

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

CompuMed, Inc.

A Delaware Corporation

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5045 and 5047

Quarterly Report

For the Period Ending: June 30, 2022

(the "Reporting Period")

Adjusted for a 2022 1 for 25 reverse stock split, as of **June 30, 2022**, the number of shares outstanding of our Common Stock was: **1,679,554**

Adjusted for a 2022 1 for 25 reverse stock split, as of **March 31, 2022**, the number of shares outstanding of our Common Stock was: **1,681,812**

Adjusted for a 2022 1 for 25 reverse stock split, as of **September 30, 2021**, the number of shares outstanding of our Common Stock was: **1,681,812**

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 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: ☒

Indicate by check mark whether a Change in Control¹ of the company has occurred over 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 of the issuer and its predecessors (if any)

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

CompuMed, Inc

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

CompuMed, Inc was incorporated in the state of Delaware on July 21, 1986 and the current status is active.

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:

In March 2022 CompuMed stockholders approved a 1:25 reverse stock split and authorized post-split share authorization to 20 Million shares. The reverse stock split took place shortly thereafter after an approval process overseen by FINRA and CompuMed's transfer agent, ComputerShare.

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: ☒

Has 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

Trading Symbol: **CMPD**

Exact title and class of securities outstanding: Common Stock

CUSIP: 204914 40 2

Par or Stated Value: .01

Total shares authorized: **20,000,000** as of: **3/11/2022**

Total shares outstanding: **1,679,554** as of: **06/30/2022**

Number of shares in the public float: **1,176,351** as of: **06/30/2022**

Total Number of Shareholders of record: **335** as of: **06/30/2022**

Transfer Agent Name: Computershare

Address 1: 350 Indiana Street

Address 2: Suite 750

Address 3: Golden, CO 80401

Phone: (303) 262-0678

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

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 09/30/2019			Opening Balance: Common: 1,297,283						
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?
12/10/2019 (a)	Shares repurchased	(9,831)	Common Stock			Direct Shareholder in certificate form			
01/08/2021 (b)	Conversion	333,360	Common Stock			VI Capital Fund, LP	Conversion of Preferred stock to common stock		
11/23/2021 (c)	Stock Warrants	40,000	Common Stock			Lee Keddie	Stock Warrants		
11/29/2021 (c)	Stock Warrants	21,000	Common Stock			Lee Keddie	Stock Warrants		
Q3 FY2022 (d)	Open market purchases	(2,258)	Common Stock						
Shares Outstanding on 06/30/2022:			Ending Balance: Common: 1,679,554						

(a) On December 10, 2019 CompuMed agreed to repurchase 9,831 shares from a direct shareholder.

(b) On January 8, 2021 CompuMed converted to common shares the final preferred series of shares outstanding, leaving only common shares in the CompuMed equity capital structure. From its founding July 21, 1986 CompuMed had issued series A, B, and D preferred shares. Series C preferred shares were planned but never issued. Over time each of these series was redeemed and/or converted to common shares culminating in the final conversion on January 8, 2021.

(c) Incentive share warrants issued to our CEO Lee Keddie were granted on these dates.

(d) CompuMed purchased 2,258 shares of CMPD common stock in open market purchases during the 3rd quarter of FY2022.

B. Debt Securities, Including Promissory and Convertible Notes

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

☒

4) Financial Statements

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

☒ U.S. GAAP:

☐ IFRS

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

Name: Laura Carroll

Title: CFO

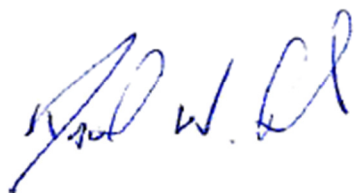
Relationship to Issuer: Executive Officer at CompuMed, Inc.

Letter from CompuMed, Inc. leadership team:

FISCAL 2022 THIRD QUARTER HIGHLIGHTS:

- Revenue in our third fiscal quarter rose 2.1% compared to the second quarter but declined 7.4% year-over year. We would remind investors that our year ago quarter was our highest revenue quarter ever, so it was a tough comparable this quarter. Recently we have been investing more resources and time in marketing activities and believe that our sales growth will pick up again in future quarters.
- Operating income of \$136,000 in the quarter was 155% higher than the previous quarter, but 46% lower than the quarter a year ago. Our operating margins continue to be volatile around IT related expenses, some of which are still expensed, as well as additions to the CompuMed team.
- Cash and A/R was essentially flat in the quarter at \$2,628,000. During the quarter CompuMed re-purchased 2,258 shares.

Thank you again for your ongoing interest in and support of CompuMed.



David W. Pointer, Chairman



Lee D. Keddle, CEO

Item 3. Interim Financial Statements

CONDENSED BALANCE SHEETS COMPUMED, INC.

	June 30, 2022	September 31, 2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	1,620,130	2,212,651
Accounts receivable, net of allowance of \$83,780 (June 2022) and \$70,280 (September 2021)	1,007,888	853,792
Inventory	166,410	154,559
Prepaid expenses and other current assets	251,991	112,196
TOTAL CURRENT ASSETS	3,046,419	3,333,198
PROPERTY AND EQUIPMENT, Net	1,390,239	1,371,746
INFORMATION SYSTEM ASSETS, Net	823,627	424,644
TOTAL OTHER ASSETS	19,287	4,287
TOTAL ASSETS	5,279,572	5,133,875
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	300,134	257,647
Accrued Liabilities	761,967	750,312
Current portion of capital lease obligations	238,097	226,519
TOTAL CURRENT LIABILITIES	1,300,198	1,234,478
Loans Payable	-	-
Capital lease obligations	358,411	538,460
TOTAL LIABILITIES	1,658,609	1,772,938
STOCKHOLDERS' EQUITY		
Common Stock, \$0.01 par value - authorized 20,000,000 shares, issued and outstanding – 1,679,554 and 1,620,812 (June 2022 and September 2021)	420,453	405,203
Additional paid-in capital	37,493,413	37,493,413
Accumulated deficit	(34,282,282)	(34,537,679)
Treasury stock	(10,621)	-
TOTAL STOCKHOLDERS' EQUITY	3,620,963	3,360,937
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	5,279,572	5,133,875

See notes to financial statements

CONDENSED STATEMENT OF OPERATIONS (UNAUDITED)

	Three Months Ended June 30,			Nine Months Ended June 30,	
	2022	2021		2022	2021
Revenue From Operations					
Total Revenue	1,632,884	1,763,854		4,771,151	4,865,056
Cost of Goods Sold	647,725	740,180		1,880,630	2,035,671
Gross Profit	985,159	1,023,674		2,890,521	2,829,385
Selling, General and Administrative Expenses	705,859	685,863		2,194,872	2,060,202
Depreciation and Amortization	143,429	87,302		385,861	251,044
OPERATING PROFIT/(LOSS)	135,871	250,509		309,788	518,139
Other Income				-	114,450
Taxes	2,300	-		5,100	800
Interest Expense	10,411	14,081		34,039	45,077
NET PROFIT/(LOSS)	123,160	236,428		270,649	586,712
Weighted average number of common shares outstanding	1,681,059	1,620,812		1,674,783	1,454,132

	Common Stock		Additional Paid In Capital	Treasury Stock	Accumulated Deficit	Total
	Shares	Amount				
Balances at June 30, 2021	1,620,812	\$405,203.46	\$37,493,412.96		(\$35,018,119.73)	\$2,880,496.69
Stock Based compensation			-			-
Net Profit					\$480,439.89	\$480,439.89
Balances at September 30, 2021	1,620,812	\$405,203.46	\$37,493,412.96		(\$34,537,679.84)	\$3,360,936.58
Restricted Stocks	61,000	15,250	-		(15,250)	-
Net Profit					\$108,495.24	\$108,495.24
Balances at December 31, 2021	1,681,812	\$420,453.46	\$37,493,412.96		(\$34,444,434.60)	\$3,469,431.82
Net Profit					\$38,993.23	\$38,993.23
Balances at March 31, 2022	1,681,812	\$420,453.46	\$37,493,412.96		(\$34,405,441.37)	\$3,508,425.05
Net Profit					\$123,159.77	\$123,159.77
Treasury Stock	(2,258)			(10,621.02)		(10,621.02)
Balances at June 30, 2022	1,679,554	\$420,453.46	\$37,493,412.96	(10,621.02)	(\$34,282,281.60)	\$3,620,963.80

A- CONDENSED STATEMENTS OF CASH FLOWS

	Nine Months Ending June 30,	
	2022	2021
CASH FLOW FROM OPERATING ACTIVITIES: Net Profit/(Loss)	270,649	586,712
Adjustments to reconcile net profit/(loss) to net cash used in operating activities:		
Stock Based Compensation	-	14,714
Depreciation and write-offs	385,861	251,045
PPP Loan forgiven	-	(114,450)
(Increase)/Decrease in accounts receivable	(154,096)	(256,261)
(Increase)/Decrease in inventories, prepaid expenses and other assets	(166,645)	(99,730)
Increase/(Decrease) in accounts payable and other liabilities	54,138	308,052
NET CASH USED IN OPERATING ACTIVITIES	389,907	690,082
Information System Assets	(398,983)	
(Purchase)/Sale of property and Equipment	(404,354)	(411,480)
NET CASH USED IN INVESTING ACTIVITIES	(803,337)	(411,480)
CASH FLOW FROM FINANCING ACTIVITIES:		
Treasury Stock- Stock repurchase	(10,621)	
Capital lease Obligation	(168,470)	(160,951)
NET CASH PROVIDED BY/ (USED IN) FINANCING ACTIVITIES	(179,091)	(160,951)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(592,521)	117,651
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,212,651	1,890,439
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 1,620,130	2,008,090

See notes to financial statements

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. For further information, refer to the financial statements for the year ended September 30, 2021 and the notes thereto included in the Company's Annual Report posted at www.otcm Markets.com.

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"). The Company believes that the deregistering its common stock will reduce significant expenses associated with regulatory compliance and that will be able to reallocate our resources towards improving growth and profitability. Our stock is currently traded on the OTC Pink operated by OTCMarkets.

Note B: Stockholder's Equity

On June 30, 2022 CompuMed had 1,679,554 common shares outstanding, 240,200 share equivalent options outstanding, and authorized shares of 20,000,000, leaving 18,080,246 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. Under this method, compensation cost recognized includes: (a) compensation cost for all share-based payments granted prior to, but not yet vested as of October 1, 2006, based on the grant-date fair value estimated in accordance with guidance issued by the FASB amortized over the options' vesting period, and (b) compensation cost for all share-based payments granted subsequent to October 1, 2006, based on the grant-date fair value estimated in accordance with guidance issued by the FASB amortized over the options' vesting period.

	June 30, 2022	
	Shares	Weighted- Average Exercise Price
Options outstanding, beginning of period	240,200	\$2.50
Options exercised	-	-
Options granted	-	-
Options forfeited/canceled	-	-
Options outstanding, end of period	240,200	\$2.50
Options exercisable, end of period	240,200	\$2.50

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.

Nine Months ended June 30, 2022

Net Profit/(Loss)	\$ 270,649
Less: preferred stock dividends	
Net Profit/(Loss) available to common stockholders	\$ 270,649

Note E- Fair Value

The Company measures its financial assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., exit price) in an orderly transaction between market participants at the measurement date. Additionally, the Company is required to provide disclosure and categorize assets and liabilities measured at fair value into one of three different levels depending on the assumptions (i.e., inputs) used in the valuation. Level I provides the most reliable measure of fair value while Level III generally requires significant management judgment. Financial assets and liabilities are classified in their entirety based on the lowest level of input significant to the fair value measurement. The fair value hierarchy is defined as follows:

Level Input	Input Definition:
Level I	Inputs are adjusted, quoted prices for identical assets or liabilities in active markets at the measurement date
Level II	Inputs, other than quoted prices included in Level 1, that are observable for the asset or liability through collaboration with market data or measurement
Level III	Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

The following table summarizes fair value measurements by level at June 30, 2022 for assets and liabilities measured at fair value on a recurring basis:

	Level I	Level II	Level III	Total
Cash and cash equivalents	\$1,620,130	\$ -	\$ -	\$1,620,130
Total assets	\$1,620,130	\$ -	\$ -	\$1,620,130

For certain of the Company's financial instruments, including accounts receivable, accounts payable and accrued liabilities, the carrying amounts approximate fair value due to their short maturities.

Note G- Commitments and Contingencies

The Company has capital leases for machinery and equipment that expires between now and 2025. We are currently in discussions with our landlord for the CompuMed office lease which have been slowed by Covid19. We are currently on a month-to-month payment schedule.

<u>Fiscal Year Ending</u>	<u>Capital Lease</u>	<u>Operating Leases</u>
2022	67,503	-
2023	270,011	-
2024	220,476	
After 2024	90,148	-
	<u>648,138</u>	<u>13,701</u>
Less amount representing interest	<u>51,629</u>	
Net minimum lease payment	<u>596,509</u>	
Less current portion	<u>238,097</u>	
Present value of net minimum payment, less current portion	<u>358,411</u>	

The interest rate on the capital leases outstanding as of June 30, 2022 range from 5.99% to 14.55%

Rental expenses under operating leases for the Nine Months ended June 31, 2022 and 2021 were \$39,885 and \$39,229 respectively.

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 files 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 June 30, 2022 Compared To Quarter Ended June 30, 2021

CompuMed finished the third quarter FY 2022 with \$ 123,160 in net profit compared to a net profit of \$236,428 in the same quarter a year ago. The Company had an operating profit of \$135,871 for the third quarter FY 2022 compared to an operating profit of \$250,509 for the same quarter of 2021.

Total Revenue for the third quarter of 2022 decreased by 7% to \$1,632,884 from \$1,763,854 for the same quarter of fiscal 2021. The decrease in revenue for the current quarter compared to the same period of 2021 is primarily due to decrease increase overreads

Cost of Goods for the third quarter ended 2022 decreased by 13% to \$647,725 from \$740,180 for the same quarter of fiscal 2021. The decrease for the current quarter compared to same period of 2021 is primarily related due to increase in revenue of products with a lower cost of goods.

Selling, General and Administrative Expenses for the third quarter ended 2022 increased by 3% to \$985,129 from \$1,023,674 for the same quarter of fiscal 2021. The increase in SG&A in the third quarter of fiscal 2022 due to onetime proxy related legal expenses.

Financial Condition, Liquidity and Capital Resources

On April 16th, 2020, CompuMed received loan under the U.S. Small Business Administration's Payroll Protection Program of \$114,450. This loan was used for payroll, medical premiums, rental and utilities in accordance with rules for loan forgiveness. On November 11th, 2020 U.S. Small Business Administration approved Company's application for loan forgiveness.

Operations

At June 30, 2022, we had \$1,620,130 in cash compared to a balance of \$2,212,651 at September 30, 2021.

Cash used in investing activities was \$803,337 for the nine months ended June 30, 2022. This was primarily due to EKG device purchases made to both update the current fleet and add new locations and software development.

Cash utilized through financing activities to pay capital leases was \$168,470 for the nine months ended June 30, 2022;

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 June 30, 2022 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 shareholders. 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 required payments. Management specifically analyzes the

age of customer balances, historical bad debt experience, customer credit-worthiness, 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 receivable 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. 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

5) 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;

Telemedicine Products

CompuMed, Inc. diagnostic telemedicine solutions provide patients with the highest level of clinical care at reduced costs. Our telecardiology and teleradiology solutions provide direct access to U.S. Board-Certified specialists 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 and X-rays. CompuMed has created an electronic telemedicine infrastructure to link clinical diagnostic equipment data collected at the patient's point of care with top specialists. We also provide real-time access to specialists for consultations. The equipment that we rent and sell consist primarily of 12-lead ECG and ultrasound devices. CompuMed also provides mobile imaging services, including the administration of radiology and cardiology diagnostic exams. We are providing single lead ECG interpretations for the consumer market through a handheld device. One of our innovations is the workflow technology being used to manage the inflow of data to our servers, and the routing of that data to specialists through technology such as Picture Archiving and Communication Systems (PACS).

Our services are available twenty-four hours a day, seven days per week. We have expertise in electronic workflow, diagnostic imaging and analysis. Additionally, we contract with certain partners to develop diagnostic systems, which support our telemedicine workflow. We provide these solutions to our customers either through sale, rental and lease to own arrangements. The value proposition for our clients is top clinical care at a lower cost, while minimizing risk.

6) Issuer's Facilities

We are currently in discussions with our landlord for the CompuMed office lease which have been slowed by Covid19. We are currently on a month-to-month payment schedule. The Company occupies 2,318 square feet of space at \$3,566 per month.

Office Address:

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

7) Officers, Directors, and Control Persons

A. Names of Officers, Directors, and Control Persons. 06/30/2022

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
David W. Pointer (1)	Chairman of the Board and more than 5% Shareholder	Newman Lake, WA	442,203	Common Shares	27.30%	
Loren Den Herder (2)	Director	Seattle, WA	-	-	-	
Lee Keddie (3)	Chief Executive Officer, President and Director	Seattle, WA	61,000	Common Shares	3.6%	
Laura Carroll (4)	Chief Financial Officer and Corporate Secretary	Los Angeles, CA	-	-	-	

(1) VI Capital Management, LLC owns 425,403 common shares. David W. Pointer, as the sole manager VI Capital Management LLC (“VI Capital” may be deemed to be an indirect beneficial owner of the shares of Common Stock held directly by VI Capital. Mr. Pointer disclaims beneficial ownership of the shares of Common Stock beneficially owned by VI Capital. In addition, Mr. Pointer owns 16,800 common shares personally and holds 14,000 stock options.

(2) Loren Den Herder holds 6,000 stock options.

(3) Lee Keddie holds 104,000 stock options

(4) Laura Carroll holds 40,000 stock options.

(5) Non-executive employees and service providers hold 80,200 stock options.

8) 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;

V.I. Capital Management, LLC ("V.I. Capital") and Chairman of the Board David W. Pointer are subject to a consent order (the "Consent Order") from the State of Washington Department of Financial Institutions, Securities Division, dated March 12, 2018 (Order Number S-16-2093-17-CO01), relating to alleged breaches of their fiduciary duty as investment advisors to their clients, including (i) failure to disclose certain conflict of interest stemming from Mr. Pointer's service on the Boards of Directors of CompuMed and Solitron Devices, Inc., (ii) pledging V.I. Capital investment fund assets as collateral for a line of credit for CompuMed, Inc. and failing to disclose such pledge to V.I. Capital's year-end auditor, and (iii) failure to timely distribute audited financial statements and a final fund audit to investors. As conditions of the Consent Order, V.I. Capital and Mr. Pointer agreed to (i) cease and desist from violating the Securities Act of 1933, (ii) pay a fine of \$10,000 and (iii) pay costs of \$2,500. Mr. Pointer also agreed that he will not be a principal, officer or owner of an investment adviser or broker-dealer for 10 years following the entry of the Consent Order, but he may apply for a securities salesperson or investment adviser representative registration with an acceptable plan of supervision.

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

- 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

9) Third Party Providers

Legal Counsel

Name: John Myer

Firm: Myer Law PLLC

Address 1: 1420 Fifth Avenue, Suite 2200

Address 2: Seattle, Washington 98101

Phone: 206-651-5563

Email: john@myercorplaw.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

Investor Relations

Name: CompuMed, Inc.

Firm: CompuMed, Inc.

Address 1: 5777 W. Century Blvd., Suite 360

Address 2: Los Angeles, CA 90045

Phone: (310) 258-5000 x117

Email: investorrelations@CompuMedinc.com

10) Issuer Certification

I, Lee Keddie, CEO certify that:

1. I have reviewed this Quarterly report 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.

June 30, 2022

A handwritten signature in blue ink, appearing to read 'L. Keddie', with a stylized flourish at the end.

/s/ Lee Keddie [Signature]
Chief Executive Officer

I, Laura Carroll, Chief Financial Officer certify that:

1. I have reviewed this Quarterly report 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.

June 30, 2022

A handwritten signature in blue ink, appearing to read 'L. Carroll', with a stylized flourish at the end.

/s/ Laura Carroll [Signature]
Chief Financial Officer