



## Company Announcement

### Compumedics Business Update – COVID-19 (Coronavirus)

24<sup>th</sup> March 2020

#### CORE BUSINESS POSITIONING

- Compumedics expects some adverse short-term impacts to parts of its core business due to the COVID-19 containment measures implemented globally
- Compumedics is currently developing and implementing contingency plans to manage the on-going uncertainty faced by the business in the short-term
- Early signs show that China is coming back online, but it is too soon to assess positive impacts
- Compumedics has enough inventory to meet anticipated demand for the foreseeable future and most key suppliers remain open for business for now
- Compumedics has enacted measures, in line with relevant health authorities, to safeguard its employees and to work safely with its customers, supplies and other third parties
- Full year guidance is withdrawn due to the impacts of COVID-19 (Coronavirus).

#### MEG and Somfit

- Achieving FDA for the Orion MEG system in February 2020 has enabled the Company to actively pursue additional near-term orders. These activities continue despite the current environment
- Testing of the dual-helmet Dewar continues at KRISS in readiness for shipment to BNI when the current environment allows. We anticipate this to be before the end of FY20 at this point in time
- Somfit – currently being used by a Melbourne-based rugby team for a second season in elite sports application mode. Various other applications now being pursued as part of on-going initial commercialisation activities
- Multiple Somfit validation studies have been conducted together with the rugby program and other field trials as part of the commercial activation pathway for Somfit. Strategic alliance and partner search continues to gain momentum, despite current environment.

**Compumedics Limited (ASX: CMP) (“Compumedics” or “Company”) wishes to advise due to the impact of containment measures for COVID-19 (Coronavirus) taken globally, the Company is withdrawing guidance to the market.**

The Company anticipates the containment measures taken in relation to the virus will have some adverse impact on the performance of certain parts of the Company’s business in the near term and until such time as those containment measures abate.

This relates mainly to our hospital customers in Australia, the US and Europe, as those facilities are most impacted by the containment measures put in place for the virus. At the same time the Company continues and expects to continue to trade with customers outside of hospitals in those markets and with all customers in geographic areas not as adversely impacted by the virus.

The Company is currently developing and implementing contingency plans to manage the on-going impacts on the business and will continue to do so as the situation continues to unfold.

Up until this point, the Company had been trading towards its most recent guidance to market, issued on 2<sup>ND</sup> March 2020.

Regarding China, one of the Company’s other main markets, we are seeing a tentative and progressive resumption of activities there, and new orders have been received recently. The Company anticipates the order flow from China will continue to improve but will likely be below previous run rates.

Compumedics continues to actively pursue additional MEG sales, which have been aided by the FDA clearance of the Orion MEG system in February this year. The Company also continues to prepare for the installation of the dual-helmet Dewar at Barrow Neurological Institute (BNI) in Phoenix, Arizona, USA, which it still expects to deliver prior to the end of FY20.

The Company is also continuing several field trials of the Somfit technology as part of its commercial activation pathway. These activities will continue, along with seeking strategic alliances and partnerships, which continue to gain momentum.

Dr Burton, Executive Chairman of Compumedics noted:

“Compumedics’ Executive Management team including our CEO/Chairman, CFO, CTO, COO and DWL GM amongst others, have worked side-by-side since we first listed on the ASX in 2000 through a number of prior challenging market periods, including the Tech Crash in 2000 , the 2001 9/11 Crisis, the 2008 GFC and today we are more than ready to deal with and work through all the issues we facing due to the COVID-19 pandemic. We have also learnt through our long -term relationship and business presence in the Asia Pacific Region what happens when faced with the early pandemics and the ultimate containment and the resumption of normal activity.

Following each of these challenging periods, Compumedics navigated its way forward and came through as a stronger and wiser Company. Of course, the COVID-19 situation is unprecedented, and we are totally focused on the implications of this now and into the future.

At Compumedics, our culture remains realistic, pragmatic, but also strong enough to navigate through this deepening crisis until it abates in the future. We will not flinch, nor falter in our tenacity and focus as

we know perfectly well that our business, shareholders and people rely upon our measured and decisive leadership through a challenging but manageable period with a likely end date.

Along this line of thinking, we are continuously monitoring productivity and efficiency measures to ensure we plan for the worst but naturally hope for the best. We are also very conscious of ensuring preemptive actions to ultimately support a sustainable outcome.

Fortunately, we have entered this unprecedeted period with a relatively strong and sound business base. Moreover, key new business areas such as our Orion MEG and Somfit have either achieved FDA market clearance or are well advanced in the submission process and gaining commercial activation momentum.”

#### **About Compumedics Limited**

Compumedics Limited [ASX: CMP] is a medical device company involved in the development, manufacture and commercialisation of diagnostics technology for the sleep, brain and ultrasonic blood-flow monitoring applications. The Company owns US based Neuroscan and Germany based DWL Elektronische GmbH. In conjunction with these two subsidiaries, Compumedics has a broad international reach, including the Americas, Australia and Asia Pacific, Europe and the Middle East.

Executive Chairman Dr. David Burton founded Compumedics in 1987. In the same year the Company successfully designed and installed the first Australian, fully computerised sleep clinic at Epworth Hospital in Melbourne. Following this early success, Compumedics focused on the development of products that sold into the growing international sleep clinic and home monitoring markets.

Compumedics listed on the Australian Securities Exchange in 2000. Over the years, Compumedics has received numerous awards, including Australia's Exporter of the Year, and has been recognised as a Top 100 Innovator by both German and Australian governments.

#### **For further information please contact:**

**Dr. David Burton**  
**Executive Chairman, CEO**  
**Phone: + 61 3 8420 7300**  
**Fax: +61 3 8420 7399**

**David Lawson**  
**Director, CFO**  
**Phone: + 61 3 8420 7300**  
**Fax: +61 3 8420 7399**

#### **Investor Relations, Media & PR enquires:**

**Rod North**  
**Managing Director**  
**Bourse Communications Pty Ltd**  
**Phone: +61 3 9510 8309**  
**Mobile: 0408 670 706**

**Richard Allen**  
**Oxygen Financial PR**  
**Ph: + 61 3 9915 6341**  
**Mob: 0403 493 049**

**Authorised for lodgment by Compumedics Limited's Board of Directors**