



**epsilon**  
HEALTHCARE

Epsilon Healthcare Limited

ACN: 614 508 039

**Appendix 4D and Interim Reviewed Financial Statements  
30 June 2023**

**APPENDIX 4D**

<b>1. Name of Entity</b>	<b>Epsilon Healthcare Limited</b> <b>ACN 614 508 039</b>
Half year ended	30 June 2023
Reporting period	1 January 2023 to 30 June 2023
Previous period	1 January 2022 to 30 June 2022

**2. Results for announcement to the market**

	<b>30 June 23</b>	<b>30 June 22</b>	<b>% Change*</b>
	<b>\$</b>	<b>\$</b>	<b>Up (Down)</b>
2.1 Revenues from continuing operations	3,310,806	3,210,227	3%
2.2 Loss from continuing operations after tax attributable to members	(717,115)	(8,078,694)	(91%)
2.3 Net loss attributable to members	(717,115)	(8,078,694)	(91%)
2.4 Proposed dividends	Nil		
2.5 Record date for dividend entitlement	N/A		

**2.6 Brief explanation of figures in 2.1 to 2.5 necessary to enable the figures to be understood**

The Company's business units saw an increase of 3% in revenue to \$3,310,806.

Net loss amounted to \$717,115, compared to \$8,078,694 in the comparative period. This improvement was due to no impairment expense arising, and significant cost containments achieved by management.

	30 June 2023 Cents	31 December 2022 Cents	% Change Up (Down)
3. Net tangible assets per security	3	3	-
4. During the period, the Group did not cease control of any subsidiaries.			
5. There were no payments of dividends during the reporting period.			
6. There is no dividend reinvestment plan in operation.			
7. There are no associates or joint venture entities.			
8. The Company is not a foreign entity.			
9. This report is based on financial statements that have been reviewed. The review report is included in the 30 June 2023 Half Year Report.			

The Company's half year report follows.

Yours faithfully,

  
**Josh Cui**  
**Chairman**  
**31 August 2023**



ACN: 614 508 039

Consolidated Financial Report  
for the Half Year Ended  
30 June 2023

**Epsilon Healthcare Limited**  
**Consolidated Interim Financial Report**  
**30 June 2023**

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## Corporate Directory

### Directors

Josh Cui (Chairman)  
Alan Beasley (Deputy Chairman)  
Stuart Cameron

**Chief Executive Officer**  
Peter Giannopoulos

### Company Secretary

Marcelo Mora

### Chief Financial Officer

Elsa He

### Registered Office & Principal Place of Business

Level 17  
19 Castlereagh Street  
Sydney NSW 2000

### Website

[epsilonhealthcare.com.au](http://epsilonhealthcare.com.au)

### Auditor

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

## Directors' Report

Your directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as "EPN" or 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 half-year ended 30 June 2023.

### Directors

The following persons were directors of the Company during the financial period and up to the date of this report, unless otherwise indicated:

Josh Cui	Chairman
Alan Beasley	Deputy Chairman
Stuart Cameron	Non-Executive Director

### Review of Operations and Financial Results

The net loss after income tax for the half-year ended 30 June 2023 was \$717,115 (30 June 2022 loss: \$8,078,694).

### Principal Activities and Strategy

Epsilon Healthcare (ASX: EPN) is a diversified global healthcare and pharmaceuticals company. EPN owns a number of medicinal cannabis assets including the largest GMP cannabis manufacturing facility in the Southern Hemisphere operated by Epsilon Pharma (formerly THC Pharma), and Epsilon Clinics (formerly Tetra Health Clinics).

### Review of Operations

Over 1H 2023:

- Production at the Southport Facility continues to ramp up with demand being sourced from Epsilon domestic clients;
- Net loss of \$717,115 for the period.

### Significant Changes in State of Affairs

No significant changes in the Group's state of affairs occurred during the financial period.

### Matters Subsequent to Balance Date

Except for the exit from cultivation activities and closure of the Bundaberg cultivation site announced on 28 August 2023, and the substitution of borrowers in relation to the secured loan announced on 22 August 2023, (which also included an increase in funding), no other matters or circumstances have arisen since 30 June 2023 which 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 result in unreasonable prejudice to the Group.

**Dividends**

No dividends were proposed or paid to members during the financial period (2022: \$Nil).

**Indemnification of Officers**

During the financial year the Company paid premiums in respect of a contract insuring Directors and Executives against a liability incurred in the ordinary course of business.

**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.



**Auditor's Independence Declaration**

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 6.

Signed in accordance with a resolution of the Board of Directors.

On behalf of the Board:

  
**Josh Cui**  
**Chairman**



# A D Danieli Audit Pty Ltd

Authorised Audit Company  
ASIC Registered Number 339233  
Audit & Assurance Services

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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 half year ended 30 June 2023, there have been no contraventions of:

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

**A D DANIELI AUDIT PTY LTD**

**Sam Danieli**

**Sydney, 31 August 2023**

**Epsilon Healthcare Limited**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the Half-Year Ended 30 June 2023**

	Note	30 June 2023 \$	30 June 2022 \$
Revenue from continuing operations	5	3,310,806	3,210,227
Cost of goods sold		(916,918)	(2,335,000)
Gross profit		2,393,888	875,227
Other income	5	-	968,534
Other cost of sales		-	(4,517)
Bad debts expense		(186,572)	(172,682)
Professional expenses		-	(509,623)
Consulting and due diligence expenses		-	(62,847)
Plant and facility costs		(123,319)	(188,764)
Employee benefits expense		(884,584)	(1,059,699)
Advertising and promotion expenses		(4,268)	(36,309)
Insurance expenses		(290,042)	(276,613)
License and registration expenses		(67,350)	(39,617)
Depreciation and amortisation expenses		(1,086,125)	(660,566)
Research and development		(219,462)	(103,383)
Finance expenses		(33,433)	(174,262)
Foreign exchange loss		(4,850)	(3,609)
Office and occupancy expenses		(152,063)	(181,845)
General and administration expenses		(58,260)	(370,866)
Share based payments		-	(82,645)
Impairment expense	6	-	(5,994,608)
Loss on disposal of fixed assets		(675)	-
<b>Loss before income tax</b>		<b>(717,115)</b>	<b>(8,078,694)</b>
Income tax expense		-	-
<b>Loss for the period</b>		<b>(717,115)</b>	<b>(8,078,694)</b>
<b>Other comprehensive income</b>			
<i>Items that will be reclassified subsequently to profit or loss when specific conditions are met:</i>			
Exchange differences on translating foreign operations, net of tax		-	60
<b>Total comprehensive profit/(loss) for the period</b>		<b>(717,115)</b>	<b>(8,078,634)</b>
<b>Earnings per share</b>			
<i>From continuing operations</i>			
- Basic/diluted earnings per share (cents)		(0.24)	(3.54)

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

**Epsilon Healthcare Limited**  
**Consolidated Statement of Financial Position**  
**For the Half-Year Ended 30 June 2023**

	30 June 2023	31 December 2022
Note	\$	\$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	301,462	861,985
Trade and other receivables	2,571,705	3,145,018
Inventory	111,217	-
Other assets	118,659	756,934
<b>Total Current Assets</b>	<b>3,103,043</b>	<b>4,763,937</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	14,384,127	15,081,784
Right-of-use assets	234,119	537,775
Other assets	97,596	116,462
<b>Total Non-Current Assets</b>	<b>14,715,842</b>	<b>15,736,021</b>
<b>Total Assets</b>	<b>17,818,885</b>	<b>20,499,958</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	2,243,113	4,653,477
Contract liabilities	189,710	101,120
Borrowings	2,485,208	2,550,108
Employee benefits	795,007	627,356
<b>Total Current Liabilities</b>	<b>5,713,038</b>	<b>7,932,061</b>
<b>Non-Current Liabilities</b>		
Deferred tax liability	2,648,710	2,648,710
Lease liabilities	295,662	649,291
<b>Total Non-Current Liabilities</b>	<b>2,944,372</b>	<b>3,298,001</b>
<b>Total Liabilities</b>	<b>8,657,410</b>	<b>11,230,062</b>
<b>Net Assets</b>	<b>9,161,475</b>	<b>9,269,896</b>
<b>EQUITY</b>		
Contributed equity	7 46,878,948	46,875,684
Reserves	8 8,709,899	11,976,871
Accumulated losses	(46,427,372)	(49,582,659)
<b>Equity</b>	<b>9,161,475</b>	<b>9,269,896</b>

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

**Epsilon Healthcare Limited**  
**Consolidated Statement of Changes in Equity**  
**For the Half-Year Ended 30 June 2023**

	Contributed equity \$	Accumulated losses \$	Reserves \$	Total \$
At 1 January 2022	44,817,619	(36,304,097)	11,057,620	19,571,142
Loss for the period	-	(8,078,694)	-	(8,078,694)
Other comprehensive income	-	-	60	60
Total comprehensive (loss)/income	-	(8,078,694)	60	(8,078,634)
Shares issued in the period	600,000	-	-	600,000
Costs of capital raising	(66,675)	-	63,000	(3,675)
Options lapsed	-	352,142	(270,133)	82,009
Impairment of property plant and equipment	-	-	(1,609,951)	(1,609,951)
Total transaction with owners	533,325	352,142	(1,817,084)	(931,617)
<b>At 30 June 2022</b>	<b>45,350,944</b>	<b>(44,030,649)</b>	<b>9,240,596</b>	<b>10,560,891</b>
At 1 January 2023	46,875,684	(49,582,659)	11,976,871	9,269,896
Loss for the period	-	(717,115)	-	(717,115)
Other comprehensive income	-	-	-	-
Total comprehensive (loss)/income	-	(717,115)	-	(717,115)
Transfer between categories	-	3,266,972	(3,266,972)	-
Prior period adjustment	-	605,430	-	605,430
Prior period settled transaction	3,264	-	-	3,264
Total transaction with owners	3,264	3,872,402	(3,266,972)	608,694
<b>At 30 June 2023</b>	<b>46,878,948</b>	<b>(46,427,372)</b>	<b>8,709,899</b>	<b>9,161,475</b>

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

**Epsilon Healthcare Limited**  
**Consolidated Statement of Cash Flows**  
**For the Half-Year Ended 30 June 2023**

	<b>30 June 2023</b>	<b>30 June 2022</b>
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers	3,641,887	1,723,198
Payments to suppliers and employees	(4,104,077)	(3,380,920)
Other income	-	451
Finance costs	(33,433)	(221,554)
Government grants received	-	1,107,848
<b>Net cash outflow from operating activities</b>	<b>(495,623)</b>	<b>(770,977)</b>
<b>Cash flows from investing activities</b>		
Payments for plant and equipment	-	(158,491)
<b>Net cash outflow from investing activities</b>	<b>-</b>	<b>(158,491)</b>
<b>Cash flows from financing activities</b>		
Proceeds from shares issued net of issue costs	-	600,000
Proceeds from borrowings	-	-
Repayment of borrowings	(64,900)	(1,036,430)
<b>Net cash outflow from financing activities</b>	<b>(64,900)</b>	<b>(436,430)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(560,523)</b>	<b>(1,365,898)</b>
Cash and cash equivalents at the beginning of the financial period	861,985	2,335,569
Foreign exchange adjustment to cash balance	-	(4,319)
<b>Cash and cash equivalents at the end of the period</b>	<b>301,462</b>	<b>965,352</b>

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

**Epsilon Healthcare Limited**  
**Notes to the Financial Statements**  
**For the Half-Year ended 30 June 2023**

**1. Statement of Significant Accounting Policies**

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. Accordingly, the Directors believe that the Group 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.

It is recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2022, together with any public announcements made during the following half year.

**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.

*Provision for impairment of receivables*

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

*Share based payments*

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The accounting estimates and assumptions in relation to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

*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 or 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.

**Epsilon Healthcare Limited**  
**Notes to the Financial Statements**  
**For the Half-Year ended 30 June 2023**

**3. Going Concern**

There was a loss for the period of \$717,115. There was a net cash outflow from operating activities of \$495,623. There was a deficiency in working capital of \$2,609,995. Notwithstanding this, the directors believe the Group will be able to pay its debts as and when they fall due, and to fund near term anticipated activities from operating cash flows. If necessary, recourse could be made to loan and/or equity funds.

**4. Interests in Subsidiaries**

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest and Voting Power	
		30 June 2023	31 December 2022
Dragon Vision Limited	Hong Kong	100%	100%
Canndeo Pty Ltd	Australia	100%	100%
Canna Clinics Pty Ltd	Australia	100%	100%
THC Pharma Pty Ltd	Australia	100%	100%
Metra Holdings Pty Ltd	Australia	100%	100%
Tetra Pty Ltd	Australia	100%	100%
Medimar Pty Ltd	Australia	100%	100%
Demimar Pty Ltd	Australia	100%	100%

**5. Operating Segments**

	Hydroponics Equipment, Materials and Nutrients	Medicinal Cannabis	Unallocated	Total
	30 June 2022	30 June 2022	30 June 2022	30 June 2022
	\$	\$	\$	\$
<b>Revenue</b>				
Goods transferred	50,235	3,159,992	-	3,210,227
	<u>50,235</u>	<u>3,159,992</u>	<u>-</u>	<u>3,210,227</u>
<b>Other Income</b>				
Grant/Interest income	-	263,852	451	264,303
Gain on disposal of subsidiaries	704,231	-	-	704,231
	<u>754,466</u>	<u>3,423,844</u>	<u>451</u>	<u>4,178,761</u>
<b>Segment net result</b>	<u>1,239,112</u>	<u>(1,913,236)</u>	<u>(7,404,570)</u>	<u>(8,075,694)</u>



Epsilon Healthcare Limited  
 Notes to the Financial Statements  
 For the Half-Year ended 30 June 2023

5. Operating Segments (continued)

	Healthcare	Medicinal Cannabis	Unallocated	Total
	30 June 2023	30 June 2023	30 June 2023	30 June 2023
	\$	\$	\$	\$
<b>Revenue</b>				
Goods transferred	626,472	2,684,334	-	3,310,806
	<u>626,472</u>	<u>2,684,334</u>	<u>-</u>	<u>3,310,806</u>
<b>Other Income</b>	-	-	-	-
<b>Segment net result</b>	<u>166,647</u>	<u>198,070</u>	<u>(1,081,832)</u>	<u>(717,115)</u>

6. Impairment

	30 June 2023	30 June 2022
	\$	\$
Impairment of goodwill	-	(4,472,985)
Inventory impairment	-	(1,521,623)
	<u>-</u>	<u>(5,994,608)</u>

The recoverable amount of Goodwill is determined, and impairment losses are recognised in profit in 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 see and value in use. In the prior period, the Group prepared Discounted Cash Flow analysis for the development and delivery of medicinal cannabis as a standalone CGU.

**Key Financial Inputs into that analysis were:**

- Discount rate: 14.39%
- Income tax rate: 25%
- Term: 5 years

**Epsilon Healthcare Limited**  
**Notes to the Financial Statements**  
**For the Half-Year ended 30 June 2023**

**7. Contributed Equity**

Shares issued are summarised as follows:

	As at 30 June 2023		As at 31 December 2022	
	No. of Shares	\$	No. of Shares	\$
At the beginning of the period	300,354,011	46,875,684	222,706,949	44,817,619
Share placement (net)	-	-	77,647,062	2,058,065
Shares issued to directors, employees and others	-	-	-	-
Prior period settled transaction	-	3,264	-	-
Balance at the end of the period	<b>300,354,011</b>	<b>46,878,948</b>	<b>300,354,011</b>	<b>46,875,684</b>

**8. Reserves**

	As at 30 June 2023	31 December 2022
	\$	\$
Options reserve (a)	-	-
Foreign currency translation reserve (b)	-	3,266,972
Asset revaluation reserve (c)	8,709,899	8,709,899
	<b>8,709,899</b>	<b>11,976,871</b>

(a) Options reserve

	As at 30 June 2023		As at 31 December 2022	
	No. of Shares	\$	No. of Shares	\$
At the beginning of the period	-	-	13,400,000	689,842
Options lapsed	-	-	(13,400,000)	(689,842)
Balance at the end of the period	-	-	-	-

**Epsilon Healthcare Limited**  
**Notes to the Financial Statements**  
**For the Half-Year ended 30 June 2023**

**8. Reserves (continued)**

(b) Foreign currency translation reserve

	As at 30 June 2023 \$	31 December 2022 \$
Balance at the beginning of the period	3,266,972	47,928
Movement	(3,266,972)	3,219,044
Balance at the end of the period	<u>-</u>	<u>3,266,972</u>

(c) Asset revaluation reserve

Balance at the beginning of the period	8,709,899	10,319,850
Movement	-	(1,609,951)
Balance at the end of the period	<u>8,709,899</u>	<u>8,709,899</u>

**9. Events Occurring After the Balance Date**

Except for the exit from cultivation activities and closure of the Bundaberg cultivation site announced on 28 August 2023, and the substitution of borrowers in relation to the secured loan announced on 22 August 2023 (which also included an increase in funding), no other matters or circumstances have arisen since 30 June 2023 which significantly affected, or may significantly affect:

- d) The Group's operations in future financial years; or
- e) The results of those operations in future financial years; or
- f) The Group's state of affairs in future financial years.

**Epsilon Healthcare Limited  
Directors' Declaration**

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 7 to 15 are in accordance with the *Corporations Act 2001*, including:
- (i) giving a true and fair view of the financial position of the Group as at 30 June 2023 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date;
  - (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001; and
- (b) there are reasonable grounds to believe that Epsilon Healthcare Limited will be able to pay its debts as and when they become due and payable.

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



**Josh Cui**  
**Chairman**  
**31 August 2023**



# A D Danieli Audit Pty Ltd

Authorised Audit Company  
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**Independent Auditor's Review Report  
To the Members of Epsilon Healthcare Limited  
A.B.N. 33 614 508 039  
And Controlled Entities**

## **Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year consolidated financial report of Epsilon Healthcare Limited and controlled entities (the consolidated entity) which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, the accounting policies and other selected explanatory notes and the directors' declaration.

## **Directors' Responsibility for the Half-Year Financial Report**

The Directors of Epsilon Healthcare Limited (the company) are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of Epsilon Healthcare Limited and controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **Matters Relating to the Electronic Presentation of the Audited Financial Report**

This review report relates to the financial report of the company for the half-year ended 30 June 2023 included on the website of Epsilon Healthcare Limited. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on its integrity. This review report refers only to the half-year financial report identified above and it does not provide an opinion on any other information which may have been hyperlinked to or from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on the company's website.

## Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Epsilon Healthcare Limited, would be in the same terms if provided to the directors as at the time of this auditor's review report.

## Emphasis of Matter Relating to Going Concern

Without qualifying our opinion, we draw attention to Note 3 in the financial report regarding going concern. The group incurred a net loss of \$717,115 and had a net cash operating outflow of \$495,623 for the half year ended 30 June 2023. As of that date, the group also had cash at bank of \$301,462 and a deficiency in working capital of \$2,609,995. These conditions, along with other matters detailed in Note 3, indicate the existence of a material uncertainty which may cast doubt on the group's ability to continue as a going concern.

## Conclusions

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Epsilon Healthcare Limited and controlled entities is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*.

**A D DANIELI AUDIT PTY LTD**



**Sam Danieli**  
**Director**

31 August 2023

