

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

CompuMed, Inc.

A Delaware Corporation

5777 West Century Blvd. Suite 360 Los Angeles, CA 90045

(310) 258-5000

www.compuMedinc.com

investorrelations@CompuMedinc.com

Quarterly Report

For the Period Ending: March 31, 2024 (the “Reporting Period”)

Outstanding Shares

The Number of shares outstanding of our Common Stock was:

1,320,539 as of March 31, 2025

1,316,539 as of September 30, 2024

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: ☐

No: ☒

Indicate by check mark whether the company’s shell status has changed since the previous reporting period:

Yes: ☐

No: ☒

Change in Control

Indicate by check mark whether a Change in Control¹ of the company has occurred during this reporting period:

Yes: ☐

No: ☒

¹ “Change in Control” shall mean any events resulting in:

(i) Any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company’s then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company’s assets.

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer and any names used by predecessor entities, along with the dates of the name changes.

CompuMed, Inc.

The current state and the date of incorporation or registration: **Incorporated in the state of Delaware on July 21, 1986**

Standing in this jurisdiction: (e.g. active, default, inactive): **The current status is active.**

Prior Incorporation Information for the issuer and any predecessors during the past five years:

None

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

The address(es) of the issuer's principal executive office:

5777 West Century Blvd. Suite 360 Los Angeles, CA 90045

The address(es) of the issuer's principal place of business:

Check box if principal executive office and principal place of business are the same address: ☒

Has the issuer or any of its predecessors ever been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☐ No: ☒

If the issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below

None

2) Security Information

Transfer Agent Name: Computershare

Address 1: 350 Indiana Street

Address 2: Suite 750

Address 3: Golden, CO 80401

Phone: (303) 262-0678

Email: web.queries@computershare.com

Trading Symbol: **CMPD**

Exact title and class of securities outstanding: Common Stock

CUSIP: 204914501

Par or Stated Value: 0.01

Total shares authorized: **5,000,000** as of: **03/31/2025**

Total shares outstanding: **1,320,539** as of: **03/31/2025**

Number of shares in the public float: **1,252,955** as of: **03/31/2025**

Total Number of Stockholders of record: **335** as of: **03/31/2025**

Is the Transfer Agent registered under the Exchange Act? * YES ☒ NO ☐

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. For common equity, describe any dividend, voting and preemption rights.

Each share of common stock is entitled to one vote and not generally entitled to any specific preemptive rights. Dividends, if any, are declared at the discretion of the Board of Directors.

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions. - None

3. Describe any other material rights of common or preferred stockholders. - None

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report. – None

3) Issuance History

Listed in chronological order below are all events that results in changes to total shares issued by the company in the past two fiscal years.

A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

Number of Shares outstanding as of 01/01/2022			Opening Balance: Common: 1,681,812						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
Q3 FY2022 (a)	Open market purchases	(2,258)	Common Stock						
Q4 FY2022 (a)	Open market purchases	(847)	Common Stock						
Q3 FY 2023(b)	Shares Repurchased	(362,168)	Common Stock			VI Capital Fund, LP (Dave W. Pointer, Sole Manager)	Shares repurchased for cash at \$2 per share		
Q4 FY 2024	Option Exercise	4,000	Common Stock						
Shares Outstanding on 03/31/2025:			Ending Balance: Common: 1,320,539						

(a) CompuMed purchased 3,105 shares of its common stock in open market purchases during the 3rd and 4th quarter of FY2022.

(b) In June 2023, the Company purchased CompuMed shares held by V.I Capital Fund.

B. Promissory and Convertible Notes

Check this box if there are no outstanding promissory, convertible notes or debt arrangements:

Yes: ☐ No: ☒

4) Issuer's Business, Products and Services

Describe the issuer's business so a potential investor can clearly understand the company. In answering this item, please include the following:

A. Description of the issuer's business operations;

CompuMed, Inc. provides diagnostic telemedicine solutions to organizations seeking the highest quality of clinical care at reduced costs. Our solutions provide real-time access to U.S. Board-Certified specialists through cloud-based technology and integrated medical devices to medical facilities. Our solutions primarily support the diagnosis and treatment of several costly, high incidence diseases, including cardiovascular disease.

B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of their business contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference.

None

C. Principal products or services, and their markets;

CompuMed, Inc leverages leading edge technology to provide our clients with timely subspecialty diagnostic reading services focused on telecardiology, teleradiology and telepathology solutions. We provide direct access to U.S. Board-Certified subspecialists through cloud-based technology and integrated medical devices. We have established a large network for remote electronic processing of electrocardiograms ("ECGs"), echocardiograms ("Echos"), ultrasound studies, X-rays and other specialty radiology. CompuMed's platform, custom tools, and infrastructure allow our customers to quickly and easily upload medical imaging data collected at the patient's point of care into our cloud servers. Our innovative workflow technology is used to manage the inflow of data to our servers, routing the requests to the best qualified, credentialed, and available subspecialty doctor. Integrated reading tools, pre and post screening AI, and reporting metrics enable the doctors to work more quickly and effectively, from wherever they are. The result is more timely, accurate diagnostic results, allowing more effective decisions by our clients.

Our services are highly available, with access 24/7/365 to all markets we serve including organ donor and transplant; correctional healthcare; hospitals; mobile tech services; and imaging centers. We have expertise in end-to-end electronic workflow, diagnostic imaging, and analysis. We have developed our telemedicine solutions to ensure that our clients are able to deliver a high level of clinical care.

For more information about our products and services, refer to our website at www.Compumendinc.com

5) Issuer's Facilities

The Company occupies 2,318 square feet of space at \$4,013 per month.

Office Address:

5777 West Century Blvd., Suite 360, Los Angeles, CA 90045

6) Officers, Directors, and Control Persons

A. Names of Officers, Directors, and Control Persons. 03/31/2025

Name of Officer/Director and Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
Loren Den Herder (1)	Director and Chairman of the Board	Seattle, WA	-	-	-	
Lee Keddie (2)	Chief Executive Officer, President and Director	Seattle, WA	67,584	Common Shares	5.1%	
Laura Carroll (3)	Chief Financial Officer and Director	Los Angeles, CA	-	-	-	

- (1) Loren Den Herder holds 6,000 common stock options.
- (2) Lee Keddie holds 104,000 common stock options
- (3) Laura Carroll holds 40,000 common stock options.
- (4) Non-executive employees and service providers hold 61,000 common stock options.

7) Legal/Disciplinary History.

A. Please identify whether any of the persons listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);
None
2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

None

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

8) Third Party Providers

Legal Counsel

Name: Gary L. Blum

Firm: Law Offices of Gary L. Blum

Address 1: 3278 Wilshire Blvd., Suite 603

Address 2: Los Angeles, CA 90010

Phone: 213-369-8112

Email: gblum@gblumlaw.com

Accountants

Name: Alan Kazden, CPA

Firm: Rose, Snyder & Jacobs

Address 1: 15821 Ventura Blvd., Suite 490

Address 2: Encino, CA 91436

Phone: (818) 461-0600

Email: akazden@rsjcpa.com

All other means of Investor Communication

Email: investorrelations@CompuMedinc.com

LinkedIn: www.linkedin.com/company/compuMed

9) Disclosure & Financial Statements

A. This disclosure statement was prepared by

Name: Laura Carroll

Title: CFO

Relationship to issuer: Executive officer at CompuMed, Inc.

B. The following financial statements were prepared in accordance with:

☒ U.S. GAAP:

☐ IFRS

C. The financial statements for this reporting period were prepared by (name of individual):

Name: Laura Carroll

Title: CFO

Relationship to Issuer: Executive Officer at CompuMed, Inc.

Describe the qualification of the person who prepared the financial statements: CPA (Non practicing). Ms. Carroll started her career as a CPA with PricewaterhouseCoopers in audit and business reorganization services. She has a B.S. in Accounting from Indiana University's Kelly School of Business.

Quarterly update and letter from CompuMed, Inc. leadership team:

Q2 2025 performance compared to prior year quarter:

- Revenue for the second quarter grew by 20.4%, reaching \$1.87 million, up from \$1.55 million in the same period last year. Increased revenue growth in this quarter, reflecting steady growth across our customer markets and continued demand for our products and services. This performance underscores the resilience of our business model and our ability to adapt to evolving market conditions. However, EBITDA percent declined during the period, primarily due to higher operating costs and strategic investments to support long-term growth. While we remain focused on driving operational efficiencies, we are also committed to making thoughtful investments that position the company for continued future growth.

	Q2 2025	Q2 2024	YTD 2025	YTD 2024
Revenue	\$ 1,867,191	\$ 1,550,534	\$3,533,227	\$ 2,959,320
EBITDA	\$ 287,195	\$ 254,473	\$ 489,080	\$ 438,163
%	15.4%	16.4%	13.8%	14.8%
*EBITDA: Income before interest, taxes and depreciation				

Thank you again for your ongoing interest and support of CompuMed, We are continuing to focus on company's financial health to deliver value to our valued stockholders.



Loren Den Herder, Chairman



Lee D. Keddie, CEO

Item 3. Interim Financial Statements

CONDENSED BALANCE SHEETS COMPUMED, INC.

	March 31, 2025	September 30, 2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	1,416,091	1,563,788
Accounts receivable, net of allowance of \$146,655 (March 2025) and \$128,655 (September 2024)	1,163,029	990,080
Inventory	175,802	225,811
Prepaid expenses and other current assets	157,332	177,676
TOTAL CURRENT ASSETS	2,912,254	2,957,355
PROPERTY AND EQUIPMENT, Net	1,754,287	1,180,366
INFORMATION SYSTEM ASSETS, Net	379,689	478,433
TOTAL OTHER ASSETS	4,393	5,893
TOTAL ASSETS	5,050,623	4,622,047
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	431,476	266,730
Accrued Liabilities	399,106	548,231
Current portion of capital lease obligations	241,137	200,257
TOTAL CURRENT LIABILITIES	1,071,719	1,015,218
Capital lease obligations	603,071	322,266
TOTAL LIABILITIES	1,674,790	1,337,484
STOCKHOLDERS' EQUITY		
Common Stock, \$0.01 par value – authorized 5,000,000 and 20,000,000 shares, issued and outstanding – 1,320,539 and 1,316,539 (March 2025 and September 2024)	416,932	416,832
Additional paid-in capital	36,782,599	36,772,699
Accumulated deficit	(33,809,752)	(33,891,023)
Treasury stock	(13,945)	(13,945)
TOTAL STOCKHOLDERS' EQUITY	3,375,833	3,284,563
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	5,050,623	4,622,047

See notes to financial statements

	Three Months Ended March 31,		Six Months Ended Mar 31,	
	2025	2024	2025	2024
Revenue From Operations				
Total Revenue	1,867,191	1,550,534	3,533,227	2,959,320
Cost of Goods Sold	812,310	607,793	1,484,146	1,112,430
Gross Profit	1,054,881	942,741	2,049,081	1,846,890
Selling, General and Administrative Expenses	767,686	688,268	1,560,001	1,408,727
Depreciation and Amortization	207,135	181,491	381,168	366,636
Other Expenses				
OPERATING PROFIT/(LOSS)	80,060	72,892	107,912	71,527
Other Income	10,459	5,517	16,852	12,926
Taxes	17,680	200	17,680	850
Interest Expense	14,225	9,252	25,814	18,565
NET PROFIT/(LOSS)	58,614	69,047	81,270	65,038
Weighted average number of common shares outstanding	1,320,539	1,316,539	1,319,205	1,316,539

CONDENSED STATEMENT OF OPERATIONS (UNAUDITED)

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

	Common Stock		Additional Paid In	Treasury	Accumulated Deficit	Total
	Shares	Amount	Capital	Stock		
Balances at September 30, 2024	1,316,539	\$416,831.78	\$36,772,698.64	(\$13,945.17)	(\$33,891,022.32)	\$3,284,562.93
Option Exercise	4,000	\$100	\$9,900			\$10,000
Net Profit					\$81,270.14	\$81,270.14
Balances at March 31, 2024	1,320,539	\$416,931.78	\$36,782,598.64	(\$13,945.17)	(\$33,809,752.18)	\$3,375,833.09

A- CONDENSED STATEMENTS OF CASH FLOWS

	Six Months Ending March 31,	
	2025	2024
CASH FLOW FROM OPERATING ACTIVITIES: Net Profit/(Loss)	81,270	65,038
Adjustments to reconcile net profit/(loss) to net cash used in operating activities:		
Depreciation and write-offs	381,168	366,636
(Increase)/Decrease in accounts receivable	(172,949)	(89,976)
(Increase)/Decrease in inventories, prepaid expenses and other assets	71,853	42,031
Increase/(Decrease) in accounts payable and other liabilities	15,621	(261,631)
NET CASH USED IN OPERATING ACTIVITIES	376,963	122,098
Information System Assets		-
(Purchase)/ Sale of property and Equipment	(856,345)	(126,977)
NET CASH USED IN INVESTING ACTIVITIES	(856,345)	(126,977)
CASH FLOW FROM FINANCING ACTIVITIES:		
Option exercise	10,000	-
Capital lease Obligation	321,685	(2,689)
NET CASH PROVIDED BY/ (USED IN) FINANCING ACTIVITIES	331,685	(2,689)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(147,697)	(7,568)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,563,788	1,079,206
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 1,416,091	1,071,639

COMPUMED, INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS

Note A- Basis of Presentation and Accounting Policies

The accompanying unaudited condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States for financial information. Accordingly, they do not include all the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included.

On March 25, 2011, the Company filed a Form 15 with the SEC to deregister its common stock and suspend its reporting obligations under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Our stock is currently traded on the OTC Pink operated by OTCMarkets.

Note B: Stockholder's Equity

On March 31, 2025 CompuMed had 1,320,539 common shares outstanding, 215,000 share equivalent options outstanding, and authorized shares of 5,000,000, leaving 3,452,461 shares authorized but un-issued.

Note C- Stock-Based Compensation

The Company accounts for stock options in accordance with FASB ASC Topic 718 using the modified prospective method. The Company has equity awards pursuant to the CompuMed, Inc 2022 Equity Incentive Plan together with earlier Equity Incentive plans, which was approved by the Board and by the Company’s stockholders. The purposes of the Equity Incentive Plans are to (a) to attract and retain the best available personnel for positions of substantial responsibility, b) to provide additional incentive to Employees, Directors and Consultants; and c) to promote the success of the Company’s business.

	March 31, 2025	
	Shares	Weighted- Average Exercise Price
Options outstanding, beginning of period	215,000	\$2.60
Options exercised	-	-
Options granted	-	-
Options forfeited/canceled	-	-
Options outstanding, end of period	215,000	\$2.60
Options exercisable, end of period	215,000	\$2.60

Note D- Earnings Per Share

The Company reports its earnings (loss) per share in accordance with FASB ASC Topic 260. Basic earnings per share is calculated using the net earnings divided by the weighted average common shares outstanding.

Six Months ended March 31, 2025

Net Profit/(Loss)	\$ 81,270
Less: preferred stock dividends	
Net Profit/(Loss) available to common stockholders	\$ 81,270

Note E- Commitments and Contingencies

The Company has capital leases for machinery and equipment that expires between now and 2025. We are currently on a month-to-month lease for office space.

<u>Fiscal Year Ending</u>	<u>Capital Lease</u>	<u>Operating Leases</u>
2025	167,015	-
2026	283,005	-
2027	280,480	
2028	201,571	
2029	53,984	-
	<u>986,054</u>	<u>13,701</u>
Less amount representing interest	<u>141,846</u>	
Net minimum lease payment	<u>844,208</u>	
Less current portion	<u>241,137</u>	
Present value of net minimum payment, less current portion	<u>603,071</u>	

The interest rates on the capital leases outstanding as of March 31st, 2025, range from 6.99% to 10.7%.

Management's Discussion and Analysis or Plan of Operation**Safe Harbor for Forward -Looking Statements**

This report contains forward-looking statements, including, without limitation, statements concerning our possible or assumed future results of operations. These statements are preceded by, followed by or include the words "believes," "could," "expects," "intends," "anticipates," or similar expressions. Our actual results could differ materially from those anticipated in the forward-looking statements for many reasons including, but not limited to, product and service demand and acceptance, changes in technology, ability to raise capital, the availability of appropriate acquisition candidates and/or business partnerships, economic conditions, the impact of competition and pricing, capacity and supply constraints or difficulties, government regulation and other risks described in our annual report filed with the OTC Pink operated by OTCMarkets. Although we believe the expectations reflected in the forward-looking statements are reasonable, they relate only to events as of the date on which the statements are made, and our future results, levels of activity, performance or achievements may not meet these

expectations. We do not intend to update any of the forward-looking statements after the date of this document to conform these statements to actual results or to changes in our expectations, except as required by law.

Statements contained in this report, such as statements about revenue, operations, and earnings growth and other financial results are forward-looking statements pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All such forward-looking statements including statements concerning the Company's plans, objectives, expectations and intentions are based largely on management's expectations and are subject to and qualified by risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. These statements are subject to uncertainties and risks including, without limitation, product and service demand and acceptance, changes in technology, ability to raise capital, the availability of appropriate acquisition candidates and/or business partnerships, economic conditions, the impact of competition and pricing, capacity and supply constraints or difficulties, government regulation and other risks identified in the Company's filings with the Securities and Exchange Commission and OTCPink operated by OTCMarkets. These cautionary statements expressly qualify all such forward-looking statements. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect events, conditions or circumstances on which any such statement is based after the date hereof, except as required by law.

Results of Operations for The Quarter Ended March 31, 2025 Compared To Quarter Ended March 31, 2024

CompuMed finished the Second quarter, FY 2025, with \$58,614 in net profit compared to a net profit of \$69,047 in the same quarter a year ago. The Company had an operating profit of \$80,060 for the second quarter FY 2025 compared to an operating profit of \$72,982 for the same quarter of 2024.

Total Revenue for the second quarter of 2025 increased by 20.4% to \$1,867,191 from \$1,550,534 for the same quarter of fiscal 2024. The increase in revenue for the current quarter compared to the same period of 2024 is primarily due to to increase in rental and reading services from existing and new customers additions.

Cost of Goods for the second quarter ending 2025 increased by 33.6% to \$812,310 from \$607,793 for the same quarter of fiscal 2024. The increase for the current quarter compared to the same period of 2024 is primarily related due to increase in variable COGS related to reading services.

Selling, General and Administrative Expenses for the second quarter ended 2025 increased by 11.5% to \$767,686 from \$688,268 for the same quarter of fiscal 2024.

Financial Condition, Liquidity and Capital Resources

Operations

On March 31, 2025, we had \$1,416,091 in cash compared to a balance of \$1,563,788 at September 30, 2024.

Cash used in investing activities was \$856,345 for the six months ended March 31, 2025. This was primarily due to EKG device purchases made to both update the current fleet and add new locations.

Cash inflow from capital leases was \$321,685 for the six months ended March 31, 2025;

The Company anticipates that its cash flow from operations and available cash will be sufficient to meet its anticipated financial needs for at least the next 12 months assuming that no significant downturn in its business occurs. There can be no guarantee that the Company will achieve this result, however, resulting in the Company needing to raise additional capital in the future or draw down on its available credit line. Such sources of financing might not be available on reasonable terms or at all. Failure to raise capital when needed could adversely impact the Company's business, operating results and liquidity. Additionally, the Company may find it desirable to raise additional equity capital to accelerate its strategic objectives. However, there can be no guarantees that the Company will be able to do so or that such capital will be available. If additional funds were raised through the issuance of equity securities, the percentage of ownership of existing stockholders would be reduced. Furthermore, these equity securities might have rights, preferences or privileges senior to the Company's Common Stock. The Company's Common stock is currently quoted on OTC Pink operated by OTC Markets, which may make it more difficult to raise funds through the issuance of equity securities. These additional sources of financing may not be available on acceptable terms, if at all. Additionally, we are exploring joint ventures, acquisitions and other forms of strategic transactions, which might cause us to require additional capital. The Company plans to make use of its existing credit facility for such transactions. However, there is no guarantee that the Company will be able to enter in such a transaction or that it would be at terms consistent with the available credit facility.

Capital Commitments

Our primary capital resource commitments at March 31, 2025 consist of capital and operating lease commitments, primarily for ECG equipment and our corporate office facility.

Financing Activities

None.

Material Trends and Uncertainties

The telemedicine business is very competitive, and we rely significantly on certain contracts with individual state governments. While we have a good track record of renewing contracts, many customers reserve the rights to cancel such contracts under a broad base of options. We experience some declines of customer usage of our services at various times for a variety of reasons. A loss of some of these contracts could be material for the Company. Additionally, it is possible that competitive pressures may force us to lower our prices, which could adversely affect our overall revenues as well as our gross profits.

We are also vulnerable to potential state government budget constraints. The Company receives significant revenues from state correctional contracts and any significant decreases in the amounts allocated to the annual healthcare budgets in various state governments could adversely affect us.

Many policies relating to telemedicine regulatory and licensing oversight are evolving often on a state-by-state basis. We might be forced to change or cease offering certain services if some of the regulatory or licensing landscape changes. This could have a material effect on our business.

If our revenues should be impacted materially by some of these negative trends, we might have to draw on our credit line or seek equity capital to meet short-term liquidity needs. Both of those events might be dilutive to our stockholders. Additionally, we might not meet all of the conditions and criteria to affect a drawdown on the credit facility or to be able to secure suitable equity funding from an investor. In such an event, the Company might be forced to significantly reduce its operations or abandon some or all of its activities.

Off-Balance Sheet Arrangements

None.

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations, including the discussion on liquidity and capital resources, are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, we re-evaluate our estimates and judgments, particularly those related to the determination of the estimated recoverable amounts of trade accounts receivable, impairment of long-lived assets and deferred tax valuation allowance. We believe the following critical accounting policies require our more significant judgment and estimates used in the preparation of the financial statements:

We maintain an allowance for doubtful accounts for estimated losses that may arise if any of

our customers are unable to make the required payments. Management specifically analyzes the age of customer balances, historical bad debt experience, customer creditworthiness, and changes in customer payment terms when making estimates of the collectability of our trade accounts receivable balances. If we determine that the financial conditions of any of our customers deteriorated, whether due to customer specific or general economic issues, increases in the allowance may be made. Accounts receivables are written off when all collection attempts have failed.

We review our long-lived assets and certain identifiable intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. The recoverability of long-lived and amortizable intangible assets to be held and used is measured by a comparison of the carrying amount of an asset to the future operating cash flows expected to be generated by the asset. If these assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying value of the assets exceeds their fair value.

Revenue is recognized as the following criteria have been met: (1) persuasive evidence of an arrangement exists, (2) the product has been delivered or the services have been rendered, (3) the fee is fixed or determinable, and (4) collectability of the fee is reasonably assured. Cardiology Services are comprised of primarily ECG processing/overreads, Echo/ultrasound interpretations, and rental fees. ECG services and diagnostic interpretations revenue is recognized monthly on a per-usage basis after the services are performed. Equipment rental revenue is recognized monthly over the terms of the customer's agreement. Medical device and supplies sales revenue is recognized upon shipment of the products and passage of title to the customer.

Income taxes are accounted for under the asset and liability method. Under this method, to the extent that we believe that the deferred tax asset is not likely to be recovered, a valuation allowance is provided. In making this determination, we consider estimated future taxable income and taxable timing differences expected to reverse in the future. Actual results may differ from those estimates.

Other Information

None.

Subsequent Events

None

10) Issuer Certification

I, Lee Keddie, CEO certify that:

1. I have reviewed this Disclosure Statement of CompuMed, Inc.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

March 31, 2025



/s/ Lee Keddie [Signature]
Chief Executive Officer

I, Laura Carroll, Chief Financial Officer certify that:

1. I have reviewed this Disclosure Statement of CompuMed, Inc.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

March 31, 2025



/s/ Laura Carroll [Signature]
Chief Financial Officer