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CORPORATE INFORMATION (as at 31 October 2025)

EPSILON HEALTHCARE LIMITED (ASX: EPN)

Directors

Alan Beasley (Chairman)
Peter Giannopoulos
Zoe Hutchings

Company Secretary

Daniel Kaplon

Registered Office

5 Goodyear Street
Southport QLD 4215

Share Registry

Computershare Investor Services Pty Ltd
GPO Box 2975
Melbourne VIC 3001

Solicitors

Baker McKenzie
Level 32
71 Eagle Street
Brisbane QLD 4000

Auditor

A D Danieli Audit Pty Ltd
Level 1, 261 George Street
Sydney NSW 2000

Stock Exchange Listing

Epsilon Healthcare Limited securities
are listed on the Australian Securities
Exchange (ASX code: EPN)

Website

epsilonhealthcare.com.au

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CHAIRMAN'S NOTE

It is my pleasure to present to our valued shareholders the 2024 Annual Report for Epsilon Healthcare Limited (ASX: EPN)

Your Company suffered significantly from the direct actions of the majority of the previous Board of Directors to place the Company into Voluntary Administration in December 2023.

The first half of 2024 saw the Voluntary Administrator oversee the company, prior to the new Board taking control on the 24th of June, after signing Deeds of Administration to pay all creditors in full for the three Group Companies. The Second half of the year signaled the reset for the Company and was a time to regroup, reassure, and rebuild.

Peter Giannopoulos, our Managing Director and Group CEO lead his team to re-engage with our valued clients and, grow the client base and expand on the products and services.

The Board of Directors greatly appreciate the loyalty and tireless effort of our valued team for their contributions and commitment to our Company.

As a consequence of the Administration, revenue for the year was compromised compared to the 2023 year, and Legal, Accounting and costs of borrowings directly caused by the Voluntary Administration were significant. These one off and extraordinary costs are now largely behind us.

Looking ahead, we do so with great optimism and confidence, as the company now stands on a solid foundation poised for significant growth. The progress achieved through the strategic initiatives and decisive actions of the Managing Director and his leadership team has positioned us exceptionally well for the exciting opportunities well into the future.

On behalf of the Board and leadership team, we sincerely thank you for your support of Epsilon Healthcare, your continued interest and commitment as we look forward with renewed confidence and a clear purpose.

Alan Beasley
Chairman
Epsilon Healthcare Limited

18 November 2025



MANAGING DIRECTOR & CEO REPORT

Dear Shareholders,

It is my privilege and with renewed confidence and optimism that I present the 2024 Annual Report for Epsilon Healthcare Limited. This year marked a pivotal chapter in the company's journey which has been one of profound challenge, transformation, renewal and progress.

In the lead up to the company emerging from voluntary administration on 24 June 2024, the Board and the leadership team faced an unambiguous choice. This choice was to either allow Epsilon to slip into liquidation which would result in the loss of shareholder value, client trust, and jobs, or commit to a determined program of recovery. We chose the latter, underpinned by significant personal commitments from directors and the unwavering dedication of our teams. The company coming out of voluntary administration and returned to the control of a new board, has been a testament to what can be achieved when purpose, belief, and collaboration lead the way.

Restoring Stability, Rebuilding Trust

Over the past six months since the control of the company was handed to the new board and leadership, our efforts have been firmly focused on the recovery and rebuilding the foundations of Epsilon Healthcare from the ground up. Stabilising our operations, re-engaging with our clients, and restoring confidence in our ability to deliver meaningful value. This has required difficult decisions, significant investment of resources, and a disciplined approach to governance, financial management, and operational improvement.

The period of administration was disruptive to our teams, clients, and investors, impacting revenues and reputation. Since regaining control, we have implemented clear strategies to restore operational performance and strengthen our market position. This has included:

- Rebuilding client relationships & establishing new local and international client relationships across our Epsilon Pharma Contract Development & Manufacturing Organisation (CDMO). This work and the renewed client relationships are anticipated to delivery incremental manufacturing and associated revenues in future periods;
- Working with the leadership & clinical teams within our Epsilon Clinics business to optimise clinical frameworks with the primary objective of enhanced patient experience and patient care;
- Continuing with the establishment and preparatory work on the Southport based, new Epsilon Pharmacy subsidiary which will be a new operational unit for the company and support in the provision of supply and information services to patients;
- A comprehensive post-administration review and financial remediation program led by Ure Lynam & Co, including the restatement of prior-year accounts, correction of previously submitted BAS statements, and a detailed reconciliation of taxation and compliance matters;
- A widespread post-administration review of legal matters which led to the company being placed into voluntary administration by the two former company directors; and,
- Strengthening governance frameworks and operational transparency.
- Operational Performance and Strategic Expansion



Despite the challenges of the recent past which are well documented and will continue to be pursued for remediation, H2 2024 also marked the launch and advancement of several strategic initiatives:

- **Epsilon Pharmacy** – Our newest subsidiary, will launch online in early 2025, with the first community pharmacy to open later in the year. This marks a significant step in our “one brand” strategy, with operations going across CDMO services for local and international clients, clinical services & B2C pharmacy information and product services.
- **Epsilon Pharma** – The renewal and expansion of our Medicinal Cannabis Permit in May 2025, which included increased manufacturing quotas and new export/import licences, underpins the planned manufacturing activities for the CDMO operations into the 2025 year. The investments in enhanced biomass extraction capabilities, an automated edibles manufacturing line in addition to the planned diversification into other finished formulation dosage forms support the board and leadership team’s objectives of delivering expanded onshore, sovereign GMP capabilities. This will position Epsilon Pharma as a leading CDMO in high-growth therapeutic markets.
- **Epsilon Clinics** – Continued leadership in telehealth-based patient services, with planned diversification into expanded specialty clinical offerings in 2025.

Our product agnostic vertically integrated model – combining GMP-certified manufacturing, clinical services, and pharmacy operations – allows Epsilon to deliver end-to-end healthcare solutions, positioning us uniquely in the evolving medicinal cannabis and specialised healthcare sectors.

Financial Overview

Epsilon’s financial position has strengthened since emerging from administration, supported by:

- A \$4.6M secured loan facility in December 2024 to refinance existing debt;
- A \$720,000 equity placement in December 2024 to fund working capital and strategic growth initiatives;
- Improved cash balance from \$0.3M at December 2023 to \$1.57M at December 2024; and
- Ongoing cost optimisation and operational efficiency measures across all operating entities.

While the costs of administration – both direct and opportunity – have been significant, we have worked to mitigate their impacts through capital management, revenue recovery, and diversification strategies. Further measures will be considered and if appropriate pursued to sure up the company’s financial position which will allow the company to invest in expanded growth and diversification strategies, in addition to pursuing strategic M&A opportunities which offer complementarity and diversification.

During the finalisation of the FY2024 audit, and after extensive dialogue on valuation methodologies and assumptions, the Group recognised a non-cash impairment charge of approximately \$11.8 million across certain assets. While management’s assessment of recoverable amount supported a higher carrying value based on expected utilisation and cash flows, the Board resolved to adopt the auditor’s position to conclude the audit and present a clear baseline for future performance. Management did not agree with this outcome based on the outlook for utilisation and earnings; however, accepted the auditor’s view so shareholders have a clean, unambiguous starting point. The impairment has no impact on cash, liquidity, covenants or operations, and does not change our strategy or near-term investment priorities. Under AASB 136, if future indicators support higher recoverable amounts, reversal of impairment may be considered in subsequent periods where it will increase the revaluation reserve.



Accountability and Legal Action

The Board has taken a firm stance on accountability and in 2025, Epsilon will commence NSW Supreme Court proceedings against the former chairman and company director, seeking recovery of funds and addressing matters identified during forensic and legal reviews. It is our intention to pursue all avenues available to recover costs and protect shareholder interests.

Outlook

Looking forward, we are entering 2025 with a leaner, stronger, and more focused organisation. Our priorities are clear:

- Drive revenue growth across all divisions;
- Continue to invest in a diversification program to support product and service expansion;
- Leverage our integrated healthcare model including burgeoning onshore sovereign manufacturing capabilities to capture market opportunities in Australia and internationally;
- Pursue strategic M&A opportunities which offer complementarity and diversification; and,
- Deliver sustainable long-term value for our shareholders.

The road from administration to sustainable profitability is challenging, but the resilience and determination demonstrated by our people and partners give me great confidence in Epsilon Healthcare's future.

The emergence from the forced and unfortunate voluntary administration marked a turning point in Epsilon's journey. A period defined by difficult decisions, determined leadership, and the unwavering belief that our company could not only survive adversity but emerge stronger. As we reflect on the path from voluntary administration to stability and growth, I am proud to say that we are firmly back on track, focused, and aligned around a positive and dynamic future.

On behalf of the Board and leadership team, I extend my sincere gratitude and appreciation to our shareholders, our teams, our clients, and our valued partners for your unwavering support during this pivotal year. Epsilon Healthcare is back. We are focused, energised, and determined to build a trusted, innovative, and high-performing company that delivers real value to all those we serve. We are committed to our mission and resolute in our accountability. The future is bright.

Yours Sincerely,

Peter Giannopoulos
Managing Director and Group CEO
Epsilon Healthcare Limited

18 November 2025



18 November 2025

DIRECTORS' REPORT

Your directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Epsilon Healthcare Limited, referred to hereafter as the 'Company') and the entities it controlled at the end of, or during, the year ended 31 December 2024.

Directors

The following persons were directors of the Company during the financial year and up to the date of this report:

Alan Beasley	Chairman from 11 June 2024
Peter Giannopoulos	Executive Director (Appointed 11 June 2024)
Zoe Hutchings	Non-Executive Director (Appointed 11 June 2024)
Josh Cui	Chairman (Removed 11 June 2024)
Stuart Cameron	Non-Executive Director (Removed 11 June 2024)

Company Secretary

Marcelo Mora (Resigned 20 August 2024)	Josh Cui (Removed 8 July 2024)	Richard Legge (Appointed 20 August 2024)
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Information on Directors

Alan Beasley
Chairman

Alan is currently Managing Director of Hudson Investment Group Limited (ASX: HGL) and is a seasoned company director with over 30 years' experience, having served many small, medium and large company Boards including startups, IPOs and turnarounds. A former director of the Australian subsidiaries of Bankers Trust, Goldman Sachs and BNP Paribas, Alan has the corporate reach, expertise and experience to advise and assist the company in the corporate and capital markets environment. Alan also served on the ASX listings appeals committee and thus very familiar with the listing rules and requirements of the ASX, corporate governance and compliance. Alan graduated with a Bachelor of Economics degree, and an Advanced Management Program from Stanford Graduate School of Business, Palo Alto, California. He is a Fellow of the Australian Institute of Company Directors, Governance Institute of Australia and Chartered Institute of Secretaries.

Special responsibilities	Chairman
Other current ASX directorships	Hudson Investment Group Ltd.
Former ASX directorships	None



Peter Giannopoulos

Group CEO and Managing Director

Mr Giannopoulos brings more than 25 years' experience across the Australian healthcare ecosystems including proven success within the ASX healthcare setting and demonstrable success in leadership, operations, M&A, GMP manufacturing & the delivery of innovative revenue growth opportunities. Previously Peter was CEO of Cell Therapies Pty Ltd, an Australian based globally active commercial contract development and manufacturing company with a specialisation in cell and gene therapies and cellular immunotherapy products. Prior to Cell Therapies Pty Ltd, Peter led the diversification of Australia's largest private hospital provider, Ramsay Healthcare (ASX: RHC) as the CEO of the Ramsay Pharmacy Group over a 12-year period. Under Peter's leadership, the group operations expanded exponentially to become a multi-site operation (90 sites) generating annual revenues of more than AU \$400M. Peter also has a clinical background with a degree in pharmacy and a deep understanding of the Australian and international financial and operational health landscapes.

Special responsibilities	Managing Director
Other current ASX direct	None
Former ASX directorships in the last 3 years	None

Zoe Hutchings

Non-Executive Director

Zoe has forged a career leading pharmaceutical and healthcare business units to identify opportunities for diversification, growth and to realise long term profitability in multiple geographical jurisdictions. Her leadership of the company-wide strategy at Sandoz Pharmaceuticals, encompassing a start-up business unit and cross-company strategy, led to a return to margin accretive growth. Working within the healthcare setting has provided the opportunity to work within a highly regulated market and enabled Zoe to develop strong financial and operational governance, strategy development, and organisational advocacy. Zoe has been driven by a passion to improve health outcomes by creating earlier and expanded access to medicines. Most recently Zoe has completed a Master of Sustainability at the University of Sydney, specialising in sustainable development in business, population health, food and water security, law and policy. Concurrently, Zoe has extensive skills acquired in the pharmaceutical and healthcare industry in multi-product franchises, at various product life cycle stages from launch to patent expiry, to established generic portfolios.

Special responsibilities	None
Other current ASX direct	None
Former ASX directorships in the last 3 years	None



Josh Cui

Former Chairman – removed

Josh Cui is the Managing Director at Watercrest Capital Pty Ltd, a global private investment firm specialising in managing alternative investments and dealing with multiple asset classes.

Special responsibilities	None
Other current ASX direct	None
Former ASX directorships in the last 3 years	None

Stuart Cameron

Non-Executive Director – removed

Special responsibilities	None
Other current ASX direct	None
Former ASX directorships in the last 3 years	None

Information on Key Management Personnel

Richard Legge

Company Secretary

Mr Richard Legge holds a Bachelor of Commerce (Honours) degree and has been a Chartered Accountant for over 40 years and has provided company secretarial services to a range of entities.

Meetings of Directors (incorporating Audit and Remuneration Committees)

Meetings

Director	Attended	Eligible to Attend
Alan Beasley	10	10
Peter Giannopoulos	10	10
Zoe Hutchings	10	10
Josh Cui	-	-
Stuart Cameron	-	-



Principal Activities

Epsilon Healthcare is an Australian based, globally active healthcare organisation. It operates a diversified and vertically integrated portfolio of assets, including healthcare and clinics operation, pharmaceutical contract development and manufacturing operation & pharmacy services. Epsilon Healthcare offers end-to-end solutions across the healthcare spectrum: from product development and manufacturing to patient care.

Review of Operations

The net loss after tax for the year was \$5,493,736 (2023: \$1,090,990 loss).

Key financial metrics

The Group's financial performance in FY2024 reflected a year of significant costs incurred to get the company out of the voluntary administration which was imposed on the company, its shareholders and its people by two directors who have since been removed by the Administrator. The financial metrics were also a result of the transition and stabilisation activities following the conclusion of voluntary administration in June 2024. While revenues were severely impacted as a result of uncertainty which manifested in compromised client confidence during the administration period, the second half of the year saw a meaningful recovery in operational activity, the completion of key corporate restructurings, and the launch of strategic growth initiatives aimed at long-term value creation.

Metric	2024	2023	Change
Receipts from Customers	\$5.37 million	\$8.19 million	(34%)
Cash at Year End	\$1.57 million	\$0.34 million	357%
Borrowings	\$7.85 million	\$3.29 million	138%
Equity Raised	\$0.72 million	—	n/a
Net Operating Cash Flow	(\$3.41) million	(\$0.70) million	(384%)
Net Tangible Assets per Share	(\$0.01)	\$0.02	(121%)

Key financial outcomes

- Receipts: Receipts from customers for the year totaled \$5.37 million, with contributions from the Epsilon Pharma manufacturing operations and Epsilon Clinics telehealth services. Activity across both operating business units improved in the post administration, second half of the year, as client re-engagement efforts took effect.
- Cash position: Cash as at 31 December 2024 was \$1.566 million, up from \$0.343 million as at 31 December 2023, supported by a \$720,000 equity placement and a \$4.6 million loan refinancing facility.
- Capital management: The refinancing of the Bligh Finance debt which was put in place to pay out the debt to Australian Oracles Holdings (a company in direct control by Xiao (Josh) Cui's father-in-law), and capital raising activities provided necessary working capital to support the relaunched operational activities and new business growth initiatives.



- Debt: At year end, borrowings included secured loan facility totaling \$4.6 million to Bligh Finance, maturing in December 2024, and a \$2.7 million facility from a syndicate of investors who contributed to the DOCA fund supporting the company to come out of administration.

Key operational outcomes

- Operational turnaround: Following the end of the administration, the leadership team prioritised the stabilisation of core operations, the re-engagement with key clients requiring GMP manufacturing services, and work to rebuilding patient activity within the Epsilon Clinics operations.
- Southport manufacturing: Production was scaled to meet growing domestic and international demand, with a focus on increased automation, efficiency gains, and development of novel dosage forms and final formulations. The facility remains one of a small number of onshore Australian licenced manufacturing facilities with full GMP API and finished dose product manufacture and licences in place with the Office of Drug Control (ODC).
- Epsilon Clinics: The second half of the year saw Clinics deliver strong telehealth patient activity, retaining leadership in the provision of patient appropriate therapies through clinical excellence and patient support services.

Strategic growth and innovation

- Digital health expansion: Development commenced on a digital patient portal integrating the Epsilon Pharmacy and Epsilon Clinics, aimed at streamlining patient access and supporting the delivery of quality use of medicines and enhanced medicine adherence & compliance.
- Product diversification: Preparation for launch of automated GMP edibles manufacturing and GMP gynaecological pessary manufacturing capabilities, to meet the diversifying clinical and patient needs for both domestic and export clients.
- Regulatory milestones: Renewal and expansion of the Medicinal Cannabis Permit in May 2025 increased permitted manufacture quantities, supporting rising demand from new and existing clients.

Corporate and governance highlights

- Completion of Deeds of Company Arrangement (DOCA) for Epsilon Pharma Pty Ltd and Epsilon Clinics Pty Ltd, securing the return of control to the new Board on 24 June 2024.
- Comprehensive post-administration financial review undertaken by Ure Lynam & Co, including restatement of prior period accounts, correction of erroneous BAS lodgments, and remediation of legacy accounting errors.
- Strengthened governance and board oversight, with a focus on transparency, prudent fiscal management, operational efficiency and building shareholder value.



Business risks

Epsilon Healthcare Limited operates in a complex and highly regulated & evolving operating environment. The Board recognises that effective risk management is essential to achieving its strategic objectives and creating

sustainable shareholder value. The following material risks have been identified as potentially having a material impact on the Company's operations, financial performance, and prospects. These risks are not exhaustive and given the dynamic regulatory environment, these may change over time.

Regulatory and Licencing Risk

The Company's pharmaceutical manufacturing, medicinal cannabis, telehealth, and pharmacy operations require strict compliance with Australian and international regulatory frameworks, including the Therapeutic Goods Administration (TGA) the code of Good Manufacturing Practice (cGMP) and the strict adherence to the requirements of the Office of Drug Control (ODC) licencing requirements. Failure to maintain required licences, permits, or approvals, or to comply with the requisite conditions, could result in suspension or revocation of the relevant approvals, thereby significantly impacting the Company's ability to operate. Regulatory changes, such as amendments to medicinal cannabis legislation could also adversely affect operations.

Product Quality and Manufacturing Risk

Epsilon's reputation and financial performance depend on its ability to consistently produce high-quality products in strict accordance with the code of GMP standards. Risks include equipment breakdown, human error, contamination events, or supplier quality issues. Any manufacturing disruption within the Southport facility may lead to revenue loss, contractual penalties, and/or reputational damage.

Market and Competitive Risk

The Australian and international medicinal cannabis and plant-based therapies markets are evolving rapidly. This also includes increasing competition from domestic and international suppliers. Price pressure from lower cost of goods (COGs) imports could adversely impact margins.

Client Concentration and Retention Risk

Epsilon's revenue continuity and growth is aligned with establishing and maintaining relationships with key B2B manufacturing clients and B2C clinic patients. The loss of clients, reduction in orders, or reputational damage from the unfortunate and unnecessary administration event could adversely affect client confidence and in turn, revenue. Restoring and sustaining client confidence remains a strategic priority.

Supply Chain Risk

The Company relies on a range of suppliers for raw materials, active pharmaceutical ingredients (APIs), and consumables. Disruption in supply due to quality issues, geopolitical events, or transportation delays could affect production schedules and service delivery. While Epsilon holds ODC-licenced storage and procurement capacity, supply constraints remain a material operational risk.



Strategic Execution Risk

Epsilon's growth strategy includes expansion into pharmacy services, digital health platforms, and new product categories. These initiatives require significant capital investment, project management capability, and successful market entry. Failure to deliver these initiatives on time and within budget could affect financial performance and strategic positioning.

Technology, Cybersecurity, and Data Privacy Risk

The Company's clinic and pharmacy operations involve the handling of sensitive patient and client data. Cybersecurity breaches, system outages, or data loss could result in regulatory penalties, legal claims, reputational harm, and operational disruption. As digital health services expand, the scale and complexity of these risks may increase and will require appropriate oversight, controls and governance to manage risk.

Macroeconomic, Geopolitical, and Industry Risk

Changes in economic conditions, currency fluctuations, inflation, interest rates, and global trade dynamics may impact demand for Epsilon's products and services, in addition to the respective input costs. Geopolitical instability may disrupt supply chains, particularly for imported APIs or specialised equipment. Shifts in public health policy or healthcare funding may also alter market demand and market forces.

Significant Changes in State of Affairs

Voluntary Administration and Deed of Company Arrangement

On 17 December 2023, by resolution of a majority of the then Board (being the vote by Mr Xiao (Josh) Cui and Mr Stuart Hamilton Cameron), Epsilon Healthcare Limited (Epsilon or the Company) was placed into Voluntary Administration. Two operating subsidiaries, Epsilon Pharma Pty Ltd and Epsilon Clinics Pty Ltd, were also placed into Voluntary Administration on 18 December 2023.

On 31 May 2024, creditors voted in favour of Deeds of Company Arrangement (DOCA) proposed by Mr Alan Beasley and Mr Peter Giannopoulos to save the company from liquidation. Control and stewardship of the Company returned to the Board on 24 June 2024, with Messrs. Alan Beasley and Peter Giannopoulos and Ms Zoe Hutchings appointed as directors, and Messrs. Xiao (Josh) Cui and Stuart Hamilton Cameron removed from the Board.

Board and management changes

Following the end of the voluntary administration, the Board confirmed the continued chairmanship of Alan Beasley, the continued employment of Mr Peter Giannopoulos as Chief Executive Officer and his appointment as Managing Director. Ms Zoe Hutchings was appointed as Non-Executive Director, and Mr Richard Legge was appointed Company Secretary on 20 August 2024. Mr Xiao (Josh) Cui's role as Company Secretary ceased on 4 July 2024.



Capital raisings and funding arrangements

On 19 December 2024, the Company announced a placement of 45 million fully paid ordinary shares at \$0.016 per share to raise \$720,000 to provide much needed working capital following the substantial costs incurred as a direct result of the voluntary administration.

Operational developments

In August 2024, the Company launched its new subsidiary, Epsilon Pharmacy, to provide pharmaceutical dispensing and medication information services, marking a strategic expansion into the business-to-consumer market. The Company has focused on rebuilding client relationships, securing new customers, and expanding its product and service offerings at its TGA-licensed Southport manufacturing facility.

ASX suspension

The Company's securities remain suspended from quotation on the ASX pending compliance with ASX requirements. The Board is undertaking remedial actions to address matters raised by the ASX, with a view to seeking reinstatement when appropriate.

Matters Subsequent to Balance Date

Since the end of the reporting year:

1. On 19 February 2025 the Deed of Company Arrangement ("DOCA") for Epsilon Clinics Pty Limited was effectuated. As a result of the effectuation, participating creditors' claims had been extinguished under the DOCA, and the company is no longer subject to the DOCA.
2. On 2 April 2025 the DOCA for Epsilon Pharma Pty Limited was effectuated. As a consequence of the effectuation, participating creditors' claims had been extinguished under the DOCA, and the company is no longer subject to the DOCA.
3. On 26 June 2025 the DOCA for Epsilon Healthcare Limited was effectuated. As a consequence of the effectuation, participating creditors' claims had been extinguished under the DOCA, and the company is no longer subject to the DOCA. As of 26 June 2025, all DOCAs had been effectuated for all entities.
4. Epsilon Pharma Pty Limited had been issued with a renewal of its Medicinal Cannabis permit for the manufacture of finished formulation products containing various forms of cannabis drugs. This will increase the allowable manufacturing quantities and grants Epsilon Pharma Pty Limited with an export licence and an import permit.
5. Epsilon Healthcare Limited ("EPN") filed proceedings on 21 May 2025 in the NSW Supreme Court against the former director and chairman Josh (Xiao) Cui and Watercrest Capital Pty Limited, a company for which Josh (Xiao) Cui is the sole director and secretary. The proceedings relate to agreements purportedly entered by EPN and payments made by EPN to Watercrest Capital Pty Limited and other parties.
6. The Company has entered into the following finance arrangements subsequent to balance date:



- a. A new secured loan facility was entered on 20 December 2024 for \$4.8m to refinance the previous Bligh Finance loan facility. This new loan facility had an initial maturity date of 20 March 2025. This loan facility was further extended to 20 June 2025.
 - b. EPN issued loan notes with a face value of \$0.02 per note with a redemption date of 30 June 2025, or such earlier date as nominated by EPN. \$555,000 Loan notes were issued and converted to 27,750,000 shares on 30 June 2025.
7. In July 2025, the Company successfully completed a strategic sale and leaseback transaction of its manufacturing property. The \$6.7 million sale and long-term leaseback allows for continued use and occupancy of the site, ensuring the exclusive occupation of the site, operational continuity and security of tenure for its manufacturing facility activities. The sale proceeds were used to substantially improve the company's debt to equity ratio and financial exposure by extinguishing in full the \$4.8m secured loan facility, repayment of other short-term debts & providing working capital to support some of the strategic and operational objectives of the organisation. The 31 December 2024 carrying amount of this asset is based on this contracted sale price, which management used as the Level 3 fair value input described in Note 24.
8. Shareholders approved at the EGM dated 27 June 2025, the issue of 25 million Options to Peter Giannopoulos, and 10 million Options to Alan Beasley, with an exercise price of 2 cps. There is no value in the options and as noted in the explanatory memorandum this was not to incentivise nor to remunerate these 2 directors. These options were issued on 24 July 2025.

Apart from the above, there were no other matter or circumstance which has arisen since 31 December 2024 that has significantly affected, or may significantly affect:

- a. The Group's operations in future financial years; or
- b. The results of those operations in future financial years; or
- c. The Group's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the Group and the expected results of operations have not been included in these financial statements because the directors believe it could potentially and unreasonably prejudice the Group.

Environmental regulation

The Group's operations are not subject to any significant environmental regulation under either Commonwealth or State legislation. The Board considers that adequate systems are in place to manage the Group's obligations and it's not aware of any breach of environmental requirements as they relate to the Group.

Dividends

No dividends were paid to members during the financial year (2023: \$nil).



Proceedings on behalf of the Group

No person has applied to the Court for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Group.

Non-audit services

As disclosed under Note 22, the Group's auditor did not provide any non-audit services during the 2024 financial year (2023: nil).

Auditor's independence declaration

A copy of the auditor's independence declaration is set out on page 31.

Auditor

A D Danieli Audit Pty Ltd continue in office in accordance with section 327 of the *Corporations Act 2001*.

Shares under option

No shares were issued on exercise of options in the 2024 financial year.



REMUNERATION REPORT

This report outlines the remuneration arrangements in place for directors and executives of the Group.

Remuneration philosophy

The performance of the Group depends upon the quality of its directors and executives, and the ability of the Group to attract, motivate and retain highly skilled directors and executives.

Remuneration committee

In accordance with best practice corporate governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-executive director remuneration

Objective

The Board of Directors recognises that the success of the Group will depend on the quality of its directors and its senior management. For this reason, the Remuneration Committee reviews the remuneration arrangements for

all senior employees to ensure that it attracts and keeps motivated, highly skilled and appropriately qualified Directors and executives.

Structure

The Company's Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting of shareholders. An amount not exceeding the amount determined by shareholders in general meeting is then available to be split between the Directors as agreed between them.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned between directors will be reviewed annually. The Board considers the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each director receives a fee for being a director of the Company.

Non-executive directors are encouraged by the Board to hold shares in the Company (purchased by the directors on market).

Non-executive directors' remuneration is not linked to the performance of the Company.

The remuneration of directors for the year ending 31 December 2024 is detailed in Table 3 of this report. There is currently a maximum director payment pool of \$500,000 for non-executive directors.

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Senior manager and executive director remuneration

Objective

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company so as to ensure total remuneration is competitive by market standards.

Structure

In determining the level and make-up of executive remuneration, the Remuneration Committee reviews market conditions and the circumstances of the Company to ensure that the remuneration offered is sufficient to attract executives of the highest calibre.

Fixed remuneration

The fixed remuneration of all employees is reviewed by the Remuneration Committee as is considered necessary.

Short-Term and Long-Term Remuneration

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders' value relative to the entire market and the increase compared to the consolidated entity's direct competitors.

Equity Based Remuneration

The equity-based remuneration of all employees is reviewed by the Remuneration Committee as is considered necessary.

Key Management Personnel Remuneration

The Company entered into an executive services agreement effective 23 May 2023 for Mr Peter Giannopoulos as Chief Executive Officer (CEO). Mr Giannopoulos annual remuneration consists of a fixed base remuneration of \$519,750 (exclusive of superannuation) per annum. In addition to his base, he is eligible to participate in:

- (i) up to 25% of that fixed base remuneration as a short-term incentive; and
- (ii) up to 80% of that fixed base remuneration as a long-term incentive"

The STI will be payable in cash in full, or part based on the achievement (in full or in part), against agreed performance objectives but can also be granted at the discretion of the Epsilon Board. The LTI will be subject to certain performance hurdles being satisfied before the options will be issued and based on; total shareholder returns, business unit performance and EPN share price increase.



Termination

Epsilon may terminate Mr Giannopoulos employment at any time on three months' notice or payment in lieu of notice. Mr Giannopoulos may terminate his employment with Epsilon at any time on three months' notice or, at Epsilon's election, payment in lieu of notice. Mr Giannopoulos employment may also be summarily terminated (without notice) by Epsilon in circumstances of his misconduct or long-term illness.

Restrictive Covenant

Mr Giannopoulos will be restrained for up to six months after termination of his employment with Epsilon through a non compete clause.

Table 1: Shareholdings of key management personnel

2024 Balance	Opening Balance	Granted as compensation	Acquired	Disposed	Closing balance
Alan Beasley	10,500,000	-	-	-	10,500,000
Zoe Hutchings**	1,201,766	-	-	-	1,201,766
Josh Cui*	35,828,878	-	-	-	35,828,878
Stuart Cameron*	8,438,499	-	-	-	8,438,499
Total	55,969,143	-	-	-	55,969,143

2023 Balance	Opening Balance	Granted as compensation	Acquired	Disposed	Closing balance
Josh Cui	35,828,878	-	-	-	35,828,878
Alan Beasley	-	-	10,500,000	-	10,500,000
Stuart Cameron	8,438,499	-	-	-	8,438,499
Total	44,267,377	-	10,500,000	-	54,767,377

*Note these holdings are held indirectly. **Ms Hutchings appointed 11 June 2024

Table 2: Option holdings of key management personnel

2024 and 2023 | Nil

Employee options

The Company established an Employee Option Plan (EOP) plan that was approved by shareholders at the Extraordinary General Meeting held on 18 November 2018, which was re-adopted at the 2021 Annual General Meeting for the purpose of ASX Listing Rule 7.2 Exception 13. The EOP is designed to provide long-term incentives to senior executives to deliver long-term shareholder returns. Under the plan, employees are granted options which vest if certain criteria are met.

**Table 3: Details of remuneration**

		Salary and fees	Bonus	Post Employment benefits	Share based payments	Total	Performance based
Name		\$	\$	\$	\$	\$	%
Non- Executive Directors							
Alan Beasley	2024	90,000	-	-	-	90,000	-
	2023	60,000	-	-	-	60,000	-
Zoe Hutchings*	2024	30,000	-	-	-	30,000	-
	2023	-	-	-	-	-	-
Stuart Cameron	2024	-	-	-	-	-	-
	2023	-	-	-	-	-	-
Subtotal Non-Executive Directors	2024	120,000				120,000	-
	2023	60,000				60,000	-

*Ms Hutchings appointed 11 June 2024

Table 4: Key Management Personnel

		Salary and fees	Bonus	Post Employment benefits	Share based payments	Total	Performance based
Name		\$	\$	\$	\$	\$	%
Peter Giannopoulos - CEO	2024	505,486	126,861	56,903	-	689,249	18%
	2023	300,401	-	32,770	-	333,171	-
Subtotal Personnel	2024	505,486	126,861	56,903	-	689,249	
	2023	300,401	-	32,770	-	333,171	
Total	2024	625,486	126,861	56,903	-	809,249	
	2023	360,401	-	32,770	-	393,171	

All payments to related parties are on arms' length terms and at rates comparable to the market rate or average for these contracts. All contracts have received Board approval. * CEO appointed 23 May 2023.

Service Agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Zoe Hutchings
Title:	Non Executive Director
Agreement commenced:	11 June 2024
Term of agreement:	No fixed term.
Details:	\$30,000 per annum.



Name:	Alan Beasley
Title:	Non Executive Director
Agreement commenced:	1 January 2023
Term of agreement:	No fixed term.
Details:	\$90,000 per annum.

Name:	Peter Giannopoulos
Title:	Chief Executive Officer & Managing Director
Agreement commenced:	23 May 2023
Term of agreement:	The agreement may be cancelled by either party with 3 months notice.
Details:	Total annual remuneration \$519,750*, excluding superannuation.

*CEO and Managing Director base salary increased from \$495,000 to \$519,750 on 1 July 2024

During the 2024 year, the Managing Director and a Non-Executive Director (Zoe Hutchings) were in a domestic relationship. Other than remuneration disclosed in the Remuneration Report, there were no transactions between the company and or entities associated with the Non-Executive Director. The Board believes the Non-Executive Director continues to bring valuable skills and experience to the Company.

The Board has assessed the matter and implemented appropriate governance safeguards to manage potential conflicts of interest, including:

- Ms Hutchings did not participate in any Board discussions or decisions concerning the remuneration, performance, or employment terms of the Managing Director;
- The Remuneration and Nomination Committee (excluding Ms Hutchings) reviewed and approved all remuneration-related matters for the Managing Director;
- All related-party matters were considered in accordance with the Company's Conflict of Interest Policy and ASX Corporate Governance Principles (Principle 2: Structure the board to be effective and add value).

The Board is satisfied that these arrangements were effective in mitigating any perceived or actual conflicts of interest.

Performance of the company and shareholder returns

The application of the Group's executive reward framework has regard to shareholder return indices. Options issued to executives have exercise prices set at significant premiums to the share price at issue dates. Other with nil exercise prices are subject to EPN's share price meeting a number of performance milestones.

Refer to Note 19 Share based payments for details of the valuation of these payments.

On behalf of the Directors,

Alan Beasley

Chairman

18 November 2025



CORPORATE GOVERNANCE STATEMENT

Epsilon Healthcare Limited (the Company) provides the following statement disclosing the extent to which the Company has followed the Corporate Governance Principles and Recommendations set by the Australian Stock Exchange (ASX) Corporate Governance Council. Where the Company has not followed a recommendation, this fact has been disclosed together with the reasons for the departure. This Corporate Governance Statement is current as at 18 November 2025.

Further information about the Company's Corporate Governance Practices will be set out on the Company's updated website at <https://epsilonhealthcare.com.au/corporate-governance>

PRINCIPLE	RESPONSE
PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT	
Recommendation 1.1	
The entity should have and disclose a charter, which sets out the respective roles and responsibilities of the board, the chair and management; and includes a description of those matters expressly reserved to the board and those delegated to management.	Complies. The Company’s Corporate Governance Plan includes a Board Charter, which discloses the specific responsibilities of the Board. The responsibilities delegated to the senior management team are set out in the Board Charter. The Board Charter will be imminently available to be viewed on the Company’s updated website at https://epsilonhealthcare.com.au/corporate-governance .
Recommendation 1.2	
The entity should undertake appropriate checks before appointing a person or putting forward to security holders a candidate for election, as a director. The entity should provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.	Complies. The Company conducts background and reference checks for all Directors. The Board regularly reviews the composition of the Board to ensure that the Board continues to have the mix of skills and experience necessary for the conduct of the company’s activities. In the circumstances where the Board believes there is a need to appoint another director, certain procedures will be followed. Shareholders are provided with relevant information on the candidates for re-election.
Recommendation 1.3	
The entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Complies. All Directors and senior executives have written agreements setting out the terms of their appointment.
Recommendation 1.4	
The company secretary of the entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Complies. The Company Secretary has been appointed and is accountable directly to the Board, through the Chairperson, on all matters to do with the proper functioning of the Board.
Recommendation 1.5	



The entity should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them.	Partly Complies. The Board has established a Diversity Policy. The Diversity Policy will be imminently available for viewing on the Company's new website.
The entity should disclose in its annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	Does not yet comply. The Company at its current stage of development does not have measurable objectives but will reassess these objectives with the growth of the Company. However, the Board is committed to establishing and maintaining employee and Board diversity which recognises the strategic and personal advantages that arise from a workplace where decisions are based on merit and all employees are treated equally.
The entity should disclose in its annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	Does not yet comply. The Company at its current stage of development does not have measurable objectives but will reassess these objectives with the growth of the Company.
Recommendation 1.6	
The entity should have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors and disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Partly complies. Currently the role of the nomination committee is undertaken by the full Board. The Company intends to establish a nomination committee once the Company's operations are of sufficient magnitude. The Board is responsible for evaluating the performance of the Board and individual Directors will be evaluated on an annual basis. It may do so with the aid of an independent advisor.
Recommendation 1.7	
The entity should have and disclose a process for periodically evaluating the performance of its senior executives and disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Does not comply. Having regard to the size of the Group and the small number of employees, other than the Directors, the Group does not have any senior executives and therefore Recommendation 1.7 is not applicable. Details of the performance evaluations will be set out in future Annual Reports.
PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE	
Recommendation 2.1	
The entity's board should have a nomination committee, which has at least three members, a majority of whom are independent directors and is chaired by an independent director.	Does not comply. The Board has not established a nomination committee as the role of the committee is undertaken by the full Board.
The entity should disclose the charter of the committee, the members of the committee and as at the end of each reporting period, the number of	Initially the role of the nomination committee will be undertaken by the full Board. The Company intends to



times the committee met throughout the period and the individual attendances of the members at those meetings.	establish a nomination committee once the Company's operations are of sufficient magnitude.
If the entity does not have a nomination committee, it should disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.	The Company does not have a nomination committee. The Board evaluates the skills, experience of its members and then determines whether additional members should be invited to the Board to complement or replace the existing members.
Recommendation 2.2	
The entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Complies The Board consists of a relevant blend of personal experience at director level business and corporate experience required by the Group for effective decision making. Directors are appointed based on the specific operational, corporate and governance skills required by the Group. The Company follows Recommendation 2.2 by disclosing the Directors' experience, date of appointment and independence status, which satisfy the Board skill matrix below, in the Directors' Report section of the Annual Report. Board skill matrix Business and finance • Business strategy, financial literacy, executive management Investments • Corporate Mergers and acquisitions, corporate financing. Leadership • Experience in public listed companies, having the ability but limited to setting Board directives and representing the Group appropriately.
Recommendation 2.3	
The entity should disclose the names of the directors considered by the board to be independent directors and the length of service of each director.	Complies. The independence of directors and the length of service of each Director is set out in the Company's Annual Report.
The entity should disclose if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (4	Details of any relevant interest, position, association or relationship impacting upon a director's independence is set out in the Company's Annual Report.



Edition), but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion.	
Recommendation 2.4	
A majority of the board of the entity should be independent directors.	Complies.
Recommendation 2.5	
The chair of the board of the entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Complies.
Recommendation 2.6	
The entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.	Does not yet comply. Currently the induction of new Directors and plan for professional development is managed informally by the Company Secretary with the assistance of the Full Board. The Company intends to develop a formal program for inducting new Directors and providing appropriate professional development opportunities.
PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY	
Recommendation 3.1	
The entity should articulate and disclose its values.	Complies. All Directors, executives and employees are expected to act with the utmost integrity and objectivity in carrying out their duties and responsibilities, always endeavouring to enhance the reputation and performance of the Group. Every employee has direct access to a director to whom they may refer to any ethical issues that may arise from their employment. In compliance with Recommendation 3.1 directors, executives and employees are expected to adhere to: • Work in harmony and bring out the best in each other; Consider the impact of our actions on others; • Strive for excellence and quality in our work; • Act with integrity and be accountable for our actions; Maintain our professional ethical standards to the utmost of integrity;
Recommendation 3.2	
The entity should have and disclose a code of conduct for its directors, senior executives and employees and ensure that the board or a committee of the board is informed of any material breaches of that code.	Complies. The Board has established a Code of Conduct to guide compliance with legal, ethical and other obligations to legitimate stakeholders and the responsibility and accountability required of the Company's personnel for



	reporting and investigating unethical practices or circumstances where there are breaches of the Code. The Code of Conduct can be viewed on the Company's website.
Recommendation 3.3	
The entity should have a disclose a whistleblower policy and ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	Complies. The Board has established a whistleblower policy to guide compliance with legal, ethical and other obligations to legitimate stakeholders and the responsibility and accountability required of the Company's personnel for reporting and investigating unethical practices or circumstances where there are breaches of the policy. The whistleblower policy can be viewed on the Company's website.
Recommendation 3.4	
The entity should have and disclose an anti-bribery and corruption policy and ensure that the board or committee of the board is informed of any material breaches of that policy.	Complies. The Board has established an anti-bribery and corruption policy to guide compliance with legal, ethical and other obligations to legitimate stakeholders and the responsibility and accountability required of the Company's personnel for reporting and investigating unethical practices or circumstances where there are breaches of the policy. The anti-bribery and corruption policy can be viewed on the Company's website within the Code of Conduct.
PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING	
Recommendation 4.1	
The board of the entity should have an audit committee, which consists only of non-executive directors, a majority of which are independent directors and is chaired by an independent chair, who is not chair of the board. The entity should disclose the charter of the committee, the members of the committee and as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.	Does not comply. The Board has not established an Audit and Risk Committee. The Company is not of a size that justifies having a separate committee to oversee risk, so matters typically considered by such a committee are dealt with by the full Board. The Board has established an Audit and Risk Committee Charter governing the Audit and Risk Committee which can be viewed on the Company's website.
Recommendation 4.2	
The board should disclose whether it has, before approving the entity's financial statements for a financial period received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) a declaration that	Complies. The Board requires the Chief Executive Officer and Chief Financial Officer to provide such a statement before



the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively in all material respects in relation to financial reporting risks.	approving the entity's financial statements for a financial period.
Recommendation 4.3	
The entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Complies. From time to time, The Company releases periodic corporate reports which are not subject to review or audit by external auditors. Such is the case of the Preliminary Final Report (Appendix 4E and 4D) and Quarterly Cashflow report Appendix 4C. The Preliminary Final Reports are subject to approval by the Board before release and this approval process includes confirmation from management to the Directors that the relevant report has been reviewed and is accurate.
PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE	
Recommendation 5.1	
The entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	Complies. The Company has a written policy on information disclosure. The focus of these policies and procedures is continuous disclosure and improving access to information for investors. Details of the entity's continuous disclosure policy can be viewed on the Company's website.
Recommendation 5.2	
The entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Complies. The Company has a policy whereby all directors receive copies of all announcements released to the market.
Recommendation 5.3	
The entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Complies. The Company has a policy whereby all investor or analyst presentations are released to the market, in compliance with the Company's continuous disclosure requirements and policy, as noted in Recommendation 5.1.
PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS	
Recommendation 6.1	
The entity should provide information about itself and its governance to investors via its website.	Complies. The Company has provided specific information about itself and its key personnel and has developed a



	comprehensive Corporate Governance Plan. Details can be found at the Company's website.
Recommendation 6.2	
The entity should design and implement an investor relations program to facilitate effective two-way communication with shareholders.	Complies. The Company has established a Shareholder's Communication Policy. The Company recognises the importance of forthright communications and aims to ensure that the shareholders are informed of all major developments affecting the Company. Details of the Shareholder's Communication Policy can be found at the Company's website.
Recommendation 6.3	
The entity should disclose the policies and processes it has in place to facilitate and encourage participation at general meetings.	Complies. The Shareholder's Communication Policy is available on the Company's website and details are set out in the Company's annual report.
Recommendation 6.4	
The entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Complies. The Company has a policy to ensure all resolutions put to security holders are decided by a poll.
Recommendation 6.5	
A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Complies. The Company has provided the option to receive communications from, and send communications to, the entity and its security registry electronically. A copy of the Shareholder Communications Policy is available on the Company's website.
PRINCIPLE 7: RECOGNISE AND MANAGE RISK	
Recommendation 7.1	
The board of the entity should have a committee or committees to oversee risk each of which has at least three members, a majority of whom are independent directors and is chaired by an independent director.	Complies (see also Recommendation 4.1). The Company is not of a size that justifies having a separate committee to oversee risk. The roles ordinarily undertaken by a Risk Committee are dealt with by the full Board.
The entity should disclose the charter of the committee, the members of the committee and as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.	Details of the Audit and Risk Committee Charter is available on the Company's website.
Recommendation 7.2	
The board or board committee should review the entity's risk management framework with management at least annually to satisfy it that it continues to be sound, to determine whether there	Complies. Currently the Board determines the Company's "risk profile" and is responsible for overseeing and approving



have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board.	risk management strategy and policies, internal compliance and internal control. A copy of the risk management framework is available on the Company's website.
The entity should also disclose in relation to each reporting period, whether such a review has taken place.	Details of the number of times a risk management review in relation to each reporting period is disclosed in the Company's annual report.
Recommendation 7.3	
The entity should disclose if it has an internal audit function, how the function is structured and what role it performs. If the entity does not have an internal audit function, the entity should disclose that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Does not yet comply. The Company does not have an internal audit function. The function is currently undertaken by the Audit and Risk Committee. The Board intends to establish and implement the structure and role of the internal audit function once the Company's operations are of sufficient magnitude.
Recommendation 7.4	
The entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Complies. In compliance with Recommendation 7.4, the material manageable risks which the Group is exposed to include, operational risks, capital risks and human resources risks as follows: Global events; obtaining government approvals; the ability to raise additional capital; and recruiting and retaining qualified personnel. The full Board is responsible to oversee the risk management function and implementing an appropriate level of control to mitigate these risks within the Group. The full Board reviews all major Group strategies and decisions and takes appropriate actions on a continuous basis.
PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY	
Recommendation 8.1	
The board should establish a remuneration committee, which has at least three members, a majority of whom are independent directors and is chaired by an independent director.	Does not yet comply. The full Board maintains this function at present.
If the entity does not have a remuneration committee, the entity should disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	The Board has adopted a Remuneration Committee Charter. However, the Company is not of a size that justifies having a separate Remuneration Committee so matters typically considered by such a committee are dealt with by the full Board.
Recommendation 8.2	
The entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of	Complies. The Company's Share Trading Policy prohibits executive



executive directors and other senior executives and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.	staff from undertaking hedging or other strategies that could limit the economic risk associated with Company Securities issued under any equity-based remuneration scheme. The Share Trading Policy can be viewed on the Company's website.
Recommendation 8.3	
If the entity has an equity-based remuneration scheme, the entity should have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise), which limit the economic risk of participating in the scheme and disclose that policy or a summary of it.	Complies. The Company's Share Trading Policy prohibits executive staff from undertaking hedging or other strategies that could limit the economic risk associated with Company Securities issued under any equity-based remuneration scheme. The Share Trading Policy can be viewed on the Company's website.
PRINCIPLE 9: ADDITIONAL RECOMMENDATIONS	
Recommendation 9.1	
A listed entity with a director who does not speak the language in which the board or security holders meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understand.	Not applicable
Recommendation 9.2	
A listed entity established outside Australia should ensure the meetings are held at a reasonable place and time.	Not applicable
Recommendation 9.3	
A listed entity established outside Australia, and externally managed listed entity that has an AGM, should ensure that an external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Not applicable as the Company is established in Australia.



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**Auditor's Independence Declaration
Under Section 307c of The Corporations Act 2001
To the Directors of Epsilon Healthcare Limited
ABN 33 614 508 039
And Controlled Entities**

I declare that, to the best of our knowledge and belief, during the year ended 31 December 2024, there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

A D DANIELI AUDIT PTY LTD

Sam Danieli

Sydney, 18 November 2025

For personal use only



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME | FOR THE YEAR ENDED 31 DECEMBER 2024

		Year ended 31 December 2024	Year ended 31 December 2023
Notes		\$	\$
Revenue from continuing operations	3	5,600,181	6,651,520
Cost of goods sold		(1,323,442)	(1,667,543)
Gross profit		4,276,739	4,983,977
Other income		471,861	817
Freight and other selling expenses		(197,276)	(191,920)
Professional expenses (accounting & legal)		(380,236)	(322,367)
Voluntary Administration Costs			
- Legal		(342,934)	(26,064)
- Voluntary & Deed Administrator Costs		(1,342,653)	-
- External accounting fees (Ure Lynam & Co)		(329,059)	-
Corporate and consulting expenses		(437,585)	(704,879)
Plant and facility costs		(660,777)	(886,062)
Research and development – prior year refund overstated (net)		-	(53,748)
Licence and registration fees		(103,620)	(172,048)
Employee benefits expense		(2,536,444)	(2,164,201)
Advertising and promotion expenses		(1,590)	(18,473)
Insurance expenses		(411,307)	(599,105)
Bad debts recovered/(expense)		(105,962)	(73,888)
Depreciation and amortisation expense	10,11	(1,407,629)	(1,478,820)
Interest		(1,130,746)	(476,980)
Office and occupancy expenses		(45,108)	(246,980)
General expenses		(215,204)	(411,308)
Foreign exchange (loss)/gain		(11,164)	(8,900)
Loss on disposal of plant and equipment		-	(367,481)
Interest – leases		(20,278)	(38,232)
Share based payments	19	-	(50,000)
Facilitation and establishment cost		(696,156)	-
Loss before income tax		(5,627,128)	(3,306,662)
Income tax benefit/(expense)	5	133,392	2,215,672
Loss for the year		(5,493,736)	(1,090,990)
Other comprehensive income		-	-
Total comprehensive loss for the year		(5,493,736)	(1,090,990)
Earnings per share			
- Basic/diluted losses per share (Cents)	23	(1.45)	(0.36)

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 31 December 2024	As at 31 December 2023
Notes		\$	\$
Assets			
Current Assets			
Cash and cash equivalents	6	1,565,647	343,013
Trade and other receivables	7	1,091,931	1,266,031
Inventory	8	528,991	-
Other assets	9	502,736	485,695
Total Current Assets		3,689,305	2,094,739
Non-Current Assets			
Property, plant and equipment	10	6,700,000	12,114,905
Right-of-use assets	11	-	136,243
Other assets	9	66,000	66,000
Total Non-Current Assets		6,766,000	12,317,148
Total Assets		10,455,305	14,411,887
Liabilities			
Current Liabilities			
Trade and other payables	12	2,590,691	2,037,868
Contract liabilities	13	230,891	535,401
Borrowings	14	7,850,755	3,293,798
Employee benefits	15	795,994	375,365
Lease liabilities	11	33,861	126,200
Total Current Liabilities		11,502,192	6,368,632
Non-Current Liabilities			
Deferred tax liability	16	966,799	433,038
Employee benefits	15	63,529	37,132
Lease liabilities	11	-	33,862
Total Non-Current Liabilities		1,030,328	504,032
Total Liabilities		12,532,520	6,872,664
Net Assets		(2,077,215)	7,539,223
Equity			
Equity			
Contributed equity	17	47,533,485	46,813,485
Reserves	17	3,980,197	8,822,899
Accumulated losses		(53,590,897)	(48,097,161)
Equity		(2,077,215)	7,539,223

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 31 DECEMBER 2024

	Contributed equity	Other contributed equity	Accumulated losses	Reserves	Total
	\$	\$	\$	\$	\$
At 1 January 2023	46,812,684	-	(47,006,171)	8,772,899	8,579,412
Loss for the year	-	-	(1,090,990)	-	(1,090,990)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss	-	-	(1,090,990)	-	(1,090,990)

Transactions with owners in their capacity as owners:

Credit for costs of shares issued in the year ending 31 December 2022	801	-	-	-	801
Options vesting expense and expiration	-	-	-	50,000	50,000
Total transactions with owners	801	-	-	50,000	50,801
At 31 December 2023	46,813,485	-	(48,097,161)	8,822,899	7,539,223
At 1 January 2024	46,813,485	-	(48,097,161)	8,822,899	7,539,223
Loss for the year	-	-	(5,493,736)	-	(5,493,736)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss	-	-	(5,493,736)	-	(5,493,736)

Transactions with owners in their capacity as owners:

Issue of share capital	620,000	-	-	-	620,000
Issue of ordinary shares as consideration of repayment of loan borrowing	100,000	-	-	-	100,000
Revaluation of assets	-	-	-	2,021,457	2,021,457
Impairment of assets	-	-	-	(6,864,159)	(6,864,159)
Total transactions with owners	720,000	-	-	(4,876,342)	(4,122,702)
At 31 December 2024	47,533,485	-	(53,590,897)	3,980,197	(2,077,215)

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 31 DECEMBER 2024

		Year ended 31 December 2024	Year ended 31 December 2023
Notes		\$	\$
Cash flows from operating activities			
Receipts from customers		5,372,974	8,187,972
Payments to suppliers and employees		(7,581,536)	(8,693,782)
Research and development tax incentive received		302,371	421,542
Finance costs		(1,499,408)	(619,103)
Net cash outflow from operating activities	20	(3,405,599)	(703,371)
Cash flows from investing activities			
Payments for plant and equipment		(97,732)	(100,094)
Proceeds from disposal of property, plant and equipment		-	975
Net cash outflow from investing activities		(97,732)	(99,119)
Cash flows from financing activities			
Principal payment of lease liabilities		(126,200)	(156,289)
Principal payment of borrowings		(3,421,835)	(2,673,158)
Proceeds from borrowings		7,554,000	3,165,353
Proceeds from shares issued (net of costs)		720,000	-
Net cash inflow/(outflow) from financing activities		4,725,965	335,906
Net (decrease)/increase in cash and cash equivalents		1,222,634	(466,584)
Cash and cash equivalents at the beginning of the financial year		343,013	809,597
Cash and cash equivalents at end of the year	6	1,565,647	343,013

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 31 December 2024



Summary of significant accounting policies

These consolidated financial statements and notes represent those of the consolidated entity (referred to hereafter as the 'Group') consisting of Epsilon Healthcare Limited, (referred to hereafter as the 'Company') and the entities it controlled at the end of, or during, the year ended 31 December 2024.

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are reported below. They have been consistently applied unless stated otherwise. All applicable new accounting standards have been adopted for the year ended 31 December 2024.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting policies

a. Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in Note 28.

b. Principles of Consolidation

A controlled entity is any entity Epsilon Healthcare Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

As at the reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year ended.

All inter-company balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies applied by the Company.

Where controlled entities have entered or left the Group during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Minority interests, being that portion of the profit or loss and net assets of subsidiaries attributable to equity interests held by persons outside the Group, are shown separately within the Equity section of the Consolidated Statement of Financial Position and in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

c. Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated Group incurred a loss of \$5,194,091 for the year ended 31 December 2023 and had net cash outflows from operating activities of \$3,405,599 for the year ended 31 December 2024. In addition, the consolidated Group has outstanding loan facilities payable as disclosed in Note 14. The ability of the consolidated entity to continue as a going concern is dependent upon a number of factors, including the ability to raise additional capital, source alternative funding, increase revenue and generate profits, and

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potential sale of property.

These factors can indicate a level of uncertainty and may cast doubt as to whether the Company can continue as a going concern.

The Directors believe that there are reasonable grounds to believe that the Company will be able to continue as a going concern, after consideration of the following factors:

- (a) The consolidated Group has cash and cash equivalents of \$1,565,647 as at 31 December 2024;
- (b) The consolidated Group has net liabilities of \$2,077,215 and total assets of \$10,455,305 as at 31 December 2024;
- (c) As disclosed in Note 27, Events Occurring After The Balance Date, the Company has been able to obtain new and replacement finance facilities;
- (d) The Company is in the process of selling its real property asset which will repay debt;
- (e) The Company proposes to raise additional \$1 million capital in the short term; and
- (f) The consolidated Group's forecast profit and loss indicates profitable trading operations post 2nd quarter 2025.
- (g) The Directors does not intend to liquidate or cease trading the Company within the next 12 months of the date of this report.
- (h) The Directors considered if the financial report should be prepared on a liquidation basis and concluded that the preparation on a going concern basis remains appropriate.
- (i) The Group's ability to continue as a going concern is therefore dependent on shareholder funding, refinancing, capital raising and sales and leaseback proceeds much of which is outside of the Group's control (see borrowings and subsequent events notes).
- (j) Accordingly a material uncertainty exists that may cast significant doubt on the Group's ability

to continue as a going concern.

The Directors believe that Epsilon will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if Epsilon does not continue as a going concern.

d. Foreign currency translation

i. Functional currency

Items included in the financial statements of the Group's operations are measured using the currency of the primary economic environment in which it operates ('the functional currency').

The functional currency of the Company is Australian dollars (AU\$).

Foreign currency transactions are translated into the functional currency using the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. Foreign exchange gains and losses resulting from settling foreign currency transactions, as well as from restating foreign currency denominated monetary assets and liabilities, are recognised in profit or loss, except when they are deferred in other comprehensive income as qualifying cash flow hedge s or where they relate to differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

ii. Presentation currency

The financial statements are presented in Australian dollars, which is the Company's presentation currency.

Functional currency balances are translated into the



presentation currency using the exchange rates at the balance date. Value differences arising from movements in the exchange rates are recognised in the Foreign Currency Translation Reserve.

e. Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

f. Revenue recognition

Revenue is recognised when the goods are delivered and have been accepted by customers at their premises.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised.

The right to recover returned goods asset is measured

at the former carrying amount of the inventory less any expected costs to recover goods. The refund liability is included in other payables and the right to recover returned goods is included in inventory. The Group reviews its estimate of expected returns at each reporting date and updates the amounts of the asset and liability accordingly.

Interest income is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rates which is the rate that exactly discounts the estimated future cash receipts over the expected future life of the financial asset.

When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

g. Income Tax

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised for temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax liabilities (DTLs) are recognised for all taxable temporary differences; deferred tax assets (DTAs) are recognised for deductible temporary differences and tax losses only to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Income tax relating to items recognised outside profit or loss (e.g., revaluations and reversals of revaluations) is recognised in the same place (i.e., in OCI and accumulated in reserves), not in profit or loss.

DTAs and DTLs are offset only when there is a legally enforceable right to offset current tax assets against current tax liabilities and the balances relate to the same taxation authority. Deferred tax is not



discounted.

Plant & equipment and other non-land & building classes were impaired to nil. Because those assets had a prior revaluation surplus, the impairment was accounted for entirely against the asset revaluation surplus.

Any unused tax losses and deductible temporary differences not recognised as DTAs are disclosed (Note 16) with their tax-effect amounts; they will be reassessed at each reporting date.

h. Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows. There is provision made in the Statement of Cash Flows to disclose the applicable GST refunds/payments that have been remitted to the ATO to accurately show the cash position of Epsilon Healthcare Limited.

i. Leases

The Group had early adopted AASB 16 Leases for the first time in the 2018 financial year. Under AASB 16, all leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate

on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over



the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

j. Impairment of assets

At the end of each reporting period the Group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, the recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value 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 purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where it is not possible to estimate the recoverable amount for an individual asset, the recoverable amount is determined for the cash generating unit to which the asset belongs.

ROU assets are carried at cost less amortisation and impairment; lease liabilities are measured at amortised cost and are not reduced by an ROU impairment. 2024 includes impairment of non-L&B ROU assets to nil.

k. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial

position.

While management's assessment of recoverable amount supported a higher carrying value based on expected utilisation and cash flows, the Board resolved to adopt the auditor's more conservative position to conclude the audit and present a clear baseline for future performance. The impairment has no impact on cash, liquidity, covenants or operations, and does not change our strategy or near-term investment priorities. Under AASB 136, if future indicators support higher recoverable amounts, reversal of impairment may be considered in subsequent periods.

l. Trade and other receivables

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Group holds the trade receivables with the objective of collecting contractual cash flows and it therefore measures them subsequently at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days and are therefore all classified as current.

The Group has applied the AASB 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days overdue.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables are presented as an expense within operating profit. Subsequent recoveries of amounts previously written



off are credited against the same expense line item.

m. Other receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Other receivables are generally due for settlement within 30 days.

Collectability of other receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance made for doubtful debts is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms. Objective evidence of impairment includes financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue).

The amount of impairment loss is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as 'impairment expenses.' When a trade or other 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 the Statement of Profit or Loss and Other Comprehensive Income.

n. Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the year end and which are unpaid. These amounts are unsecured and are usually payable within 30 days of recognition.

o. Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or

services to the customer.

p. 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 a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

q. 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 end of the reporting period are recognised in other payables in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled.

ii. Retirement benefit obligations

The Group does not maintain a superannuation plan. The Group makes fixed percentage contributions for all Australian resident employees to complying third party superannuation funds. The Group's legal or constructive obligation is limited to these contributions.

Contributions to complying third party superannuation funds and pension plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

r. Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

s. Finance costs



Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

t. Contributed equity

Costs directly attributable to the issue of new shares are shown as a deduction from the equity proceeds net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

u. Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Land, buildings and improvements

Freehold land and buildings are carried at cost, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Freehold land and buildings are carried at cost, less accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

Manufacturing facility

Manufacturing facility assets are measured under the revaluation model and accounted for at their fair value, being the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction, based on periodic valuations by external independent valuers or director valuations, less subsequent depreciation.

Increases in the carrying amount arising on revaluation of Manufacturing facility assets are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same assets are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use.

Depreciation is calculated over the estimated useful life of the assets as follows:

- Plant and equipment – 1 to 10 years
- Website development – 3 to 5 years
- Land, buildings and improvements – 25 years
- Manufacturing facility and related equipment – 15 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

Gains and losses on disposals are determined by



comparing proceeds with the carrying amount. These gains or losses are recognised immediately in profit or loss. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

v. Intangible assets

Patents

Patents have a finite life and are carried at cost less any accumulated amortisation and impairment losses and each has an estimated useful life of 15 years.

In 2024 the Group did not revalue plant & equipment. Following impairment testing, 100% of plant & equipment was impaired to nil at 31 December 2024. Where a revaluation surplus existed for specific items/classes from prior periods, the decrease was recognised against that surplus in OCI; any excess was recognised in profit or loss.

Depreciation is not recognised on assets with nil carrying amount. Useful lives and residual values are reviewed at each reporting date.

Software development costs

Expenditure on the research phase of projects to develop new customised software and/or hardware is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- the development costs can be measured reliably;
- the project is technically and commercially feasible;
- the Group intends to and has sufficient resources to complete the project;
- the Group has the ability to use or sell the software; and
- the software will generate probable future economic benefits.

Development costs not meeting these criteria for

capitalisation are expensed as incurred.

Costs that are directly attributable include employees' (other than Directors') costs incurred on software and hardware development, along with an appropriate portion of relevant overheads and borrowing costs.

Clinical database

Clinical database acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

w. Inventories

Inventories are stated at standard cost or the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related production overheads, based on normal operating capacity. Costs of purchased goods are assigned using the first in, first out cost formula. Manufactured goods are recorded at standard costs which are considered to approximate actual costs. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

Medicinal cannabis products manufactured by the Group are valued using a standard costing process based on management's estimated costs on of materials, labour and overhead for a selected period of time and for a prescribed set of working conditions.

x. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the results attributable to the owners 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 financial year.

Diluted earnings per share



Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to consider the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

y. Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

z. Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial 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, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to

vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum, an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the



cancelled award, the cancelled and new award is treated as if they were a modification.

aa) Research and Development

In FY2018, Canndeo Ltd, a subsidiary of the Group, received a Medicinal Cannabis Licence. The licence provides authorisation for Canndeo to perform research and development of cannabis for medicinal purposes.

Expenditure on the research phase of projects to develop new cannabis strains and products is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- the development costs can be measured reliably
- the project is technically and commercially feasible
- the Group intends to and has sufficient resources to complete the project
- the Group has the ability to use or sell the software
- the developed asset will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Directly attributable costs include employee costs incurred on software development along with an appropriate portion of relevant overheads and borrowing costs.

bb) Comparative information

Comparative information presented is for the Group for the year ended 31 December 2023.

cc) New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

dd) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 31 December 2024. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.



Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on fair value less cost to sell. The estimation of fair value requires significant judgment and is subject to estimation uncertainty. Management have estimated the price at which an orderly transaction to sell its assets would take place between market participants at the measurement date under current market conditions.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

In forming this judgement, the Group considers approved budgets and forecasts, the existence and timing of taxable temporary differences expected to reverse to taxable amounts, and relevant tax-planning opportunities. Australian tax losses do not expire but remain subject to the Continuity of Ownership Test or, if not satisfied, the Same/Similar Business Test.

Based on the evidence available at balance date—

including approved forecasts of a return to profitability and the expected reversal of the revaluation deferred tax liability—the Group recognised a deferred tax asset on tax losses to the extent probable. The recognised DTA at 31 December 2024 equals the revaluation DTL, resulting in a net deferred tax position of nil. The remaining tax losses continue to be unrecognised and will be reassessed in future periods as further positive evidence of utilisation arises.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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 any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Increases in the carrying amounts arising on revaluation of property, plant and equipment and land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity.

To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from



the property, plant and equipment revaluation surplus to retained earnings. Refer to Note 24 for assumptions of fair value of assets.

There is significant judgment and estimation uncertainty with regards to the methodology used to revalue assets and determine the estimated revalued amounts.

In 2024 the Group confirmed its policy to carry only land & buildings under the revaluation model. All other asset classes were impaired to nil at balance date. This reflects the measurement outcome under AASB 136 and is not a change in accounting policy under AASB 108.

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3. Revenue

The Group's revenue disaggregated by operating segment is as follows:

For Year Ended 31 December 2024

	Telehealth Medical Practice	Contract Development and Manufacturing	Unallocated	Total
Revenue Australia	\$	\$	\$	\$
	861,263	4,738,91	–	5,600,181

For the Year Ended 31 December 2023

	Telehealth Medical Practice	Contract Development and Manufacturing	Unallocated	Total
Revenue Australia	\$	\$	\$	\$
	1,234,725	5,416,795	–	6,651,520

4. Interests in subsidiaries

Accounting subsidiaries		Country of Incorporation	Percentage Owned 2024	Percentage Owned 2023
Canndeo Pty Ltd	Australia	100%	100%	100%
Epsilon Pharma Pty Ltd (formerly THC Pharma Pty Ltd)	Australia	100%	100%	100%
Metra Holdings Pty Ltd	Australia	100%	100%	100%
Epsilon Clinics Pty Ltd (formerly Tetra Pty Ltd)	Australia	100%	100%	100%
Medimar Pty Ltd	Australia	100%	100%	100%
Canna Clinics Pty Ltd	Australia	100%	100%	100%
Demimar Pty Ltd	Australia	100%	100%	100%



5. Income tax expense

a. The components of tax expense/(benefit) comprise:

	For Year Ending 31 December	
	For the Year Ending 31 December 2024	For the Year Ending 31 December 2023
	\$	\$
Current tax	-	-
Deferred tax liability released	(133,392)	(2,215,672)
	(133,392)	(2,215,672)

b. Numerical reconciliation of income tax expense to prima facie tax payable:

	For the Year Ending 31 December 2024	For the Year Ending 31 December 2023
	\$	\$
Loss from continuing operations before income tax expense	(5,627,128)	(3,306,662)
Tax at the Australian tax rate of 25% (2023: 25%)	(1,406,782)	(826,665)
Add tax effect of:		
Net non-assessable/non-deductible items and other adjustments	347,236	-
Less tax effect of:		
Carried forward tax benefit recognised in the current year	-	(1,389,007)
Deferred tax assets not recognised	1,059,546	-
Deferred tax liability released	(133,392)	-
Total income tax expense/(benefit)	(133,392)	(2,215,672)

The Group has carried forward tax losses of approximately \$41,197,111 (2023: \$37,293,428). The benefit of these losses will only be recognised where it is probable that future taxable income will be available against which the benefits of the deferred tax asset can be utilised.



6. Cash and cash equivalents

	As at 31 December 2024	As at 31 December 2023
	\$	\$
Cash at bank and in hand	1,565,647	343,013
Balance at end of the year	1,565,647	343,013

	Expected Credit Loss Rate 2024	Expected Credit Loss Rate 2023	Carrying Amount 2024	Carrying Amount 2023	Allowance for Expected Credit Losses 2024	Allowance for Expected Credit Losses 2023
	%	%	\$	\$	\$	\$
Not overdue	-	-	339,811	452,006	-	-
0 to 3 months overdue	11%	22%	336,027	654,125	36,313	142,471
3 to 6 months overdue	100%	100%	15,107	20,180	15,107	20,180
Over 6 months overdue	100%	-	210,725	-	210,725	-
Balance at end of the year			901,670	1,126,311	262,145	162,651

7. Trade and other receivables

	As at 31 December 2024	As at 31 December 2023
	\$	\$
Current		
Trade receivables		
Trade receivables with customers	901,670	1,126,311
Allowance for expected credit losses	(262,145)	(162,651)
	639,525	963,660
Other receivables	12,064	-
Accrued revenue – supplier rebates	140,871	-
Accrued revenue – including research and development tax incentive	299,471	302,371
	452,405	302,371
Balance at end of the year	1,091,931	1,266,031



The ageing of the receivables and allowance for the expected credit losses provided for above are as follows
Movements in the allowance for expected credit losses are as follows:

	As at 31 December 2024	As at 31 December 2023
	\$	\$
Balance at the beginning of the year	162,651	22,362
Net Movement for the year	99,494	140,289
Balance at end of the year	262,145	162,651

8. Inventory

	As at 31 December 2024	As at 31 December 2023
	\$	\$
Finished goods – at cost	528,991	-
Balance at end of the year	528,991	-

9. Other assets

	As at 31 December 2024	As at 31 December 2023
Current	\$	\$
Prepayments	311,180	455,695
Other	191,556	30,000
Balance at end of the year	502,736	485,695
Non-current		
Deposits paid	66,000	66,000
Balance at end of the year	568,736	551,695



10. Property, plant and equipment

See Note 2 and Note 24 for significant judgement in relation to the revaluation of the manufacturing facility and other equipment.

	As at 31 December 2024 \$	As at 31 December 2023 \$
Plant and equipment – at cost	602,088	1,633,431
Accumulated depreciation	(602,088)	(584,772)
	-	1,048,659
Manufacturing facility and other equipment – at valuation	4,354,179	11,962,198
Accumulated depreciation	4,354,179	(3,243,242)
	-	8,718,956
Land, buildings and improvements – at cost	6,700,000	2,287,290
Accumulated depreciation	-	-
	6,700,000	2,287,290
Balance at end of the year	6,700,000	12,114,905

	Plant and Equipment – at cost \$	Manufacturing Facility and Other – at valuation \$	Land and Building Improvements – at cost \$	Total \$
Balance at 1 January 2024	1,048,659	8,718,956	2,287,290	12,054,905
Acquisitions in the year	97,733	-	-	97,733
Impairment	(980,240)	(5,863,919)	-	(6,844,159)
Reclassification	-	(1,744,100)	1,744,100	-
Disposals in the year	(12,063)	-	-	(12,063)
Revaluations	-	4,907,891	2,668,610	7,576,501
Depreciation expense	(154,089)	(1,110,937)	-	(1,265,026)
Balance at 31 December 2024	-	-	6,700,000	6,700,000
Balance at 1 January 2023	1,244,243	9,829,893	2,573,203	13,647,339
Acquisitions in the year	100,094	-	-	100,094
Disposals in the year	(107,756)	-	(268,022)	(375,778)
Depreciation expense	(187,922)	(1,110,937)	(17,891)	(1,316,750)
Balance at 31 December 2023	1,048,659	8,718,956	2,287,290	12,054,905



11. Intangibles, leases and right-of-use assets

	As at 31 December 2024	As at 31 December 2023
	\$	\$
Website and other software – at cost	280,000	300,000
Accumulated depreciation	(280,000)	(240,000)
	-	60,000
Right-of-Use Assets – Land and Buildings	477,971	511,611
Accumulated depreciation	(477,971)	(375,368)
	-	136,243
Balance at end of the year	-	196,243

	Right-of-Use Assets Website and Other Software – at cost	Right-of-Use Assets Land and Buildings – at cost	Total
	\$	\$	\$
Balance at 1 January 2024	60,000	136,243	196,243
Additions	-	-	-
Disposals in the year	-	-	-
Impairment/termination	-	(33,640)	(53,640)
Depreciation expense	(40,000)	(102,603)	(142,603)
Balance at 31 December 2024	-	-	-
Balance at 1 January 2023	100,000	299,113	399,113
Additions	-	-	-
Disposals in the year	-	-	-
Impairment/termination	(20,000)	(40,800)	(40,800)
Depreciation expense	(40,000)	(122,070)	(162,070)
Balance at 31 December 2023	60,000	136,243	196,243

The Group leased office and warehouse facilities at 5 Goodyear Street, Southport, Queensland. The lease commenced 1 April 2020 and has an expiry date of 31 March 2025 with 3 options to renew for a further 5 years of each option after that date. The annual rent is to be increased by the Consumer Price Index or 3.5%, whichever is greater on each anniversary date.



11. Intangibles, leases and right-of-use assets (continued)

	As at 31 December 2024	As at 31 December 2023
	\$	\$
Lease Liabilities		
Current	33,862	126,200
Non-current	–	33,862
Balance at end of the year	33,862	160,062

	As at 31 December 2024	As at 31 December 2023
	\$	\$
Lease Liabilities		
Land and buildings		
Balance at beginning of the year	160,062	368,402
Additions	–	–
Disposal/termination	–	(72,050)
Interest expense	20,278	38,232
Lease payments – cash outflow	(146,478)	(174,522)
Balance at end of the year	33,862	160,062

12. Trade and other payables

	As at 31 December 2024	As at 31 December 2023
Current	\$	\$
Trade payables	1,623,054	1,202,195
Accrued expenses	818,141	474,424
GST payable	149,495	361,250
Balance at end of the year	2,590,690	2,037,869



13. Contract liabilities

	As at 31 December 2024	As at 31 December 2023
Current	\$	\$
Contract liabilities	230,891	535,401
Balance at end of the year	230,891	535,401

14. Borrowings

	As at 31 December 2024	As at 31 December 2023
Current	\$	\$
Loans – secured	7,759,773	2,850,000
Insurance funding loans – secured	26,982	383,798
Other loan – unsecured	60,000	60,000
Director loan – unsecured	4,000	-
Balance at end of the year	7,850,755	3,293,798

A new secured loan facility was entered on 20 December 2024 for \$4.828m (including \$200,000 as an establishment fee) to refinance the Bligh Finance loan facility which was coming to an end. The new facility had an initial end date of 20 March 2025 and was further extended to 20 June 2025. This new loan facility accrues interest at 18% per annum. The loan is secured to the lenders by a charge of the first registered mortgage over the property located in Southport, Queensland by Epsilon Pharma Pty Limited. This loan has subsequently been fully paid using the proceeds from the property sale as announced on 29 July 2025.

A new secured loan facility of \$3m, subscribed to \$2.7m was entered on 24 June 2024 for 12 months to provide the relevant funds required to satisfy the obligations of the DOCA. This new loan facility accrues interest at 18% per annum. The loan is secured to the lenders by a second mortgage over all the assets of Epsilon Healthcare Limited and group companies.

The insurance funding loans are loan facilities to finance the cost of the Group's insurance premiums. These funding loans are secured over any remaining outstanding insurance premiums and are repayable in monthly equal instalments.

The other loan is an unsecured working capital line of credit facility with an interest rate of 15% per annum, a default interest rate additional of 5% per month, and was repayable in instalments. This facility is due and payable.

Subsequently to balance date, the Group has obtained additional new loan financing facilities – refer to Note 27.

15. Employment benefits

	As at 31 December 2024	As at 31 December 2023
Current	\$	\$
Accrued wages	456,034	105,009
Accrued superannuation	108,730	62,955
Provision for annual leave	231,230	207,311
	795,994	375,365
Non-current		
Provision for long service leave	63,529	37,132
Total balance at end of the year	859,523	412,497



16. Deferred tax liabilities

Deferred tax liability comprises temporary differences attributable to:

	As at 31 December 2024	As at 31 December 2023
	\$	\$
Revaluation of assets	966,799	2,179,739
Tax losses carried forward	-	(1,746,701)
Balance at end of the year	966,799	433,038

	As at 31 December:	Revaluation of Assets	Tax Losses	Total
		\$	\$	\$
At the beginning of the year	2024	2,179,739	(1,746,701)	433,038
	2023	2,457,473	191,237	2,648,710
Charged/(credited) to profit or loss	2024	(1,880,093)	1,746,701	(133,392)
	2023	(277,734)	(1,937,938)	(2,215,672)
Revaluation of assets during the year	2024	667,153	-	667,153
	2023	-	-	-
Balance at end of the year	2024	966,799	-	966,799
	2023	2,179,739	(1,746,701)	433,038

17. Contributed equity

a. Share capital

	As at 31 December 2024		As at 31 December 2023	
	No. of Shares	\$	No. of Shares	\$
At the beginning of the year	300,354,011	46,813,485	300,354,011	46,812,684
Share placement (net)	38,750,000	620,000	-	-
Issue of ordinary shares as consideration of repayment of loan borrowing	6,250,000	100,000	-	-
Costs of capital raising	-	-	-	801
Balance at end of the year	345,354,011	47,533,485	300,354,011	46,813,485



Ordinary shares

Each ordinary shareholder maintains, when present in person or by proxy or by attorney at any general meeting of the Company, the right to cast one vote for each ordinary share held.

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.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 31 December 2020 Annual Report.

17. Reserves

	As at 31 December 2024	As at 31 December 2023
	\$	\$
Options reserve	113,000	113,000
Asset revaluation reserve	3,867,197	8,709,899
Balance at end of the year	3,980,197	8,822,899



17. Reserves (continued)

a. Options reserve

	As at 31 December 2024		As at 31 December 2023	
	No. of Options	\$	No. of Options	\$
At the beginning of the year	35,000,000	113,000	30,000,000	63,000
Options issued to KMPs	-	-	5,000,000	50,000
Options issued	-	-	-	-
Options lapsed	-	-	-	-
Balance at end of the year	35,000,000	113,000	35,000,000	113,000

Options reserve

The reserve records the cumulative value of employee service received for the issue of share options, options issued for services related to share placement, and options issued to share placement subscribers. When the option is exercised the amount in the share option reserve is transferred to share capital.

b. Asset revaluation reserve

	As at 31 December 2024	As at 31 December 2023
	\$	\$
Balance beginning of financial year	8,709,899	8,709,899
Movement in the financial year	(4,842,702)	-
Balance at end of the year	3,867,197	8,709,899

Revaluation surplus reserve and land and buildings

The reserve is used to recognise increments and decrements in the fair value of the manufacturing facility.

18. Segment information

Management identifies its operating segments based on the Group's service lines, which represent the main products and services provided by the Group. The Group's two (2) main operating segments are:

- Contract Development and Manufacturing activities; and
- Telehealth medical practice services.

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.



Intersegment transactions

Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Major customers

18. Segment information (continued)

The main source of revenue for these operating segments in the year to 31 December 2024 are:

1. Contract Development and Manufacturing activities as a CDMO for Australian domiciled and international clients in the area of Active Pharmaceutical Ingredient (API) manufacture and finished formulation production; and
2. Telehealth medical practice services.

The revenues and profit generated by each of the Group's operating segments and segment assets and liabilities are summarised as follows:

Segment performance

	31 December 2024			
	Telehealth Medical Practice	Contract Development and Manufacturing	Unallocated	Total
Revenue	\$	\$	\$	\$
External sales	-	4,738,918	-	4,738,918
External services	861,263	-	-	861,263
Total segment revenue	861,263	4,738,918	-	5,600,181
Depreciation and amortisation	67	1,353,910	48,651	1,407,629
(Loss)/profit after income tax expense	(164,660)	(5,413,083)	84,007	(5,493,736)
Segment Assets	240,289	(3,678,766)	13,893,782	10,455,305
Segment Liabilities	448,266	(10,648,574)	1,435,680	10,532,520



31 December 2023

	Telehealth Medical Practice \$	Contract Development and Manufacturing \$	Unallocated \$	Total \$
	Revenue			
External sales	5,880	5,416,795	-	5,422,675
External services	1,228,845	-	-	1,228,845
Total segment revenue	1,234,725	5,416,795	-	6,651,520
Depreciation and amortisation	808	1,352,233	125,779	1,478,820
(Loss)/profit after income tax expense	(213,861)	(1,875,771)	998,642	(1,090,990)
Segment Assets	252,786	1,492,517	12,666,584	14,411,887
Segment Liabilities	296,104	5,564,073	1,012,487	6,872,664

19. Share based payments

The Group made the below share-based payments in the financial year:

2024	Shares	Options	Total
Description	\$	\$	\$
Periodic vesting expense on current year issued securities	-	-	-
Shares issued to advisors and KMP during the year	-	-	-
	-	-	-

2023	Shares	Options	Total
Description	\$	\$	\$
Periodic vesting expense on current year issued securities	-	50,000	50,000
Shares issued to advisors and KMP during the year	-	-	-
		50,000	50,000

Employee options

The Company established an Employee Option Plan (EOP) plan that was approved by shareholders at the Extraordinary General Meeting held on 18 November 2018. The EOP is designed to provide long term incentives to senior executives to deliver long-term shareholder returns. Under the plan, employees are granted options which vest if certain criteria are met.

Options are granted under the plan for no consideration and carry no dividend or voting rights.

Set out below are summaries of options granted under the proposed plan as at the end of the year:



31 December 2024

31 December 2023

	Average exercise price per option	No. of Options	Average exercise price per option	No. of Options
At the beginning of the year	0.05	5,000,000	0.36	2,700,000
Granted during the year	-	-	0.05	5,000,000
Lapsed during the year	-	-	0.36	(2,700,000)
Balance at end of the year	-	5,000,000	-	5,000,000
Vested and exercisable	-	-	-	-

Share options outstanding at the end of the year have the following:

- (a) Exercise price: \$0.05;
- (b) Grant date: 24 July 2023;
- (c) Expiry date: 6 September 2025;
- (d) Share options balance as at 31 December 2024: 5,000,000;
- (e) Weighted average remaining contractual life of options outstanding at end of year: 1.68 years.

The assessed fair value at grant date of options granted during the year ended 31 December 2023 was \$0.01 per option. The fair value at grant was determined using the Black-Scholes Model that considers the exercise price, the term of the options, the impact of dilution (where material), the share at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the options and the correlations and volatilities of the peer group companies.

19. Share based payments (continued)

The model inputs for options granted during the year ended 31 December 2023 included:

- (a) Exercise price: \$0.05;
- (b) Grant date: 24 July 2023;
- (c) Expiry date: 6 September 2025;
- (d) Share price at grant date: \$0.024;
- (e) Expected price volatility of the company's shares: 86.37%;
- (f) Expected dividend yield: 0%;
- (g) Risk-free interest rate: 4.03%.

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.



20. Reconciliation of loss after income tax to net cash outflow from operating activities

	For the Year Ending 31 December 2024	For the Year Ending 31 December 2023
	\$	\$
Loss for the year	(5,194,091)	(1,090,990)
Depreciation and amortisation expense	1,407,629	1,478,820
Asset disposals in the year	12,063	-
Share-based payments	-	50,000
Loss on disposal of property, plant and equipment	-	367,480
Impairments	53,640	-
Accrued Interest	359,772	-
Tax effect of revaluation	(667,153)	-
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	158,101	1,708,702
(Increase)/decrease in other assets	198,959	81,794
(Increase)/decrease in inventories	(528,991)	-
Increase/(decrease) in trade and other payables	468,155	(1,619,499)
Increase/(decrease) in contract liabilities	(304,509)	434,281
Increase/(decrease) in employee benefits	396,710	101,713
Increase/(decrease) in deferred tax liability	234,115	(2,215,672)
Net cash outflow from operating activities	(3,405,599)	(703,371)

21. Financial risk management

a. Financial risk management

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and inter-entity loans. The directors' overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

b. Credit risk

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. The receivable balances are monitored on an ongoing basis. The group's exposure to bad debts is not significant.

With respect to credit risk arising from other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

Since the Group trades only with recognised third parties, there is no requirement for collateral security.



As at 31 December 2024 As at 31 December 2023

	\$	\$
Cash and cash equivalents	1,565,647	343,013
Trade and other receivables	1,091,931	1,266,031

	Weighted average interest rate	Non-interest Floating interest bearing	Fixed interest rate	Rate maturing within 1 year	Total
2024	%	\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	-	1,565,647	-	-	1,565,647
Trade and other receivables	-	1,091,931	-	-	1,091,931
Total financial assets		2,657,578	-	-	2,657,578
Financial Liabilities					
Trade and other payables	-	2,590,690	-	-	2,590,690
Loans	18	-	-	7,850,755	7,850,755
Total financial liabilities		2,590,690	-	7,850,755	10,441,445

21. Financial risk management (continued)

The maximum exposure to credit risk at balance date is as follow:

	Weighted average interest rate	Non-interest bearing	Floating interest rate	Fixed interest rate maturing within 1 year	Total
2023	%	\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	-	343,013	-	-	343,013
Trade and other receivables	-	1,266,031	-	-	1,266,031
Total financial assets		1,609,044	-	-	1,609,044
Financial Liabilities					
Trade and other payables	-	2,037,868	-	-	2,037,868
Loans	18	-	-	3,293,798	3,293,798
Total financial liabilities		2,037,868	-	3,293,798	5,331,666



	Carrying amount	Contractual cash flow due 1 to 3 months	Contractual cash flow due 3 months to 1 year	Actual cash flow due 1 to 5 years
2024	\$	\$	\$	\$
Financial Assets				
Trade and other receivables	1,091,931	1,091,931	-	-
Total financial assets	1,091,931	1,091,931	-	-
Financial Liabilities				
Trade and other payables	2,590,690	2,590,690	-	-
Loans	7,850,755	-	7,850,755	-
Total financial liabilities	10,441,445	2,590,690	7,850,755	-
2023				
Financial Assets				
Trade and other receivables	1,266,031	1,266,031	-	-
Total financial assets	1,266,031	1,266,031	-	-
Financial Liabilities				
Trade and other payables	2,037,868	2,037,868	-	-
Loans	3,293,798	-	-	-
Total financial liabilities	5,331,666	2,037,868	-	-

21. Financial risk management (continued)

c. Net fair values

The net fair value of assets and liabilities approximates their carrying value. No financial assets and liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and notes to the financial statements.

22. Auditor's remuneration

	For the Year Ending 31 December 2024	For the Year Ending 31 December 2023
	\$	\$
A D Danieli Chartered Accountants		
- Audit and review of the financial statements	48,315	45,000



23. Earnings per share

	For the Year Ending 31 December 2024	For the Year Ending 31 December 2023
	Cents	Cents
Basic earnings per share	(1.45)	(0.36)
Diluted earnings per share	(1.45)	(0.36)

Weighted average number of shares used for the purposes of calculating diluted earnings per share reconciles to the number used to calculate basic earnings per share as follows:

	No. of Shares	No. of Shares
Basic earnings per share	345,354,011	300,354,011
Diluted earnings per share	345,354,011	300,354,011

The loss used to calculate earnings per share was \$5,194,091 (2023: \$1,090,990 loss).

24. Fair Value Measurement

After initial recognition, the Group measures land & buildings at fair value on a recurring basis in accordance with AASB 13. All other non-financial asset classes (including plant & equipment and relevant right-of-use assets) are carried at cost less impairment and, at 31 December 2024, have nil carrying amounts following impairment testing (see Notes 1(j) and 10).

a. Fair value hierarchy

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.



Valuation Techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transaction for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risk. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the Group's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy.

	31 December 2024			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Total non-financial assets recognised at fair value on a recurring basis	-	-	6,700,000	6,700,000
Total non-financial assets recognised at fair value	-	-	6,700,000	6,700,000

Recurring fair value measurement

The 31 December 2024 fair value of land & buildings was determined with reference to a post-balance-date sale contract for the identical property. The Directors judged that there were no material changes in market conditions between this date and the contract date; accordingly, the contract price (adjusted, where relevant, for measurement-date considerations and costs of disposal) was used as an input to the 31 December 2024 valuation. Because this is not a quoted price in an active market at the measurement date and involves entity-specific judgements, the measurement is classified as Level 3 under AASB 13.

Non-recurring fair value measurements (impairment)

During 2024, the Group determined the recoverable amount of all non-land-and-buildings asset classes to be nil at balance date. Where fair value less costs of disposal (FVLCD) was used in impairment testing, those are non-recurring Level 3 fair value measurements under AASB 13. Because the resulting carrying amounts are nil, no



amounts are presented in the recurring fair value table. Where those assets had prior revaluation surpluses, the decreases were recognised against the asset revaluation surplus (see Notes 1(g), 10, 16).

25. Related Party Transaction

a. Key management personnel

Aggregate compensation of KMPs is disclosed in the Remuneration Report. Total KMP compensation recognised for the year was \$809,249 (2023: \$393,171) as per that report.

Holdings of ordinary shares and options by KMP are set out in the Remuneration Report.

During the year, the Managing Director and a Non-Executive Director (Ms Zoe Hutchings) were in a domestic relationship, which constitutes a related-party relationship under AASB 124.9(b)(ii). Governance safeguards are described in the Remuneration Report.

b. Transactions with other related parties

Disclosures relating to key management personnel are set out in the Remuneration Report. All payments to related parties are on arms' length terms and at rates comparable to the market rate or average for these contracts. All contracts have received Board approval.

	As at/Year Ended 31 December 2024	As at/Year Ended 31 December 2023
	\$	\$
Services received		
Consulting services provided by SV Partners (NSW) Pty Ltd, acting as the company's administrators	1,450,250	-
Accounting services provided by KS Black & Co, a related party of Mr Stuart Cameron.	6,138	124,210
Consultancy fees paid to Watercrest Capital Pty Limited, a related party of Mr Josh Cui.	-	479,350
Corporate services fees paid to Winx Capital Pty Limited, a related party of an associate of Mr Josh Cui.	-	220,000
Office rental fees paid to Watercrest Capital Pty Limited, a related party of Mr Josh Cui.	-	41,988
Total services received	1,456,388	865,548
Interest paid		
Interest paid on a secured loan balance provided by Australia Oracles Holding Pty Limited, a related party of an associate of Mr Josh Cui.	355,635	120,153
Interest paid on an unsecured loan balance provided by Alpha Securities Pty Limited, a related party of an associate of Mr Josh Cui.	100,863	14,372
Interest paid on a secured loan balance provided by investor funding of whom Mr Alan Beasley and Mr Peter Giannopoulos were loan contributors. who are also related parties. The portion of the total interest paid that were associated with loan balances from Mr Alan Beasley and Mr Peter Giannopoulos (both related parties).	64,899	-
Interest paid on a secured loan balance provided by Lekarna, a related party of Mr Peter Giannopoulos.	6,175	-
Total interest paid	527,572	34,525
Liabilities		
Current liabilities		



Unsecured loan balance provided by Alpha Securities Pty Limited, a related party of an associate of Mr Josh Cui.	60,000	60,000
Secured loan balance provided by investor funding of whom Mr Alan Beasley and Mr Peter Giannopoulos were loan contributors, who are also related parties. The portion of the loan balances from Mr Alan Beasley and Mr Peter Giannopoulos (both related parties).	700,000	-
Secured loan balance provided by Australia Oracles Holding Pty Limited, a related party of an associate of Mr Josh Cui.	-	2,850,000
Total loans payable	760,000	2,910,000

Details of loans provided from Key Management Personnel are disclosed in Note 14. These transactions are considered related-party transactions under AASB 124.

Details of controlled entities are disclosed in Note 4. All intragroup transactions have been eliminated on consolidation.

26. Contingent assets and liabilities

The Group did not have any other contingent assets or liabilities at 31 December 2024 (31 December 2023: Nil).

27. Events occurring after the balance date

Since the end of the reporting year:

- On 19 February 2025 the Deed of Company Arrangement ("DOCA") for Epsilon Clinics Pty Limited was effectuated. As a consequence of the effectuation, participating creditors' claims had been extinguished in full under the DOCA, and the company is no longer subject to the DOCA.
- On 2 April 2025 the DOCA for Epsilon Pharma Pty Limited was effectuated. As a consequence of the effectuation, participating creditors' claims had been extinguished in full under the DOCA, and the company is no longer subject to the DOCA.
- On 26 June 2025 the DOCA for Epsilon Healthcare Limited was effectuated. As a consequence of the effectuation, participating creditors' claims had been extinguished in full under the DOCA, and the company is no longer subject to the DOCA.
- Epsilon Pharma Pty Limited had been issued with a renewal of its Medicinal Cannabis permit for the manufacture of a cannabis drug. This will increase the allowable manufacturing quantities and grants Epsilon Pharma Pty Limited with an export licence and an import permit.
- Epsilon Healthcare Limited ("EPN") filed proceedings on 21 May 2025 in the NSW Supreme Court against the former director and chairman Josh (Xiao) Cui and Watercrest Capital Pty Limited, a company for which Josh (Xiao) Cui is the sole director and secretary. The proceedings relate to agreements purportedly entered by EPN and payments made by EPN to Watercrest Capital Pty Limited and other parties.
- The Company has entered into the following finance arrangements subsequent to balance date:
 - A new secured loan facility was entered on 20 December 2024 for \$4.8m to refinance the previous loan facility which had a maturity date of 20 March 2025. This loan facility has been further extended to 20 June 2025.



- b. EPN has commenced the issue of loan notes with a face value of \$0.02 per note with a redemption date of 30 June 2025 or such earlier date as nominated by EPN. \$550,000 loan notes were issued and converted to 27,750,000 shares on 30 June 2025.
7. In July 2025, the Company successfully completed a strategic sale and leaseback transaction of its manufacturing property. The \$6.7 million sale and long-term leaseback allows for continued use and occupancy of the site, ensuring operational continuity and security of tenure for its manufacturing facility activities. The sale proceeds were used extinguish in full the \$4.8m secured loan facility, repayment of other short-term debts & providing working capital to support some of the strategic and operational objectives of the organisation. The 31 December 2024 carrying amount of this asset is based on this contracted sale price which management used as the Level 3 fair value input described in Note 24.
8. Shareholders approved at the EGM dated 27 June 2025, the issue of 25 million Options to Peter Giannopoulos, and 10 million Options to Alan Beasley, with an exercise price of 2 cps. There is no value in the options and as noted in the explanatory memorandum this was not to incentivise nor to remunerate these 2 directors. These options were issued on 24 July 2025.

Apart from the above, there were no other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect:

- a. The Group's operations in future financial years; or
- b. The results of those operations in future financial years; or
- c. The Group's state of affairs in future financial years.



28. Parent entity disclosures

	As at/Year Ended 31 December 2024	As at/Year Ended 31 December 2023
Financial position		
Assets		
Total current assets	1,473,683	444,512
Total non-current assets	18,058,035	19,055,321
Total assets	19,531,718	19,499,833
Liabilities		
Total current liabilities	200,401	993,097
Total non-current liabilities	-	-
Total liabilities	200,401	993,097
Equity		
Contributed equity	47,533,485	46,813,485
Reserves	113,000	113,000
Accumulated losses	(28,315,168)	(28,419,749)
Total equity	19,331,317	18,506,736
Financial performance		
Profit/(loss) for the year	84,580	1,852,601
Other comprehensive income	-	-
Total comprehensive income/(loss)	84,580	1,852,601

Epsilon Healthcare Limited Guarantees entered into by the parent entity in relation to the debts of its subsidiaries.

The parent entity and some of its subsidiaries are party to a deed of cross guarantee under which each company guarantees the debts of the others. No deficiencies of assets exist in any of these subsidiaries.

Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2024 (2023: nil).

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 31 December 2024 (2023: nil).

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.



DECLARATION BY DIRECTORS

The directors of the Company declare that, in the opinion of the directors:

- a. the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including
 - i. giving a true and fair view of the financial position and performance of the Company and the Group; and
 - ii. complying with Australian Accounting Standards, including the Interpretations, and the *Corporations Regulations 2001*;
- b. the financial statements and notes thereto also comply with International Financial Reporting Standards, as disclosed in Note 1; and
- c. there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s295(5) of the *Corporations Act 2001*.

On behalf of the Directors:

Alan Beasley
Chairman

18 November 2025

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A D Danieli Audit Pty Ltd

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**Independent Auditor's Report
To the Members of
Epsilon Healthcare Limited
ABN 33 614 508 039
And Controlled Entities**

Report on the audit of the Financial Report

Opinion

We have audited the consolidated financial report of Epsilon Healthcare Limited and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other 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 a summary of significant accounting policies, 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 31 December 2024 and of its financial 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 and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (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*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements, which indicates that for the year ended 31 December 2024 the Group incurred a net loss after tax of \$5,493,736, net operating cash outflows of \$3,405,599 and a working capital deficit of \$7,812,888. As set out in Note 1, the Group's ability to continue as a going concern is dependent on, among other matters, securing ongoing funding from both third-party and related-party, completion of a sale-and-leaseback transaction for the Southport property (an arrangement that underpins management's fair value assumptions and for which an \$11.8 million impairment was recognised as an adjusting event), the renewal, extension or refinancing of existing borrowings, financial support of up to \$1 million by the way of loan or other appropriate funding arrangement from a director of the company, achievement of forecast profitability following operational restructuring and re-activation of key divisions, and related-party support including rollover or conversion of loan notes (some conversions have occurred after year-end and are described in Notes 25 and 27). Many elements of this support are not contractually assured and are subject to execution and market risk.

These conditions, taken together, give rise to a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. The financial report does not include any adjustments that would be necessary should the Group be unable to continue as a going concern.

Our opinion is not modified in respect of this matter.

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.

Key Audit Matter	How our Audit Addressed the Key Audit Matter
<i>Impairment, Fair Value, Sale-Leaseback, and ROU Adjustments</i> As disclosed in Note 10 of the financial statements, the Group's property, plant and equipment were carried at a revalued amount of \$6,700,000 as at 31 December 2024. The Group has impaired its PPE by \$11.8m based on a binding post-balance date sale and leaseback agreement. This requires significant judgement in determining fair value (AASB 13), assessing whether the sale contract is an adjusting event (AASB 110), and evaluating assumptions used in impairment testing (AASB 136). The PPE balance is financially significant and sensitive to valuation inputs, leaseback terms, discount rates and future cashflows, making it a key area of audit focus.	Our procedures included: • Validate the sale contract and determine if it is an adjusting event under AASB 110. • Reconcile fair value to sale price used as Level 3 input (AASB 13). • Independently assess DCF inputs, WACC and terminal values. • Review compliance with AASB 136 impairment indicators. • Review leaseback terms (AASB 16) and evaluate ROU asset derecognition. • Verify impairment posting and disclosures in Note 10 & Note 27. Based on the procedures performed, we considered the valuation methodologies and assumptions applied to be reasonable and the related disclosures to be appropriate in the context of the financial statements.



Borrowings and Related Party Financing

Borrowings increased substantially during the year and involve several related-party lenders.

Determining classification, terms, completeness, and accuracy under AASB 101, AASB 124 and AASB 110, and reconciling inconsistencies between Notes 14 and 27 required significant judgment.

The Group is also financially dependent on related parties rolling over or converting loan notes, making this area a matter of most significance.

Our audit procedures included:

- Review all loan agreements and confirm inception/extension dates.
- Confirm borrowings with lenders, including related parties.
- Assess interest rates, maturity, collateral and repayment clauses.
- Evaluate completeness of related-party lender identification (ASA 550).
- Trace loan note conversions to supporting documentation.
- Reconcile Note 14 and Note 27 to ensure accuracy.
- Review disclosures for compliance with AASB 124.

We considered the classification and disclosures to be appropriate and consistent with the supporting documentation.

Independence

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.



Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly 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 this 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 the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 has 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <https://auasb.gov.au/Home.aspx>. This description forms part of our auditors report



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 19 to 23 of the directors' report for the year ended 31 December 2024.

In our opinion, the Remuneration Report of Epsilon Health Care Limited for the year ended 31 December 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.

A D Danieli Audit Pty Ltd



Sam Danieli
Director

Sydney, 18 November 2025





SHAREHOLDER INFORMATION

ASX additional information

Additional information as at 31 October 2025 is required by the Australian Securities Exchange Listing Rules and not disclosed elsewhere in this report.

Home Exchange

The Company is listed on the Australian Securities Exchange. The Home Exchange is Sydney.

Class of Shares and Voting Rights

The voting rights attached to ordinary shares, as set out in the Company's Constitution, are that every member in person or by proxy, attorney or representative, shall have one vote on a show of hands and one vote for each share held on a poll.

A member holding partly paid shares is entitled to a fraction of a vote equivalent to the proportion in which the amount paid up bears to the issue price for the share.

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows. The information is current as at 31 October 2025.

Spread of Shareholders

At 31 October 2025, there were 7,439 holders of Shares. The shareholders were entitled to one vote for each Share held.

Spread of Holdings	No. of Holders	No. of Units	% Issued Capital
1 – 1000	1,079	722,970	0.19
1,001 – 5,000	3,272	8,387,378	2.21
5,001 – 10,000	956	7,499,680	1.98
10,001 – 100,000	1,764	54,911,649	14.48
100,001 and over	368	307,582,334	81.13
Total	7,439	379,104,011	100.00

Less than marketable Parcels

A total of 6,144 shareholders were holding less than a marketable parcel of 20,834 shares as at 31 October 2025 (\$0.024). Under the ASX Listing Rules, any shareholding values at less than \$500 is considered to be an unmarketable parcel.

On Market Buy Back



There is no on-market buy-back.

Substantial Shareholders

As at 31 October 2025, the only substantial holder was Watercrest Asset Management Pty Ltd, whose sole director is Xiao (Josh) Cui, controlling 35,828,878 ordinary shares representing 9.60% of the issued Capital.

Top 20 Shareholders

As at 31 October 2025 the twenty largest quoted shareholders held 45.27% of the fully paid ordinary shares as follows:

Holder Name	Share Holding	% Issued Capital
1 WATERCREST ASSET MANAGEMENT PTY LTD	35,828,878	9.45
2 CYRENE HOLDINGS PTY LTD <CYRENE A/C>	16,771,121	4.42
3 ALEXANDER HOTEL INVESTMENTS PTY LTD	16,250,000	4.29
4 MR CRAIG GRAEME CHAPMAN <NAMPAC DISCRETIONARY A/C>	10,911,556	2.88
5 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,506,397	2.77
6 MR ALAN PRESTON BEASLEY	10,500,000	2.77
7 DASH & CO ASSETS PTY LTD <DASH AND CO SUPER FUND A/C>	10,000,000	2.64
8 FENNEL CHURCH PTY LIMITED <FENNEL CHURCH PROP UNIT A/C>	8,438,499	2.23
9 HEALTH360 INVESTMENT MANAGEMENT INC	7,052,880	1.86
10 GIANNOPOULOS SUPERANNUATION NOMINEES PTY LTD <GIANNOPOULOS SUPER FUND A/C>	7,000,000	1.85
11 CANNIM GROUP PTY LTD	5,555,556	1.47
12 MR LLOYD STAFFORD TAYLOR	5,318,328	1.40
13 HOLLOW SWORD BLADE COMPANY PTY LTD	4,000,000	1.06
14 MR GARY JOHN RADCLIFF + MRS DEBBI LEE RADCLIFF	3,955,700	1.04
15 BARCOO HOLDINGS PTY LTD <WYAN FAMILY INVESTMENTS>	3,795,824	1.00
16 KARANTZIAS INVESTMENTS PTY LTD <KARANTZIAS FAMILY A/C>	3,636,364	0.96
17 BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	3,147,900	0.83
18 MISS BIANCA NGAIRE SANT'ANNA TAYLOR	3,011,638	0.79
19 MR GEORGE DAABOUL	3,000,000	0.79
20 META GROWTH CORP	2,942,489	0.78
Total	171,623,130	45.27

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Statement of Restricted Securities

The Company has no securities which are Restricted Securities as at 31 October 2025.

Utilisation of Cash for Business Objectives

The Company confirms that it has used cash and cash equivalents held at the time of listing in a way consistent with stated business objectives.

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