWL business in Germany.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

3. Critical accounting estimates and judgements

(v) Deferred tax asset / liability

The Group has booked a deferred tax asset related to the future benefit of unused tax credits as well as a net deferred tax asset relating to timing differences, where it is reasonably certain it can recover those losses against future taxable profits.

4. Operating Segments

(a) Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally are the same as those contained in note 1 to the accounts and in the prior periods except as detailed below:

Inter-entity sales

Inter-entity sales are recognised based on an internally set transfer price. The price is set annually and aims to reflect what the business operations could achieve if they sold their output and services to external parties at arm's length.

Corporate charges

Corporate charges comprise non-segmental expenses such as head office expenses and interest. Corporate charges are allocated to each operating segment on a proportionate basis linked to segment revenue so as to determine a segmental result.

It is the Group's policy that if term of revenue and expenses are not allocated to operating segments then any associated assets and liabilities are also not allocated to segments. This is to avoid asymmetrical allocations within segments which management believe would be inconsistent.

(b) Description of segments

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (chief operating decision maker) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the geographical location in which products are sold and services provided, either directly to end-user customers or via distributors. Discrete financial information about each of these operating businesses is reported to the executive management team on at least a monthly basis.

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, ultra-sonic blood-flow systems, supplies and technical service and support. The US business also includes that sleep diagnostic services business. Sales in the Americas are predominantly direct sales to end-user customers. The US 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, ultra-sonic 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.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

4. Operating Segments (continued)

Europe and the Middle East

The Group's Europe-based business has its principal office in Singen, Germany with additional offices in Hamburg and Freiburg Germany. The Europe based 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, ultra-sonic blood-flow systems, supplies and technical service and support. The Group sells its ultra-sonic blood-flow systems directly in Germany and all other products are sold via a network of distributors across the territory.

Major Customers

The Group does not have any individual customer that contributes 10% or more to Group revenues in the years ended 30 June 2024 or 30 June 2023.

Segment revenues are allocated based on the country in which the customer is located. Segment assets and capital expenditure are allocated based on where the assets are located.

2024	Americas	Australia and Asia Pacific	Europe and the Middle East	Group
	$'000	$'000	$'000	$'000
Revenue				
Sales to external customers	10,520	30,264	8,935	49,719
Intersegment sales	409	5,519	444	6,372
Other intersegment revenue	25	52	1,212	1,289
Total segment revenue	10,954	35,835	10,591	57,380
Intersegment elimination	(434)	(5,571)	(1,656)	(7,661)
Total revenue	10,520	30,264	8,935	49,719
Segment Result	(3,014)	6,363	(642)	2,707
Depreciation and amortisation				(1,488)
Net interest expense				(739)
Net Profit before income tax per the Statement of Profit or Loss and Other Comprehensive Income				**408**
Segment Assets	4,638	67,273	19,930	91,814
Intersegment elimination	-	(51,483)	-	(51,483)
Total assets per the Statement of Financial Position	4,638	15,790	19,930	40,358
Acquisition of property plant & equipment	22	281	72	375

Sales within Australia for 2024 were $9.15m

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

4. Operating Segments (continued)

2023	Americas	Australia and Asia Pacific	Europe and the Middle East	Group
	$'000	$'000	$'000	$'000
Revenue				
Sales to external customers	12,046	19,565	10,797	42,408
Intersegment sales	459	3,983	790	5,232
Other intersegment revenue	-	8	1,185	1,193
Total segment revenue	**12,505**	**23,556**	**12,772**	**48,833**
Intersegment elimination	(459)	(3,991)	(1,975)	**(6,425)**
Total revenue	**12,046**	**19,565**	**10,797**	**42,408**
Segment Result	(4,438)	275	2,197	**(1,966)**
Depreciation and amortisation				(4,101)
Net interest expense				(652)
Net Profit before income tax per the Statement of Profit or Loss and Other Comprehensive Income				**(6,719)**
Segment Assets	5,932	63,502	17,917	87,351
Intersegment elimination	-	(46,169)	-	(46,169)
Total assets per the Statement of Financial Position	5,932	17,333	17,917	41,182
Acquisition of property plant & equipment	36	726	134	896

Sales within Australia for 2023 were $5.9m

5. Revenue

	2024 $'000	2023 $'000
Sales revenue		
Sale of goods	46,260	34,147
Services	3,459	8,261
	49,719	**42,408**

6. Other income

Other income	**543**	**515**
	543	**515**

Other income in the current year relates primarily to funds received under government grants entered into with the Victorian State Government.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

7. Expenses

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Profit before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	506	388
Total depreciation	**506**	**388**
Amortisation		
Intangible asset	460	32
Right-of-use assets	604	560
Finance costs		
Interest and finance charges paid/payable	739	652
Impairment of intangible assets	-	3,088
Foreign exchange (gains) and losses (a)	178	(40)
Employee benefits		
Payroll expense including leave payments	22,811	20,608
Superannuation entitlements	1,125	907
	23,936	**21,515**
Research and development expenditure	4,076	5,461
Current receivables – movement in impairment provision	(15)	69
Inventory – write down:	(449)	251

(a) Foreign exchange gains and losses

Net foreign exchange gains/(losses) of $178m (2023: $(0.04)m) were primarily related to trading transactions.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

8. Income tax expense

	Consolidated 2024 $'000	Consolidated 2023 $'000
(a) Income tax (expense)/benefit		
Current income tax charge	1	(3)
Adjustment for prior periods	(73)	-
Deferred income tax / (asset)	(746)	600
Income tax reported in the statement of profit or loss and other comprehensive income	**(818)**	**597**
(b) Numerical reconciliation of income tax expense/(benefit) to prima facie tax payable		
Profit / (Loss) before income tax expense as reported in the statement of profit or loss and other comprehensive income	480	(6,719)
Tax (expense)/benefit at the Australian tax rate of 25% (2023 – 25%)	(120)	1,680
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible expenses	(9)	-
Prior year adjustments	(73)	(194)
Research and development	(395)	(173)
Changes in recognised temporary differences	(221)	(716)
Income tax (expense)/benefit reported in the statement of profit or loss and other comprehensive income	**(818)**	**597**
(c) Provision for income tax – current		
Estimated income tax payable	-	-

The benefit of tax losses will be obtained if:

(i) the Group derives future assessable income of a nature and an amount enough to enable the benefit from the deductions for the loss to be realised,
(ii) the Group continues to comply with the conditions for deductibility imposed by tax legislation, and
(iii) no change in tax legislation adversely affects the Group in realising the benefit from the deductions for the loss.

(d) Tax consolidation legislation

Compumedics Limited and its wholly owned Australian controlled entities have elected not to implement the tax consolidation legislation.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

9. Current assets – Cash and cash equivalents

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Cash at bank and on hand	1,890	3,797

Included in cash on hand is restricted cash amounting to $0.1m. This relates to security regarding the corporate credit cards used in the US.

Reconciliation to Statement of Cash Flows
For the purposes of the statement of cash flow, cash and cash equivalents comprise the following at 30 June

Cash at bank and on hand	1,890	3,797
Bank overdrafts (note 15)	(2,159)	(1,497)
Balances per Statement of Cash Flows	**(269)**	**2,300**

10. Current assets – Trade and other receivables

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Trade receivables	10,649	12,770
Allowance for impairment loss (a)	(222)	(238)
	10,427	**12,532**
Other receivables/prepayments	712	2,426
	11,139	**14,958**

(a) Movements in the provision for impairment loss were as follows:

At 1 July	238	169
Provision for impairment recognised during the year	(500)	(916)
Receivables written off during the year as uncollectible	485	985
	222	**238**

The creation and release of the provision for impaired receivables has been included in 'sales and marketing' expenses in profit or loss. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

10. Current assets – Trade and other receivables (continued)

Past due but not impaired

As of 30 June 2024, trade receivables of $5.293m (2023 - $3.207m) were past due but not impaired. These relate to a number of independent customers and distributors for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	Consolidated	
	2024 $'000	2023 $'000
Up to 3 months	3,789	1,837
3 to 6 months	470	747
Over 6 months	1,033	623
	5,293	**3,207**

Fair value and credit risk

Due to the short-term nature of these non-interest-bearing receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 2 for more information on the risk management policy of the Group and the credit quality of the entity's trade receivables.

Due to the industry in which the Group operates, the Group trades with several Australian and overseas distributors who are historically slow payers. The ageing profile of trade receivables is closely monitored, and significantly aged balances and doubtful accounts are provided against.

11. Current assets - Inventories

The provision for stock obsolescence was decreased during the year ended 30 June 2024 by $0.449m as a result of the Group recognising provision against specific inventory items. These activities have led the Group to adjust the provision for stock obsolescence to reflect the recoverable value of the inventory on hand at 30 June 2024.

	Consolidated	
	2024 $'000	2023 $'000
Raw materials and stores (at cost)	6,402	6,086
Work in progress (at cost)	614	540
Finished goods (at net realisable value)	7,848	6,166
Provision for obsolescence	(1,653)	(2,102)
Total inventories at the lower of cost and net realisable value	**13,211**	**10,690**

(a) Inventory expense

Inventories recognised as an expense during the year ended 30 June 2024 amounted to $19,552,750 (2023: $18,251,441).

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

12. Non-current assets - Property, plant and equipment

Consolidated	Plant and Equipment At Cost	Office Equipment At Cost	Motor Vehicle	Leasehold Improvements	Plant and Equipment Leased	Office Equipment Leased	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Year ended 30 June 2023							
Opening net book amount	399	280	-	3	385	-	1,067
Additions	323	107	-	465	1	-	896
Exchange differences	13	13	-	-	-	-	26
Disposals	(18)	(2)	-	-	-	-	(20)
Depreciation/amortisation expense	(180)	(128)	-	(14)	(66)	-	(388)
At 30 June 2023	**537**	**270**	**-**	**454**	**320**	**-**	**1,581**
At 30 June 2023							
Cost or fair value	2,782	5,929	228	1,074	824	592	11,429
Accumulated depreciation	(2,245)	(5,659)	(228)	(620)	(504)	(592)	(9,848)
Net carrying amount	**537**	**270**	**-**	**454**	**320**	**-**	**1,581**
Year ended 30 June 2024							
Opening net book amount	537	270	-	454	320	-	1,581
Additions	46	89	-	58	182	-	375
Exchange differences	(3)	(2)	-	-	-	-	(5)
Disposals	(7)	(51)	-	-	-	-	(58)
Depreciation/amortisation expense	(182)	(119)	-	(79)	(126)	-	(506)
At 30 June 2024	391	187	-	433	376	-	1,387
At 30 June 2024							
Cost or fair value	2,821	5,967	228	1,132	1,006	592	11,746
Accumulated depreciation	(2,430)	(5,780)	(228)	(699)	(630)	(592)	(10,359)
Net carrying amount	391	187	-	433	376	-	1,387
Useful life (years)	6	3	3	-	6	3	

(a) Property, plant and equipment pledged as security for liabilities

Refer to note 15 for information on non-current assets pledged as security.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

13. Non-current assets - Intangible assets

Consolidated	Development costs	Total
	$'000	$'000
Year ended 30 June 2023		
At 1 July 2022	6,449	6,449
Additions	2,892	2,892
Impairment charge	(3,088)	(3,088)
Amortisation charge	(32)	(32)
Exchange difference	21	21
At 30 June 2023	**6,242**	**6,242**
At 30 June 2023		
Cost*	17,401	17,401
Accumulated amortisation** and impairment	(11,159)	(11,159)
Net carrying amount	**6,242**	**6,242**
Year ended 30 June 2024		
At 1 July 2023	6,242	6,242
Additions	2,720	2,720
Reversal of impairment charge	1,666	1,666
Amortisation charge	(460)	(460)
Exchange difference	(9)	(9)
At 30 June 2024	**10,159**	**10,159**
At 30 June 2024		
Cost*	22,294	22,294
Accumulated amortisation** and impairment	(12,135)	(12,135)
Net carrying amount	**10,159**	**10,159**

* Relates to capitalised development costs being an internally generated intangible asset and capitalised licence fees
** Amortisation of $972,464 (2023 - $31,709) is included in depreciation and amortisation expense in profit or loss. The remaining balance of the intangible asset relates the Somfit and MEG product to be amortised over 20 years from first sale and the DWL products.

14. Current liabilities - Trade and other payables

	Consolidated	
	2024 $'000	2023 $'000
Trade payables	4,372	5,256
Other payables	3,331	1,069
	7,703	**6,325**

(a) Foreign currency risk

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 2.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

15. Current Liabilities - Borrowings

	Consolidated	
	2024 $'000	2023 $'000
Secured		
Bank overdraft	2,159	1,497
Fixed term loan	4,818	5,728
Unsecured		
Other loans	-	-
Total Current Borrowings	**6,977**	**7,225**

Bank and Other Funding Facilities
Compumedics currently has the following lending facilities with the Bank of Melbourne:
An existing overdraft facility with a $2.0m limit, at 30 June 2024 and which was drawn down by $1.8m on 30 June 2024.
Federal Government SME pandemic recovery scheme loan with a current balance at the end of June 2024 of $3.9m, compared to $4.1m at 30 June 2023. This loan is repayable over approximately 8 years remaining.
A principal and interest loan with a remaining balance on 30 June 2024 of $0.4m, and will be repaid within approximately one year.
An equipment purchasing facility. This facility has a balance remaining at 30 June 2024 of $0.2m and will be repaid within about 18 months.

The Company has transactional banking facilities and credit cards with BOM. Provision of these facilities, including the borrowing facilities, is subject to the Group being compliant with three ratios. The first is a Capital Ratio, which compares Total Tangible Assets Less Total Liabilities, to Total Tangible assets. On 30 June 2024, the Group was not compliant with this test. The second is a Financial Debt to EBITDA ratio. This compares total financial debt to EBITDA. On 30 June 2024 the Group was compliant with this test. The third is a Debt Service Cover ratio, which compares EBITDA less tax to Gross interest and principal repayments. On 30 June 2024 the Group was compliant with this ratio. The Group's bank has taken no action on the non compliance but retains its right to do so.

The Group received additional lending facilities from the Bank of Melbourne subsequent to year end as detailed in Note 33.

The Group also has a EUR0.35m secured overdraft facility with Sparkasse Bank in Germany. This was drawn down by EUR0.015m (AUD0.23m) at 30 June 2024. In addition, the Group has a EUR0.5m facility provided by the German government in response to the COVID-19 pandemic. This was drawn down in April 2021 and the proceeds deposited to a term deposit account. This facility is repayable over four years. The remaining loan balance is EUR0.125m at 30th June 2024.

(a) Risk exposures

Details of the Group's exposure to fair value interest rate risk arising from current borrowings is set out in note 2.

(b) Fair value disclosures

No borrowings are readily traded on organised markets.
The carrying amounts of all borrowings are not materially different to their fair values at reporting date.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

15. Current Liabilities – Borrowings (continued)

(c) Assets pledged as security and not derecognised in the Statement of Financial Position

The total secured liabilities are as follows:

	Consolidated	
	2024 $'000	**2023 $'000**
Bank Overdraft	2,159	1,497
Fixed term loan	4,617	5,097
Overdraft – DWL	-	54
German COVID-19 loan	201	577
	6,977	**7,225**

Security is held against the following subsidiaries: Compumedics Telemed Pty Ltd, Compumedics Cardiology Pty Ltd, Compumedics Medical Innovation Pty Ltd, Compumedics USA Inc, Compumedics Germany GmbH and Compumedics Singapore Pte Ltd.

Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

The carrying amounts of assets pledged as security for current borrowings are:

		Consolidated	
		2024 $'000	**2023 $'000**
Current			
Floating charge			
Cash and cash equivalents	9	1,890	3,797
Receivables	10	10,427	12,532
Inventories	11	13,211	10,690
Total current assets pledged as security		**25,528**	**27,019**
Non-current			
Floating charge			
Property, plant and equipment	12	1,387	1,581
Total non-current assets pledged as security		**1,387**	**1,581**
Total assets pledged as security		**26,915**	**28,600**

(d) Forward exchange contracts

As at 30 June 2024 and 30 June 2023 there were no outstanding forward exchange contracts.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

15. Current Liabilities – Borrowings (continued)

(e) Financing arrangements

Access was available at reporting date to the following lines of credit:

	Consolidated 2024 $'000	Consolidated 2023 $'000
Credit standby arrangements		
Total facility		
Bank Overdraft	2,000	2,000
Fixed term loan	4,792	5,097
Overdraft – DWL	565	577
German COVID-19 loan	201	577
	7,558	**8,251**
Used at reporting date		
Bank Overdraft	1,782	1,497
Fixed term loan	4,617	5,097
Overdraft – DWL	377	54
German COVID-19 loan	201	577
	6,977	**7,225**

	Consolidated 2024 $'000	Consolidated 2023 $'000
Unused at reporting date		
Bank Overdraft	218	503
Fixed term loan	175	-
Overdraft - DWL	188	523
German COVID-19 loan	-	-
	581	**1,026**
Loan / funding facilities		
Total facilities	7,558	8,251
Used at reporting date	(6,977)	(7,225)
Unused at reporting date	**581**	**1,026**

The Group had funding facilities totalling $7.6 million on 30 June 2024, which were subsequently increased as detailed in Note 33.

(f) Derivative instruments

Compumedics Limited and certain of its controlled entities may be party to derivative financial instruments in the normal course of business to hedge exposure to fluctuations in foreign exchange rates. At reporting date there were no outstanding derivative financial instruments in place.

16. Current liabilities - Provisions

	Consolidated	
	2024 $'000	2023 $'000
Employee benefits	3,932	3,706
Service warranties (note 16(a))	527	471
	4,459	**4,177**

(a) Service warranties

Provision is made for the estimated warranty claims in respect of products sold which are still under warranty at reporting date. These claims are expected to be settled in the next financial year, but this may be extended into the following year if claims are made late in the warranty period and are subject to confirmation by suppliers that component parts are defective.

Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

(b) Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	Service warranties $'000
Current	
Carrying amount at start of year	471
Charged/(credited) to profit or loss	
- additional provisions recognised	56
- unused amounts reversed	-
Carrying amount at end of year	**527**

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

17. Current liabilities - Deferred income

	Consolidated	
	2024 $'000	2023 $'000
Current		
Deferred income	1,338	2,693

Deferred income relates to service contracts yet to be performed and post-sale installation and training obligations yet to be completed pursuant to the Group's accounting policies as detailed in Note 1 Material accounting policy information, (e) Revenue recognition and Note 3 Critical accounting estimates and judgements, (i) Deferred Revenues.

18. Non-current liabilities - Borrowings

	Consolidated	
	2024 $'000	2023 $'000
Secured		
Government loan	-	205

(a) Foreign currency and interest rate risk

Information about the Group's exposure to interest rate and foreign currency risk is provided in note 2 and note 15.

19. Non-current liabilities – Provisions

	Consolidated	
	2024 $'000	2023 $'000
Employee benefits	36	67

20. Non-current liabilities - Deferred income

	Consolidated	
	2024 $'000	2023 $'000
Deferred income	34	76

Deferred income relates to service contracts yet to be performed and post-sale installation and training obligations yet to be completed pursuant to the Group's accounting policies as detailed in Note 1 Material accounting policy information, (e) Revenue recognition and Note 3 Critical accounting estimates and judgements, (i) Deferred Revenues.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

21. Contributed equity

	Consolidated		Consolidated	
	2024 Shares	2023 Shares	2024 $'000	2023 $'000
(a) Share capital				
Ordinary shares Fully paid	177,162,948	177,162,948	35,654	35,654

(b) Movements in ordinary share capital:

Date	Details	Number of shares	Issue price	$'000
30 June 2022	Balance	177,162,948		35,654
	No new issues	-	-	-
30 June 2023	Balance	177,162,948		35,654
	No new issues	-	-	-
30 June 2024	Balance	177,162,948		35,654

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

The ordinary shares have no par value.

(d) Other equity securities

There are no other equity securities issued at this time.

(e) Capital management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity. Management will periodically adjust the capital structure of the Group to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may pay a dividend to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Management currently has no plans to pay a dividend and has not done so in the prior year. This policy will be reviewed at least annually against known and anticipated operational outcomes.

Management may consider the issue of further shares on the market in the foreseeable future.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

21. Contributed equity (continued)

(e) Capital management (continued)

	Consolidated 2024 $'000	Consolidated 2023 $'000
Total borrowings	**6,977**	**7,430**
Less cash and cash equivalents	(1,890)	(3,797)
Net cash / (debt)	(5,087)	(3,633)
Total equity	**18,210**	**18,291**
Total funding	**13,127**	**14,658**
Gearing ratio	**38.3%**	**40.6%**

22. Reserves and accumulated losses

	Consolidated 2024 $'000	Consolidated 2023 $'000
(a) Reserves		
Foreign currency translation reserve	(132)	428
	(132)	**428**
(b) Accumulated losses		
Movements in accumulated losses were as follows:		
Balance 1 July	(17,791)	(11,669)
Net profit / (loss) for the year	(338)	(6,122)
Conversion of losses to equity in Compumedics France SAS	817	-
Balance 30 June	**(17,312)**	**(17,791)**

(c) Other Reserves

	Consolidated Foreign currency translations $'000
Balance as at 30 June 2022	**(394)**
Exchange difference on translation of foreign operation	822
Balance as at 30 June 2023	**428**
Exchange difference on translation of foreign operation	(560)
Balance as at 30 June 2024	**(132)**

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, as described in note 1(d). The reserve is recognised in profit or loss when the net investment is disposed of.

23. Dividends

Ordinary shares

The directors have not declared a dividend in the current financial year (2023: Nil).

24. Key management personnel disclosures

(a) Directors

The following persons were directors of Compumedics Limited during the financial year:

(i) *Chairman and Chief Executive Officer*
Dr David Burton

(ii) *Executive Director and Chief Financial Officer*
Mr David Lawson

(iii) *Non-executive director*
Mr. Rod North

(b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year:

Name	***Position***	***Employer***
Warwick Freeman^	Chief Technology Officer	Compumedics Limited
Christoph Witte^	Managing Director, DWL	Compumedics Germany GmbH

^ The above persons were also key management persons during the year ended 30 June 2023

(c) Key management personnel compensation

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Short-term employee benefits	1,270,429	1,240,181
Post-employment benefits	114,122	107,116
Long-term benefits	11,291	23,371
Share-based payments	-	-
	1,395,842	**1,370,668**

(d) Equity instrument disclosures relating to key management personnel

(i) *Option holdings*
There were no options provided as remuneration during the current or prior year. No options over ordinary shares were held by KMP's on 30 June 2024 and 30 June 2023.

(ii) *Share holdings*
The numbers of shares in the Company held during the financial year by each director of Compumedics Limited and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

24. Key management personnel disclosures (continued)

Name	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
2023				
Directors of Compumedics Limited				
Ordinary shares				
David Burton and/or associated entities	98,044,319	-	-	98,044,319
David Lawson	3,470,724	-	-	3,470,724
Rod North	2,000	-	-	2,000
Other key management personnel of the Group				
Ordinary shares				
Warwick Freeman	82,000	-	-	82,000
Christoph Witte	-	-	-	-
2024				
Directors of Compumedics Limited				
Ordinary shares				
David Burton and/or associated entities	98,044,319	-	-	98,044,319
David Lawson	3,470,724	-	-	3,470,724
Rod North	2,000	-	-	2,000
Other key management personnel of the Group				
Ordinary shares				
Warwick Freeman	82,000	-	-	82,000
Christoph Witte	-	-	-	-

(e) Other transactions with key management personnel

David Burton is a Director and shareholder of Intellirad Solutions Pty Ltd. Where expenses have been paid by Compumedics on behalf of Intellirad Solutions Pty Ltd, these have been reimbursed in full. Compumedics paid for no expenses relating to Intellirad during the year ended 30 June 2024 (2023: NIL).

David Burton is a director of D & DJ Burton Holding Pty Ltd.

25. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated 2024 $'000	Consolidated 2023 $'000
(a) Audit services		
Nexia Melbourne Audit Pty Ltd,		
Audit and review of financial reports under the Corporations Act 2001	215,250	205,000
Total remuneration for audit services	**215,250**	**205,000**
(b) Non-audit services		
Taxation services		
Tax compliance and fringe benefits tax services	62,000	59,000
Total remuneration for taxation services	**62,000**	**59,000**
	277,250	**264,000**

26. Contingencies

(a) Contingent liabilities

The consolidated entity had no contingent liabilities at 30 June 2024 (2023: None).

(b) Contingent assets

The consolidated entity had no contingent assets at 30 June 2024 (2023: None).

27. Leases

The Group as a lessee

The Group has leases over a range of assets including land and buildings, plant and equipment and motor vehicles.

The Group has chosen not to apply AASB 16 to leases of intangible assets.

Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases

The building leases are for the corporate office and warehouse in Melbourne, Australia and corporate offices in Charlotte NC, USA, Singen, Freiburg and Hamburg, Germany and Seoul, South Korea. The leases have all been renewed for varying lease terms out to 36 months, the Melbourne lease has an option which is equal to current lease term of 36 months. The Company may seek to extend these leases, or exercise its option, where it believes this to be in the best interests of the Company. The rentals are subject to an annual CPI increase.

The equipment leases are for various items of plant and equipment and cars.

Right-of-Use Assets

	Buildings $'000	Office Equipment and Cars $'000	Total $'000
Year ended 30 June 2023			
Balance at 1 July 2022	130	16	146
Additions	2,449	-	2,449
Amortisation charge	(544)	(16)	(560)
Exchange differences	2	-	2
Balance at 30 June 2023	**2,037**	**-**	**2,037**
Year ended 30 June 2024			
Balance at 1 July 2023	2,037	-	2,037
Additions	107	-	107
Amortisation charge	(593)	(11)	(604)
Remeasurement	12	33	45
Exchange differences	(19)	-	(19)
Balance at 30 June 2024	**1,544**	**22**	**1,566**

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

27. Leases (continued)

Lease Liabilities

	Less than 1 year $'000	1 to 5 years $'000	More than 5 years $'000	Total undiscounted lease liabilities $'000	Lease liabilities included in this Consolidated Statement of Financial Position $'000
Year ended 30 June 2023					
Lease liabilities	534	931	-	1,465	2,037
Year ended 30 June 2024					
Lease liabilities	843	995	-	1,838	1,601

Extension Options

The Group may include options in the leases to provide flexibility and certainty to the Group operations and reduce costs of moving premises. Currently the Group has no extension options on its building leases.

Consolidated Statement of Profit and Loss and Other Income

The amounts recognised in the consolidated statement of profit or loss and other comprehensive income relating to leases where the Group is a lessee are shown below:

	Consolidated	
	2024 $'000	2023 $'000
Expenses relating to leases of low value assets or short term leases	-	120
Amortisation of right-of-use assets	604	560
Lease interest	80	111
Total	**684**	**791**

Consolidated Statement of Cash Flows

	Consolidated	
	2024 $'000	2023 $'000
Total cash outflow for leases	544	590

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

28. Commitments

No commitments as at 30 June 2024 (2023: None)

29. Share-based payments

Employee Option Plan
The Group did not have any share-based payments in the full year ended 30 June 2024 (2023: None).

30. Related party transactions

(a) Parent entity

The ultimate parent entity in the wholly owned group is Compumedics Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in note 32.

(c) Key management personnel

Disclosures relating to key management personnel are set out in note 24.

(d) Transactions with related parties

Transactions between Compumedics Limited and related entities during the years ended 30 June 2024 and 2023 consisted of:

	Consolidated	
	2024 $'000	2023 $'000
Licence fee for a non-exclusive licence for certain intellectual property (the Licenced Rights) to D & DJ Burton Holdings Pty Ltd, an entity related to David Burton	441,277	441,277
Fees paid to Bourse Communications Pty Ltd, an entity related to Rod North	69,357	47,330

(e) Loans to/from related parties

There were no loans outstanding to or from related parties during the year ended 30 June 2024.

(f) Guarantees

No guarantees have been given or received from related parties.

(g) Terms and conditions

All transactions between related parties were made on normal commercial terms and conditions and at market rates.

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

31. Parent Entity Information

	2024 $'000	2023 $'000
Information relating to Compumedics Limited:		
Current assets	13,985	16,856
Total assets	67,140	63,351
Current liabilities	16,112	15,591
Total liabilities	16,242	16,013
Contributed Equity	35,652	35,652
Reserves	5,475	5,595
Retained earnings/(losses)	9,771	6,090
Total shareholders' equity	**50,898**	**47,337**
Profit or (loss) of the parent entity	3,680	(957)
Total comprehensive income (loss) of the parent entity	3,561	617

Guarantees

The facilities provided by the Bank of Melbourne are secured by a Corporate Guarantee and Indemnity unlimited as to amount and a Mortgage Debenture secure the working capital facilities over all the assets and undertaking of the parent entity, Compumedics Limited and its subsidiaries. Further details are in Note 15.

Contingent Liabilities

The parent entity had no contingent liabilities at 30 June 2024 (2023: None).

Contractual Commitments

The parent entity has no contractual commitments at 30 June 2024 (2023: None).

32. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

	Country of incorporation	Class of shares	Equity holding 2024 %	Equity holding 2023 %
Compumedics Telemed Pty Ltd	Australia	Ordinary	100	100
Compumedics Medical Innovation Pty Ltd	Australia	Ordinary	92	92
Compumedics Cardiology Pty Ltd	Australia	Ordinary	100	100
Compumedics USA Inc.	USA	Ordinary	100	100
Compumedics Singapore Pte Ltd	Singapore	Ordinary	100	100
Compumedics USA Ltd (formerly Neuroscan Ltd)	USA	Ordinary	100	100
Compumedics Germany GmbH	Germany	Ordinary	100	100
Cardio Sleep Services Inc.	USA	Ordinary	100	100
Compumedics France SAS	France	Ordinary	100	100
DWL USA Inc.	USA	Ordinary	100	100
Compumedics Europe GmbH	Germany	Ordinary	100	100
Compumedics Korea Co. Ltd.	South Korea	Ordinary	100	100

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

33. Events occurring after the reporting date

The Company completed a capital raising for $1.9m, as announced to the ASX on 4th July 2024. At that time the Company stated the funds raised would be used as set out below:

(c) The employment of up to 6 additional sales staff in the USA, over the next 6 months approximately, who will report directly to the newly appointed Vice President of Sales – Home Sleep Testing, for the development of the Somfit home sleep test business there, including specific sales goals aligned with their territories as they are onboarded; and

(d) Additional working capital to support the increased sales to be generated by the new sales staff mentioned above, including the ramp up in the volume of Somfit devices manufactured and the associated resources required to deliver this.

In addition, the Company also put in place with its existing bank, in early July, new lending facilities of $6.5m. The facilities are in two parts, one for $4.5m to facilitate the growing MEG business and the manufacture of the MEG systems for the two orders received in FY24, and two, a further $2.0m in general working capital facilities.

The Directors are not aware of any other matters after the end of the financial year that would have a material impact on the financial performance of the Group.

34. Reconciliation of profit after income tax to net cash inflow from operating activities

	Consolidated	
	2024 $'000	**2023 $'000**
Profit / (loss) for the year	(338)	(6,122)
Amortisation	1,063	603
Reversal of asset impairment	(1,666)	-
Asset impairment	-	3,088
Depreciation	507	410
Net exchange differences	172	285
Change in operating assets and liabilities		
(Increase) decrease in trade and other receivables	3,821	1,511
(Increase) decrease in inventories	(2,522)	(981)
(Increase) decrease in deferred tax assets	745	(600)
Increase (decrease) in trade and other payables	1,378	385
Increase (decrease) in deferred revenues	(1,397)	701
Increase (decrease) in tax provisions	(12)	86
Increase (decrease) in provisions	250	683
Net cash inflow from operating activities	**2,001**	**49**

35. Profit / (Loss) per share

	Consolidated	
	2024 Cents	**2023 Cents**
(a) Basic profit / (loss) per share –cents per share		
Profit/(Loss) attributable to the ordinary equity holders of the Company	(0.2)	(3.5)
(b) Diluted profit / (loss) per share		
Profit/(Loss) attributable to the ordinary equity holders of the Company	(0.2)	(3.5)

Notes to the Financial Statements (continued)

For the year ended 30 June 2024

35. Profit / (Loss) per share (continued)

(c) Reconciliations of profit/(loss) used in calculating earnings per share

	Consolidated 2024 $'000	Consolidated 2023 $'000
Basic profit / (loss) per share		
Profit / (loss)	(338)	(6,122)
Diluted profit / (loss) per share		
Profit / (loss) attributable to the ordinary equity holders of the Company used in calculating diluted profit/ (loss) per share	(338)	(6,122)
Profit / (loss) attributable to the ordinary equity holders of the Company used in calculating diluted profit/ (loss) per share	(338)	(6,122)

(d) Weighted average number of shares used as the denominator

	Consolidated 2024 Number	Consolidated 2023 Number
Weighted average number of ordinary shares used as the denominator in calculating basic profit/(loss) per share	177,162,948	177,162,948
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted profit/(loss) per share	177,162,948	177,162,948

(e) Information concerning the classification of securities

There are no other outstanding options or other instruments convertible into ordinary shares of the Company at the date of this report.

Consolidated entity disclosure statement

As at 30 June 2024

Name of entity*	Type of entity	Trustee, partner or participant in joint venture**	% of share capital held	Country of Incorporation	Australian resident or foreign resident***	Foreign tax jurisdiction(s) of foreign residents
Compumedics Limited	Body Corporate	N/A	N/A	Australia	Australian	N/A
Compumedics Telemed Pty Ltd	Body Corporate	N/A	100%	Australia	Australian	N/A
Compumedics Medical Innovation Pty Ltd	Body Corporate	N/A	92%	Australia	Australian	N/A
Compumedics Cardiology Pty Ltd	Body Corporate	N/A	100%	Australia	Australian	N/A
Compumedics USA Inc.	Body Corporate	N/A	100%	USA	Foreign	USA
Compumedics Singapore Pte Ltd	Body Corporate	N/A	100%	Singapore	Foreign	Singapore
Compumedics USA Ltd	Body Corporate	N/A	100%	USA	Foreign	USA
Compumedics Germany GmbH	Body Corporate	N/A	100%	Germany	Foreign	Germany
Cardio Sleep Services Inc.	Body Corporate	N/A	100%	USA	Foreign	USA
Compumedics France SAS	Body Corporate	N/A	100%	France	Foreign	France
DWL USA Inc.	Body Corporate	N/A	100%	USA	Foreign	USA
Compumedics Europe GmbH	Body Corporate	N/A	100%	Germany	Foreign	Germany
Compumedics Korea Co. Ltd.	Body Corporate	N/A	100%	South Korea	Foreign	South Korea

* Entities listed here are those that are part of the consolidated entity at the end of the financial year. Entities disposed of during the year, or where the entity has lost control by the reporting date, are not included here. This means that entities listed could be different to the 'Interests in subsidiaries' note contained in the notes to the financial statements.

** This means whether, at that time, the entity was a trustee of a trust within the consolidated entity, a partner in a partnership within the consolidated entity, or a participant in a joint venture within the consolidated entity.

*** The definitions of 'Australian resident' and 'foreign resident' in the ITAA 1997 are mutually exclusive. This means if an entity is an 'Australian resident' it cannot be a 'foreign resident' for the purposes of the public company disclosures in the consolidated entity disclosure statement.

Consolidated entity disclosure statement (continued)

Basis of Preparation
This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

Determination of Tax Residency
Section 295 (3A) of the Corporation Acts 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. It should be noted that the definitions of 'Australian resident' and 'foreign resident' in the Income Tax Assessment Act 1997 are mutually exclusive. This means that if an entity is an 'Australian resident' it cannot be a 'foreign resident' for the purposes of disclosure in the CEDS.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency
The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency
Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

Directors' Declaration

In the opinion of the directors:

(a) the financial statements and notes set out on pages 17 to 64 are in accordance with the Corporations Act 2001, including:

  (i) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2024 and of their performance for the financial year ended on that date; and

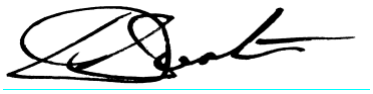
  (iii) complying with the International Financial Reporting Standards as disclosed in note 1, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(c) the information disclosed in the attached Consolidated Entity Disclosure Statement is true and correct.

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

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



David Burton
Director

Melbourne
30th September 2024

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Independent Auditor's Report to the Members of Compumedics Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Compumedics Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group 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 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 report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In our opinion, there are no key audit matters to communicate.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial (other than the consolidated entity disclosure statement) report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 12 of the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Compumedics Limited for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Nexia

Nexia Melbourne Audit Pty Ltd
Melbourne

Chapman Wan
Director

Date this 30th day of September 2024

Additional information required by Australian Stock Exchange Listing Rules and not disclosed elsewhere in this Annual Report; the information presented is at 25 September 2024.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

		Class of equity security					
		Ordinary shares	Number held	Options	Number held	Redeemable Convertible notes	Number held
1	to 1000	228	125,765	-	-	-	-
1,001	to 5,000	682	1,920,078	-	-	-	-
5,001	to 10,000	314	2,543,821	-	-	-	-
10,000	to 100,000	472	15,938,722	-	-	-	-
100,001	and over	100	163,241,705	-	-	-	-
		1,796	183,770,091	-	-	-	-

There were 388 holders of less than a marketable parcel of ordinary shares and they hold 341,416 ordinary shares.

B. Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest holders of quoted equity securities are listed below:

Position	Holder Name	Holding	% IC
1	D & DJ BURTON HOLDINGS PTY LTD	96,002,819	52.24%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,488,473	5.71%
3	B & R JAMES INVESTMENTS PTY LIMITED <JAMES SUPERANNUATION A/C>	7,290,000	3.97%
4	BEIJING BESTMED TECH LTD	4,901,961	2.67%
5	MEDIGAS ITALIA S R L	4,333,333	2.36%
6	MR DAVID FRANCIS LAWSON & MS MICHELLE GABRIELLE CALLINAN <LAWSON CALLINAN SUPER A/C>	2,464,482	1.34%
7	ELECTRO MOLECULAR PTY LTD	2,041,500	1.11%
8	VALUI PTY LTD <FORTIS SUPER FUND A/C>	1,830,987	1.00%
9	MS KARIN JONES	1,209,576	0.66%
10	KNOWLER PROPERTY PTY LTD	1,198,000	0.65%
11	MR BERNARD FREDERICK KNOWLER & MRS ROBYNNE LYNETTE KNOWLER <KNOWLER FAMILY A/C>	1,120,000	0.61%
12	BFA SUPER PTY LTD <GDN SUPER FUND A/C>	1,078,188	0.59%
13	MR MARK DAVID HOLDER	1,061,299	0.58%
14	MR NIGEL STRONG	1,008,786	0.55%
15	MR DAVID FRANCIS LAWSON	1,006,242	0.55%
16	JARVSOFAKS PTY LTD <DE LISIO SUPER FUND A/C>	953,970	0.52%
17	AVIANTO PTY LTD <HOCK SOO MEE SUPER A/C>	934,000	0.51%
18	ZIGSUPER PTY LTD <ZIGURAS SUPER FUND A/C>	900,000	0.49%
19	MR BRUCE DENNIS LUSTY & MRS JAN DENISE LUSTY <THE LICENTIA A/C>	791,883	0.43%
20	CANUCKI PTY LTD <CANUCKINOZ FUND A/C>	757,069	0.41%
	Total	**141,372,568**	**76.93%**
	Total issued capital	**183,770,091**	**100.00%**

Unquoted equity securities

There are no unquoted equity securities on issue	-	-

C. Substantial holders

Substantial holders in the Company are set out below:

	Number held	Percentage
Ordinary shares		
D & DJ Burton Holdings Pty Ltd and Electro Molecular Pty Ltd*	98,044,319	53.35

* Electro Molecular Pty Ltd is owned by David Burton, who is also a shareholder of D & DJ Burton Holdings Pty Ltd

D. Voting rights

The voting rights attaching to each class of equity securities are set out below:

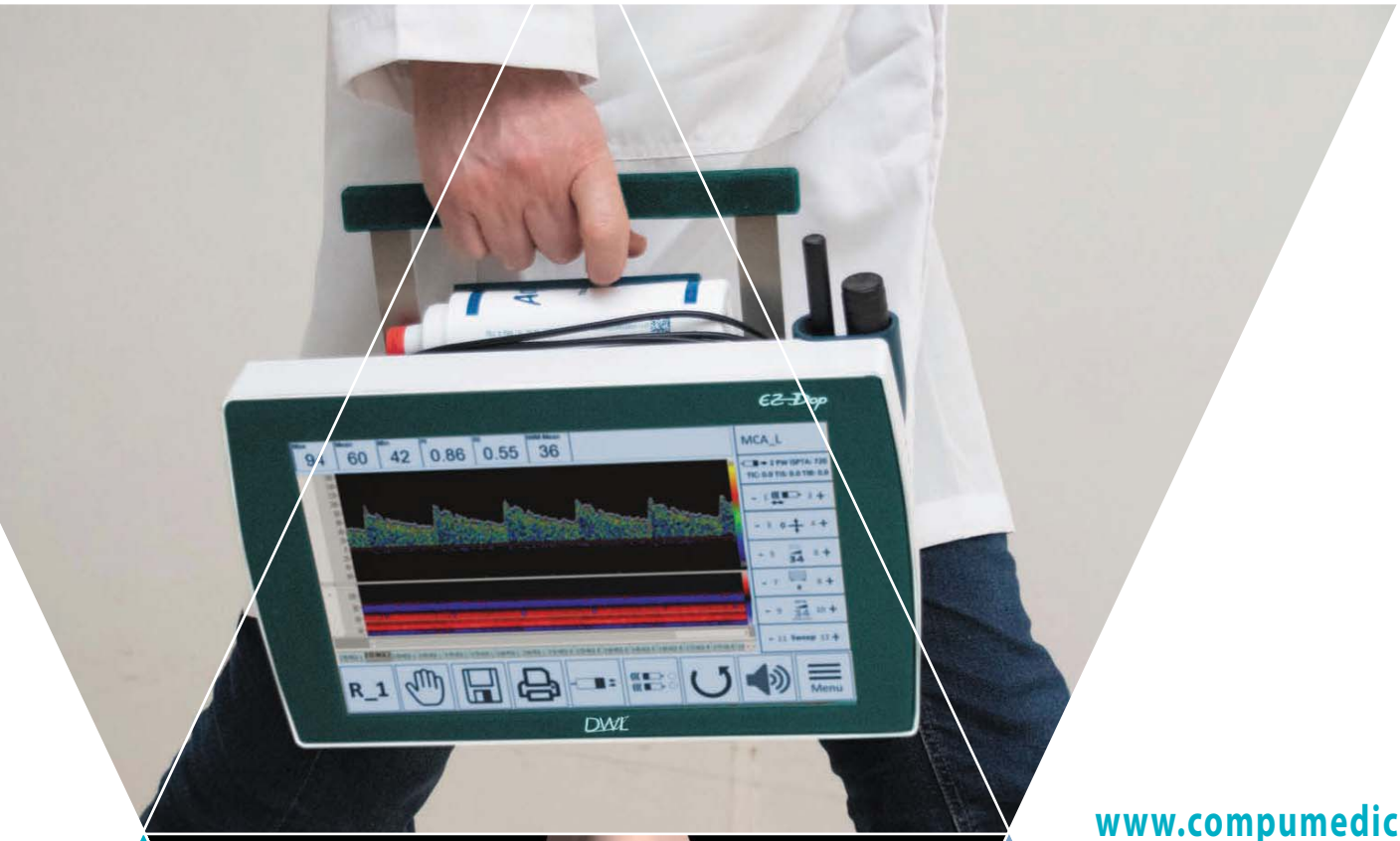
(a) Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Convertible redeemable notes
No voting rights.

(c) Options
No voting rights.

COMPUMEDICS®

'Defining *Life's* Signals'



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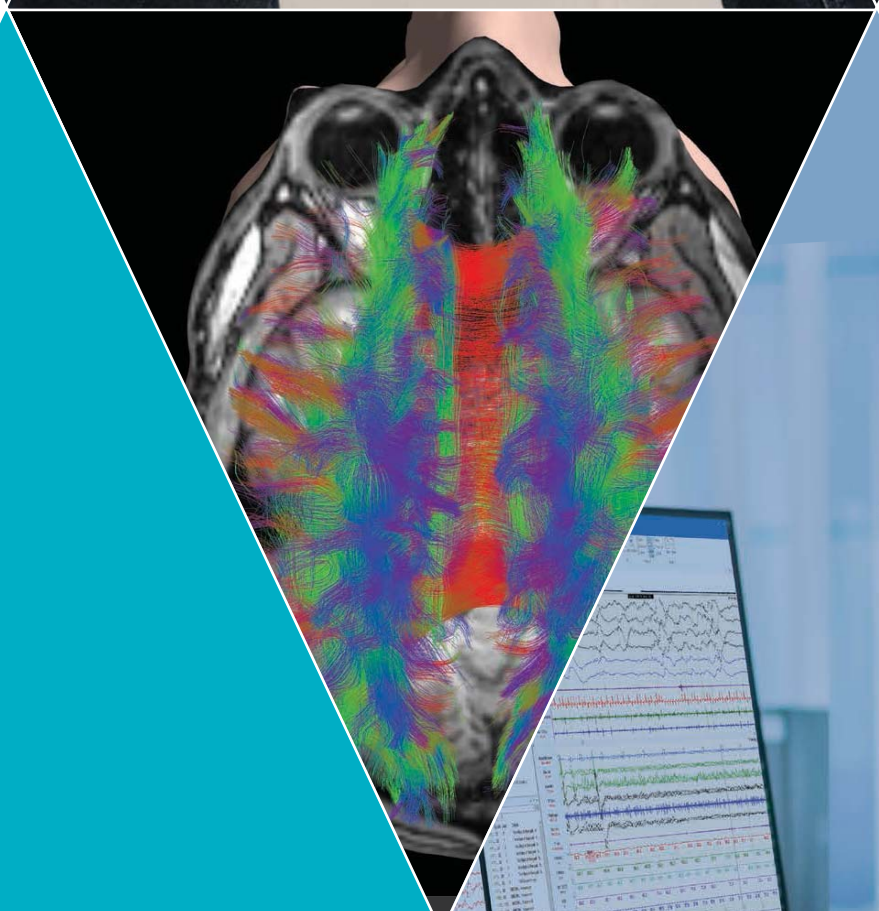

30 OVER THIRTY YEARS OF EXCELLENCE IN DIAGNOSTICS

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