



**Epsilon Healthcare Limited**  
**ACN: 614 508 039**

**Appendix 4D and Consolidated  
Interim Financial Report for the  
Half Year Ended  
30 June 2024**

## APPENDIX 4D

**1. Name of Entity** **Epsilon Healthcare Limited**  
**ACN 614 508 039**

Half year ended 30 June 2024  
Reporting period 1 January 2024 to 30 June 2024  
Previous period 1 January 2023 to 30 June 2023

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

	<b>30 June 24</b>	<b>30 June 23</b>	<b>% Change*</b>
	<b>\$</b>	<b>\$</b>	<b>Up (Down)</b>
2.1 Revenues from continuing operations	2,869,288	3,310,806	(13%)
2.2 Loss from continuing operations after tax attributable to members	(1,438,889)	(717,115)	(101%)
2.3 Net loss attributable to members	(1,438,889)	(717,115)	(101%)
2.4 Proposed dividends	Nil	Nil	
2.5 Record date for dividend entitlement	N/A	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 a decrease of 13% in revenue to \$2,869,288.

Net loss amounted to \$1,438,889, compared to \$717,115 in the comparative period. This decrease was largely due to administrator's fees, a decrease in revenues from the previous period, and increases from the previous period in finance expenses, plant and facility costs, employee benefits expense, and general and administration expenses.

	30 June 2024 Cents	31 December 2023 Cents	% Change Up (Down)
3. Net tangible assets per security	2.03	2.51	(19%)
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 2024 Half Year Report.			

The Company's half year report follows.

Yours faithfully,



**Alan Beasley**  
**Chairman**  
**16 May 2025**



**ACN: 614 508 039**

**Consolidated Interim Financial Report  
for the Half Year Ended  
30 June 2024**

**Epsilon Healthcare Limited**  
**Consolidated Interim Financial Report**  
**30 June 2024**

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## Corporate Directory

### Directors

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)

### Auditor

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

### Company Secretary

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

### Registered Office & Principal Place of Business

Level 1  
1 Jamison Street  
Sydney NSW 2000

### Website

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

## 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 2024.

### Directors

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

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)

### Review of Operations and Financial Results

The net loss after income tax for the half-year ended 30 June 2024 was \$1,438,889 (30 June 2023 loss: \$717,115).

### 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

For the 6 months ended 30 June 2024:

- The operating companies were under Voluntary Administration until 24 June 2024. On 24 June 2024 deeds of company arrangement were entered into, and the operating companies were returned to the control of the Directors.
- Manufacturing Operations at Southport continued still at a subdued level due to the ongoing Administration.
- Activity in Epsilon Clinics was also subdued.
- There was a net loss after income tax of \$1,438,889 (6 months ended 30 June 2023: \$717,115 loss).

### Significant Changes in State of Affairs

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

#### **Events Occurring After the Balance Date**

Since the end of the reporting period:

1. The Company has been able to obtain the following additional financing facilities:
  - (a) A new secured loan facility was entered on 24 June 2024 for \$4.626m to refinance the previous loan facility which had ended. This facility was due to end on 24 September 2024 and had been extended to 24 December 2024;
  - (b) A new secured loan facility was entered on 20 December 2024 for \$4.6m to refinance the previous loan facility as noted in (a) above which had a maturity date of 20 March 2025. This loan facility has been further extended to 20 June 2025; and
  - (c) On 23 December 2024 the Company raised \$720,000 by way of issuing 45 million shares at \$0.016 as a private placement to sophisticated investors.
2. 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 under the DOCA, and the company is no longer subject to the DOCA.
3. 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.
4. 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.

Apart from the above, there was no other matter or circumstance which has arisen since 30 June 2024 that has significantly affected, or may significantly affect:

- (i) The Group's operations in future financial years; or
- (ii) The results of those operations in future financial years; or
- (iii) 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 (2023: \$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 Directors:



**Alan Beasley**  
**Chairman**  
**16 May 2025**



# A D Danieli Audit Pty Ltd

Authorised Audit Company  
ASIC Registered Number 339233  
Audit & Assurance Services

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Sydney NSW 2000  
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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 2024, 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, 16 May 2025**

**Epsilon Healthcare Limited**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the Half-Year Ended 30 June 2024**

	Note	30 June 2024 \$	30 June 2023 \$
<b>Revenue from continuing operations</b>	<b>6</b>	2,869,288	3,310,806
Cost of goods sold		(487,855)	(916,918)
Gross profit		2,381,433	2,393,888
Bad debts expense		-	(186,572)
Plant and facility costs		(360,847)	(123,319)
Employee benefits expense		(1,119,307)	(884,584)
Advertising and promotion expenses		-	(4,268)
Insurance expenses		(294,699)	(290,042)
License and registration expenses		(43,223)	(67,350)
Depreciation and amortisation expenses		(726,536)	(1,086,125)
Research and development		-	(219,462)
Finance expenses		(385,187)	(33,433)
Foreign exchange loss		(3,062)	(4,850)
Office and occupancy expenses		(24,344)	(152,063)
General and administration expenses		(362,407)	(58,260)
Administrator's fees		(933,748)	-
Loss on disposal of fixed assets		-	(675)
<b>Loss before income tax</b>		<b>(1,871,927)</b>	<b>(717,115)</b>
Income tax benefit/(expense)		433,038	-
<b>Loss for the period</b>		<b>(1,438,889)</b>	<b>(717,115)</b>
Other comprehensive income		-	-
<b>Total comprehensive profit/(loss) for the period</b>		<b>(1,438,889)</b>	<b>(717,115)</b>
<b>Earnings per share</b>			
<i>From continuing operations</i>			
- Basic/diluted earnings per share (cents)		(0.48)	(0.24)

*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**  
**As at 30 June 2024**

	Note	30 June 2024 \$	31 December 2023 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		3,323,805	343,013
Trade and other receivables		1,014,156	963,660
Other assets		1,025,598	485,695
Research and development tax incentive receivable		302,371	302,371
<b>Total Current Assets</b>		<b>5,665,930</b>	<b>2,094,739</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		11,439,671	12,114,905
Right-of-use assets		84,941	136,243
Other assets		66,000	66,000
<b>Total Non-Current Assets</b>		<b>11,590,612</b>	<b>12,317,148</b>
<b>Total Assets</b>		<b>17,256,542</b>	<b>14,411,887</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		2,345,203	2,037,868
Contract liabilities		322,856	535,401
Borrowings	5	7,802,449	3,293,798
Employee benefits		544,356	375,365
Lease liabilities		99,114	126,200
<b>Total Current Liabilities</b>		<b>11,113,978</b>	<b>6,368,632</b>
<b>Non-Current Liabilities</b>			
Deferred tax liability		-	433,038
Employee benefits		42,230	37,132
Lease liabilities		-	33,862
<b>Total Non-Current Liabilities</b>		<b>42,230</b>	<b>504,032</b>
<b>Total Liabilities</b>		<b>11,156,208</b>	<b>6,872,664</b>
<b>Net Assets</b>		<b>6,100,334</b>	<b>7,539,223</b>
<b>EQUITY</b>			
Contributed equity	7	46,813,485	46,813,485
Reserves	8	8,822,899	8,822,899
Accumulated losses		(49,536,050)	(48,097,161)
<b>Equity</b>		<b>6,100,334</b>	<b>7,539,223</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 2024**

	Contributed equity \$	Accumulated losses \$	Reserves \$	Total \$
<b>At 1 January 2023</b>	<b>46,875,684</b>	<b>(49,582,659)</b>	<b>11,976,871</b>	<b>9,269,896</b>
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>
<b>At 1 January 2024</b>	<b>46,813,485</b>	<b>(48,097,161)</b>	<b>8,822,899</b>	<b>7,539,223</b>
Loss for the period	-	(1,438,889)	-	(1,438,889)
Other comprehensive income	-	-	-	-
Total comprehensive (loss)/income	-	(1,438,889)	-	(1,438,889)
Total transaction with owners	-	-	-	-
<b>At 30 June 2024</b>	<b>46,813,485</b>	<b>(49,536,050)</b>	<b>8,822,899</b>	<b>6,100,334</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 2024**

	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	2,606,248	3,641,887
Payments to suppliers and employees	(3,054,510)	(4,104,077)
Finance costs	(1,001,649)	(33,433)
<b>Net cash outflow from operating activities</b>	<b>(1,449,911)</b>	<b>(495,623)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	7,580,485	-
Repayment of borrowings	(3,149,782)	(64,900)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>4,430,703</b>	<b>(64,900)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,980,792</b>	<b>(560,523)</b>
Cash and cash equivalents at the beginning of the financial period	343,013	861,985
<b>Cash and cash equivalents at the end of the period</b>	<b>3,323,805</b>	<b>301,462</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 2024**

**1. Statement of Significant Accounting Policies**

*Basis of preparation of half year report*

The condensed consolidated interim financial report for the half-year reporting period ended 30 June 2024 has been prepared in accordance with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*.

The interim report does not include all the notes normally included in annual consolidated financial report. Accordingly, this report should be read in conjunction with the annual consolidated financial report for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

**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

**Epsilon Healthcare Limited**  
**Notes to the Financial Statements**  
**For the Half-Year ended 30 June 2024**

**2. Critical Accounting Judgements, Estimates and Assumptions (continued)**

*Property, plant and equipment (continued)*

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.

**3. Going Concern**

As disclosed in the financial statements, the consolidated Group incurred a loss of \$1,438,889 for the 6 month period ended 30 June 2024 and had net cash outflows from operating activities of \$1,450,339 for the 6 month period ended 30 June 2024. In addition, the consolidated Group has outstanding loan facilities payable. The ability of the consolidated entity to continue as a going concern and realise its assets is dependent on a number of factors, the most significant of which is the ability to raise additional capital, source alternative funding, or increase its revenue and generate profits.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Company will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

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 \$3,323,805 as at 30 June 2024;
- (b) The consolidated Group has net assets of \$6,100,334 and total assets of \$17,256,542 as at 30 June 2024;
- (c) As disclosed in Note 10, Events Occurring After The Balance Date, the Company has been able to obtain new refinancing facilities;
- (d) The Company is in the process of selling its real estate property asset which will repay debt;
- (e) The Company has raised \$720,000 capital in December 2024 of which \$100,000 was paid by offsetting a secured loan;
- (f) The Company intends to undertake further capital raising;
- (g) The consolidated Group's forecast profit and loss indicates profitable trading operations post 2nd quarter 2025.

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. 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.



**Epsilon Healthcare Limited**  
**Notes to the Financial Statements**  
**For the Half-Year ended 30 June 2024**

**4. Interests in Subsidiaries**

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest and Voting Power	
		30 June 2024	31 December 2023
Canndeo Pty Ltd	Australia	100%	100%
Epsilon Pharma Pty Ltd (formerly THC Pharma Pty Ltd)	Australia	100%	100%
Metra Holdings Pty Ltd	Australia	100%	100%
Epsilon Clinics Pty Ltd (formerly Tetra Pty Ltd)	Australia	100%	100%
Epsilon Biotech Pty Ltd (formerly Medimar Pty Ltd)	Australia	100%	100%
Canna Clinics Pty Ltd	Australia	100%	100%
Demimar Pty Ltd	Australia	100%	100%

**5. Borrowings**

During the 6 month period for the period ended 30 June 2024, the Company has been able to obtain the following additional financing facilities:

- (a) A new secured loan facility was entered on 24 June 2024 for \$4.626m to refinance the previous loan facility which had ended. This facility was due to end on 24 September 2024; and
- (b) A new secured loan facility of \$3m, subscribed to \$2.7m was entered on 24 June 2024 for 12 months.

Subsequent to balance date, the Group has obtained additional new loan financing facilities – refer to Note 10.

**Epsilon Healthcare Limited**  
**Notes to the Financial Statements**  
**For the Half-Year ended 30 June 2024**

**6. Operating Segments**

	<b>Telehealth Medical Practice</b>	<b>Contract Development and Manufacturing</b>	<b>Unallocated</b>	<b>Total</b>
	<b>30 June 2024</b>	<b>30 June 2024</b>	<b>30 June 2024</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>				
External sales	-	2,478,795	-	2,478,795
External services	390,493	-	-	390,493
<b>Total segment revenue</b>	<b>390,493</b>	<b>2,478,795</b>	<b>-</b>	<b>2,869,288</b>
<b>Depreciation and amortisation</b>	<b>64</b>	<b>677,640</b>	<b>48,832</b>	<b>726,536</b>
<b>Segment net profit/(loss) after income tax expense</b>	<b>(26,463)</b>	<b>(1,766,386)</b>	<b>353,960</b>	<b>(1,438,889)</b>
<b>Segment Assets</b>	<b>707,137</b>	<b>4,124,653</b>	<b>12,424,752</b>	<b>17,256,542</b>
<b>Segment Liabilities</b>	<b>776,918</b>	<b>9,962,594</b>	<b>416,696</b>	<b>11,156,208</b>

	<b>Telehealth Medical Practice</b>	<b>Contract Development and Manufacturing</b>	<b>Unallocated</b>	<b>Total</b>
	<b>30 June 2023</b>	<b>30 June 2023</b>	<b>30 June 2023</b>	<b>30 June 2023</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>				
External sales	-	2,684,334	-	2,684,334
External services	626,472	-	-	626,472
<b>Total segment revenue</b>	<b>626,472</b>	<b>2,684,334</b>	<b>-</b>	<b>3,310,806</b>
<b>Depreciation and amortisation</b>	<b>3,404</b>	<b>674,515</b>	<b>408,206</b>	<b>1,086,125</b>
<b>Segment net profit/(loss) after income tax expense</b>	<b>166,647</b>	<b>198,070</b>	<b>(1,081,832)</b>	<b>(717,115)</b>
<b>Segment Assets</b>	<b>696,180</b>	<b>2,854,993</b>	<b>10,860,714</b>	<b>14,411,887</b>
<b>Segment Liabilities</b>	<b>345,181</b>	<b>4,902,708</b>	<b>1,624,775</b>	<b>6,872,664</b>

**Epsilon Healthcare Limited**  
**Notes to the Financial Statements**  
**For the Half-Year ended 30 June 2024**

**7. Contributed Equity**

Shares issued are summarised as follows:

	<b>As at 30 June 2024</b>		<b>As at 31 December 2023</b>	
	<b>No. of Shares</b>	<b>\$</b>	<b>No. of Shares</b>	<b>\$</b>
At the beginning of the period	300,354,011	46,813,485	300,354,011	46,812,684
Costs of capital raising	-	-	-	801
Balance at the end of the period	<b>300,354,011</b>	<b>46,813,485</b>	<b>300,354,011</b>	<b>46,813,485</b>

**8. Reserves**

	<b>As at 30 June 2024</b>	<b>As at 31 December 2023</b>
	<b>\$</b>	<b>\$</b>
Options reserve (a)	113,000	113,000
Asset revaluation reserve (b)	8,709,899	8,709,899
	<b>8,822,899</b>	<b>8,822,899</b>

(a) Options reserve

	<b>As at 30 June 2024</b>		<b>As at 31 December 2023</b>	
	<b>No. of Shares</b>	<b>\$</b>	<b>No. of Shares</b>	<b>\$</b>
At the beginning of the period	35,000,000	113,000	30,000,000	63,000
Options issued to KMPs	-	-	5,000,000	50,000
Balance at the end of the period	<b>35,000,000</b>	<b>113,000</b>	<b>35,000,000</b>	<b>113,000</b>

(b) Asset revaluation reserve

	<b>As at 30 June 2024</b>	<b>As at 31 December 2023</b>
	<b>\$</b>	<b>\$</b>
Balance at the beginning of the period	8,709,899	8,709,899
Movement	-	-
Balance at the end of the period	<b>8,709,899</b>	<b>8,709,899</b>

**Epsilon Healthcare Limited**  
**Notes to the Financial Statements**  
**For the Half-Year ended 30 June 2024**

**9. Related Party Transactions**

Transactions with related parties.

	<b>As at/Period Ended 30 June 2024 \$</b>	<b>As at/Period Ended 30 June 2023 \$</b>
<b>Services received</b>		
SV Partners (NSW) Pty Ltd - Administration services	933,748	-
K S Black – Accounting and tax services - Mr Stuart Cameron is principal.	5,580	71,675
Corporate services fees paid to Winx Capital Pty Limited, a related party of an associate of Mr Josh Cui.	-	137,000
Consultancy fees paid to Watercrest Capital Pty Limited, a related party of Mr Josh Cui.	-	354,060
<b>Total services received</b>	<b>939,328</b>	<b>562,735</b>
<b>Interest paid</b>		
Australia Oracles Holdings Pty Ltd – Interest expense – entity associated of Mr Josh Cui.	402,144	-
<b>Liabilities</b>		
Unsecured loan balance provided by Alpha Securities Pty Limited, a related party of an associate of Mr Josh Cui.	60,000	-

## 10. Events Occurring After the Balance Date

Since the end of the reporting period:

1. The Company has been able to obtain the following additional financing facilities:
  - (d) A new secured loan facility was entered on 24 June 2024 for \$4.626m to refinance the previous loan facility which had ended. This facility was due to end on 24 September 2024 and had been extended to 24 December 2024;
  - (e) A new secured loan facility was entered on 20 December 2024 for \$4.6m to refinance the previous loan facility as noted in (a) above which had a maturity date of 20 March 2025. This loan facility has been further extended to 20 June 2025; and
  - (f) On 23 December 2024 the Company raised \$720,000 by way of issuing 45 million shares at \$0.016 as a private placement to sophisticated investors.
2. 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 under the DOCA, and the company is no longer subject to the DOCA.
3. 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.
4. 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.

Apart from the above, there was no other matter or circumstance which has arisen since 30 June 2024 that has significantly affected, or may significantly affect:

- (i) The Group's operations in future financial years; or
- (ii) The results of those operations in future financial years; or
- (iii) 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 17 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 2024 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.



**Alan Beasley**  
**Chairman**  
**16 May 2025**



# A D Danieli Audit Pty Ltd

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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 2024, 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 2024 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 2024 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.

## Basis for Qualified Conclusion

The Group has carried out an internal valuation of its Plant and Equipment (PE) as of 30 June 2024. However, the Group has relied on a valuation report dated February 2021, which itself is a review of a valuation prepared in 2018, where the physical inspection of the assets was performed. This report does not provide a current valuation, and as such, we have been unable to obtain sufficient appropriate audit evidence to verify the carrying amounts of certain PE assets as of the reporting date.

In accordance with AASB 116 - Property, Plant and Equipment, the Group is required to ensure that assets are properly valued and periodically reviewed for impairment. Given the reliance on the 2021 review, which was based on a valuation of PE made in 2018, we were unable to determine whether the carrying amounts of the PE are accurately stated, particularly in light of changes in market conditions. Specifically:

1. The **recoverable amounts** for certain assets have not been properly determined, and the Company has relied on **cash flow projections** and **assumptions** to estimate these values.
2. The Group has conducted a current physical inspection but has not obtained an updated independent valuation for PE as of 30 June 2024.
3. The Group has not adequately considered **fair value less costs to sell** in determining the recoverable amount for PE, which may lead to an incorrect valuation.
4. The Group has not adequately tested for impairment in its PE in accordance with AASB 136 - Impairment of Assets, and it has not made the necessary revaluation or impairment provisions for certain assets.

As a result of matters 1, 2, 3 and 4 above, we were unable to obtain sufficient appropriate audit evidence to determine whether the carrying amounts of the PE assets are fairly stated as of 30 June 2024. Consequently, we believe that the financial statements may be misstated and do not comply with Australian Accounting Standards, specifically AASB 116 and AASB 136. The failure to properly test for impairment, determine the recoverable amounts of PE, and account for the revaluation of these assets may have a pervasive effect on the overall fairness of the Group's financial report.

## Material Uncertainty Relating to Going Concern

We draw attention to Note 3 in the financial report, which states that the Group had cash and cash equivalents of \$3,323,805 as of 30 June 2024. Additionally, the Group incurred a net loss of \$1,438,889, experienced a net cash outflow from operating activities of \$1,449,911 for the 6 month period ended 30 June 2024, had total current assets of \$ 5,665,930, and total current liabilities amounted to \$ 11,113,978.

These conditions, along with the Directors' statements regarding their expectation for the Group's continued operation through additional capital raising or alternative funding as disclosed in Note 5 in the financial report, indicate the existence of a material uncertainty that may cast doubt on the Group's ability to continue as a going concern should they be unable to secure further funding and or liquidate property assets.



## Qualified Conclusions

Based on our review, which is not an audit, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, 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 2024 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**

16 May 2025

