epsilonhealthcare
Bringing you the best in healthcare



For personal use only

ANNUAL REPORT 2025

Table of Contents

CORPORATE INFORMATION 3
CHAIRMAN'S NOTE 4
MANAGING DIRECTOR & CEO REPORT 5
DIRECTORS' REPORT 10
REMUNERATION REPORT 20
AUDITORS INDEPENDENCE DECLARATION 27
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 28
CONSOLIDATED STATEMENT OF FINANCIAL POSITION 30
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 31
CONSOLIDATED STATEMENT OF CASH FLOWS 33
NOTES TO THE FINANCIAL STATEMENTS 34
DECLARATION BY DIRECTORS 82
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS 83
SHAREHOLDER INFORMATION 88

For personal use only

CORPORATE INFORMATION

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

RSM Australia Partners
Level 27, 120 Collins Street
Melbourne VIC 3000

Stock Exchange Listing

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

Website

epsilonhealthcare.com.au

For personal use only

CHAIRMAN'S NOTE

It is my pleasure to present the 2025 Annual Report of Epsilon Healthcare Limited (ASX: EPN) to our valued shareholders.

Over the past year, the Company has achieved a significant and disciplined recovery following the Voluntary Administration period spanning December 2023 to June 2024. The successful effectuation of the Deeds of Company Arrangement for the three group entities during the first half of 2025 marked a critical milestone in this journey. With this process complete, the Company management under the leadership of Peter Giannopoulos, has been able to direct its full attention to executing our strategic & operational priorities and advancing a clear, forward-looking corporate strategy.

We are encouraged by the strong progress achieved across the business. The establishment of our Pharmacy subsidiary has been a notable success, contributing to a growing and diversified revenue base. Combined with the introduction of new products and services and an expanding client base, this performance reinforces our confidence in the Company's long-term growth trajectory.

The Board of Directors again extends its sincere appreciation to our dedicated team for their professionalism, resilience, and unwavering commitment. Their efforts have been instrumental in driving the Company's recovery and positioning it for future success.

A further indication of this positive momentum is the record revenue delivered during the year, with approximately two-thirds generated in the second half, highlighting the accelerating pace of our operational progress. While the Company incurred certain one-off and non-recurring costs during 2025, which impacted short-term profitability, these were costs incurred to rectifying the issues caused by the Voluntary Administration and to prepare the Company for the lifting of the suspension from the trading of shares on the ASX. With the tremendous achievement of the reinstatement of trading on 19 December 2025, we now look ahead with a clear pathway toward profitability in 2026.

Alan Beasley
Chairman
Epsilon Healthcare Limited



31 March 2026

For personal use only

MANAGING DIRECTOR & CEO REPORT

Dear Shareholders,

It is both a privilege and a pleasure to present the 2025 Annual Report for Epsilon Healthcare Limited. I do so with immense pride in the progress we have achieved and the foundations we have firmly established over the past year.

This has not simply been a period of recovery. It has been a defining year of transformation, one in which momentum has accelerated, confidence has been restored, and a stronger, more resilient, and future-focused Epsilon Healthcare has emerged.

Following our successful exit from administration, we have remained steadfast in our commitment to rebuilding the Company with discipline and purpose. Our objective has been clear: to create a robust, diversified, and scalable operating platform capable of delivering sustainable growth and long-term shareholder value.

Throughout 2025, this focus has translated into tangible and measurable outcomes. We have stabilised core operations, re-engaged meaningfully with our valued clients, and re-established trust in our ability to execute with consistency and excellence. These efforts culminated in a landmark achievement, the Company's reinstatement to the ASX on 19 December 2025. This milestone stands as a powerful endorsement of the discipline, credibility, and strength of the Board and leadership team we have rebuilt.

Importantly, this progress has been supported by strong revenue growth across our core divisions, a materially streamlined cost base following the removal of non-recurring voluntary administration-related expenses which included Administrator costs, legal costs and costs incurred by external accountants to correct the misstatements and errors caused by the former company accountants. Collectively, these achievements mark our transition from stabilisation to a clear growth trajectory.

Today, Epsilon Healthcare stands on solid ground, operationally disciplined, financially strengthened, and strategically aligned. With stability restored and momentum building, we are well positioned to execute on our long-term vision.

A Business Regaining Momentum

The 2025 financial year reflects a business that has rediscovered its rhythm and is advancing with confidence. Our performance has been underpinned by revenue growth, enhanced cost discipline, and a renewed emphasis on diversification and operational excellence.

For personal use only

For personal use only

Key highlights include:

- Record annual revenue for the Company during the 2025 year with revenue of $9.39M. This result demonstrated a substantial improvement compared to full year revenue of $5.6M in 2024.
- A reported profit for the second half of 2025 of $790,357 demonstrating the effect of revenue generating activities and cost containment strategies deployed by the Board and leadership teams.
- Revenue for the second half of 2025 at $6.0M was greater than the full year result for 2024, demonstrating rapid revenue expansion delivered by the implementation of revenue strategies.
- Strong revenue growth within our Epsilon Pharma Contract Development and Manufacturing operations, driven by increased utilisation and renewed demand from both domestic and international clients.
- The successful launch of our Pharmacy division, establishing a scalable and high-potential new revenue stream in its inaugural year.
- A significantly optimised cost base, following the removal of the one-off administration-related expenses, improving overall efficiency and margin potential.
- Meaningful growth across both B2B and B2C revenue streams, reflecting successful client and patient re-engagement and a clear focus on value delivery.

This renewed commercial momentum underscores the strength of our increasingly diversified business model and the disciplined execution of our strategy. It provides a compelling platform for sustained growth in the years ahead.

Operational Performance and Revenue Growth

For the year ended 31 December 2025, Epsilon Pharma, our onshore Contract Development and Manufacturing (CDMO) business based on the Gold Coast remained our primary revenue driver. This strategically important operation continues to demonstrate strong performance, with increased utilisation translating into higher revenues and improved operational leverage.

As utilisation continues to increase, we expect to deliver sustained growth in both revenue and profitability, further validating the long-term strategic value of our investment in sovereign, onshore manufacturing capabilities.

Looking ahead, the commissioning of new, innovative finished dosage formulation capabilities in the first half of 2026 will significantly enhance the breadth and sophistication of our Epsilon Pharma operations. These advancements will unlock meaningful new revenue streams while strengthening our ability to scale and diversify, ensuring we remain responsive to the evolving needs of patients and clinicians, both domestically and across global markets.

Our Epsilon Clinics subsidiary continues to deliver consistent and meaningful contributions, underscoring both the resilience and the diversity of our operating model. These clinical services are fundamental to patient engagement and access and remain a cornerstone of our integrated healthcare strategy. Our focus moving forward is firmly on expanding revenue streams, while actively advancing the rollout of new clinical services. By broadening and enhancing our patient offering, we are strengthening our ability to deliver greater value, improve access to care, and drive sustained growth across the business.

The launch of our Epsilon Pharmacy division marks an exciting new chapter. In its eight months of operation, the division achieved revenues exceeding $1.2 million and is entering 2026 with strong growth momentum. This performance reflects both robust market demand and the strength of our strategic direction. Importantly, the division enhances our direct connection with patients while further diversifying our revenue base and strengthening our overall value proposition.

An Integrated Platform for Scalable Growth

Epsilon Healthcare's strategic advantage lies in its integrated, vertically aligned operating model. Our Contract Development and Manufacturing operations, telehealth clinical services, and Pharmacy division operate as a unified ecosystem, each reinforcing the other to drive scale, efficiency, and recurring revenue.

The strategic advantage will be further supported by the contributions from the new Epsilon Biotech subsidiary. Epsilon Biotech has a clear mandate to focus on the research, formulation and commercialisation of novel dosage formulations and advanced therapeutic products. While continuing to draw upon Epsilon's established capabilities within the medicinal cannabis landscape, Epsilon Biotech's scope will focus beyond cannabis-based medicines into specialised therapeutics, including innovative drug delivery systems, enhanced bioavailability formulations, and next generation pharmaceutical & therapeutic technologies.

By strengthening our domestic platforms, we are enhancing operational control, reliability, and execution capability, while also positioning the business for expansion into international markets. Our onshore manufacturing capacity provides a strong foundation to meet increasing global demand.

The continued growth of our CDMO activities, supported by rising utilisation at our Southport facility, positions us to capitalise on favourable industry dynamics, particularly in the development and manufacture of specialised pharmaceutical products for domestic and increasingly, international markets.

Our Clinics and Pharmacy services further enhance this opportunity by improving patient access, supporting demand generation, and generating high-quality recurring revenue streams. Together, these capabilities form a differentiated and highly scalable operating model.

For personal use only

Importantly, the successful establishment of our Pharmacy division highlights our ability to execute strategically while expanding into new growth avenues translating vision into tangible results. This will be further supported by the deployment of the first bricks and mortar retail pharmacy in the inner west of Sydney in H1, 2026, which will join the group and further support access to services and products and contribute to further revenue and margin accretion.

Looking Ahead

Our ambition is clear: to establish Epsilon Healthcare as a leading, fully integrated healthcare, biotechnology and pharmaceutical manufacturing company, underpinned by strong domestic operations and an expanding global reach.

To achieve this, we will continue to:

- Drive revenue growth across all divisions
- Increase utilisation and efficiency within our manufacturing operations
- Expand and diversify our B2B and B2C offerings
- Strengthen our integrated healthcare ecosystem; and
- Deliver sustainable, long-term value for our shareholders

The progress achieved in 2025 represents a pivotal step forward. We are energised by the opportunities ahead and confident in our ability to realise our vision.

Closing Reflections

The past year has demonstrated what can be achieved through clarity of purpose, disciplined execution, and a shared ambition for excellence. Epsilon Healthcare has not only recovered, it has redefined its trajectory.

We are building a company that is stronger, more focused, and better positioned than ever before. A company driven by innovation, grounded in operational excellence, and committed to delivering meaningful outcomes for patients, partners, and shareholders alike.

On behalf of the Board and leadership team, I extend my sincere thanks to our shareholders, team members, clients, and partners for your continued support and confidence in our journey.

The future of Epsilon Healthcare is not only promising, it is filled with great opportunity.

Yours Sincerely,

For personal use only

Peter Giannopoulos
Managing Director and Group
CEO Epsilon Healthcare Limited



31 March 2026

For personal use only

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 2025.

Directors

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

Alan Beasley	Chairman	Appointed Chairman 11 June 2024
Peter Giannopoulos	Executive Director	Appointed 11 June 2024
Zoe Hutchings	Non-Executive Director	Appointed 11 June 2024

Company Secretary

Daniel Kaplon (Appointed 27 August 2025)

Richard Legge (Resigned 27 August 2025)

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	None
Former ASX directorships	None

Peter Giannopoulos

Group CEO and Managing Director

For personal use only

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 directorships	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 directorships	**None**
Former ASX directorships in the last 3 years	**None**

For personal use only

Information on Key Management Personnel

Daniel Kaplon

CFO and Company Secretary

Mr. Kaplon is a Chartered Accountant and seasoned executive with over 25 years' experience spanning finance, operations, and commercial leadership roles across ASX-listed and private companies in healthcare, health technology, and manufacturing.

Meetings of Directors

	Meetings	
Director	Attended	Eligible to Attend
Alan Beasley	17	17
Peter Giannopoulos	17	17
Zoe Hutchings	17	17

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 $1,278,503 (2024: $5,493,736 loss).

Key financial metrics

The Group's financial performance in 2025 reflected a year of transition and stabilisation following the conclusion of voluntary administration in June 2024. Revenues increased as the business continued its recovery in operational activity, completed key corporate restructurings, and launched strategic growth initiatives aimed at long-term value creation. A highlight being revenue in H2 2025 of $6.0M compared to $5.6M for the entire 2024 year, a revenue run rate of $1M per month.

Metric	2025	2024	Change
Receipts from Customers	$9.18 million	$5.37 million	71%
Cash at Year End	$0.24 million	$1.57 million	(85%)
Borrowings	$4.88 million	$7.85 million	(38%)
Equity Raised	$0.68 million	$0.72 million	(6%)

For personal use only

Net Operating Cash Flow	($3.13) million	($3.41) million	(8%)
Net Tangible Assets per Share	$0.50	($0.60)	184%

Key financial outcomes

- Revenue: Receipts from customers for the year totalled $9.18 million, with steady contributions from the Epsilon Pharma manufacturing operations and Epsilon Clinics telehealth services with new receipts from Pharmacy services. Activity improved in the second half as client re-engagement efforts translated into increased activity levels.

- Cash position: Cash at 31 December 2025 was $0.24 million, down from $1.566 million at 31 December 2024, supported by a $675,000 equity injection.

- Capital management: Whilst the financing loan has provided working capital to support operations and new business initiatives, the Managing Director also provided a $2m promissory note to strengthen the Company's balance sheet upon ASX readmission

- Debt: At year end, borrowings included secured loan facilities were $4.88 million, maturing in September 2027, including a $2.1 million loan facility.

Key operational outcomes

- **Operational Turnaround:**

Following the completion of the administration process, management implemented a disciplined and focused recovery strategy aimed at stabilising core operations and restoring stakeholder confidence. This included the successful re-engagement of key Epsilon Pharma Contract Development and Manufacturing Organisation (CDMO) clients, alongside targeted initiatives to rebuild and grow patient activity within Epsilon Clinics. These efforts have established a solid operational foundation and positioned the business for future sustainable growth and recurrent future revenues.

- **Southport Manufacturing:**

The Southport manufacturing facility experienced a significant scale-up in production capacity to meet increasing domestic and international demand. This was achieved through the implementation of advanced automation, continuous process optimisation, and a strong focus on efficiency improvements. In parallel, the development of novel formulations has enhanced the Group's product offering. The facility continues to hold a strategically important position as one of the few licensed sites in Australia capable of full GMP Active Pharmaceutical Ingredient (API) and finished dose product manufacturing.

- **Epsilon Clinics:**

For personal use only

Epsilon Clinics maintained solid performance, driven by consistent patient activities and a commitment to high standards of clinical & patient care. The Clinics continue to reinforce their leadership position within the operating landscape, supported by a patient-centric approach, clinical excellence, and comprehensive support services that enhance patient outcomes and satisfaction.

- **Epsilon Pharmacy Launch:**

In March 2025, the Group successfully launched Epsilon Pharmacy. This milestone represents a key step in the Group's strategic expansion into pharmacy services, enabling greater services integration and improved accessibility for patients through a convenient and scalable platform.

Strategic Growth and Innovation

- **Digital Health Expansion:**

The Group advanced the development of an integrated digital patient portal designed for Epsilon Pharmacy. This initiative is expected to significantly enhance the patient experience by streamlining access to services, improving care coordination, and supporting the quality use of medicines. The platform is also designed to promote stronger medication adherence and compliance, ultimately contributing to enhanced patient outcomes.

- **Regulatory Milestones:**

The renewal and subsequent expansion of the Medicinal Cannabis Permit in May 2025 marked a significant regulatory achievement. The increased authorised manufacturing volumes provide the capacity required to support growing demand from both new and existing clients, reinforcing the Group's ability to scale operations in line with market growth both in Australia and increasingly for international clients and markets.

Corporate and Governance Highlights

- **ASX Readmission:**

The Group successfully achieved readmission to the Australian Securities Exchange (ASX) on 19 December 2025, representing a major milestone in its corporate recovery and growth journey.

- **Compliance and Reporting:**

All governance and reporting obligations have been brought fully up to date, reflecting a strong commitment to regulatory compliance and corporate accountability.

- **Enhanced Governance Framework:**

For personal use only

The Group has strengthened its governance structures and board oversight, with an increased focus on transparency, disciplined financial management, and operational efficiency. These improvements support long-term value creation and reinforce confidence among shareholders and stakeholders.

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

For personal use only

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 impact 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

ASX readmission

The Company's securities readmitted for quotation on the ASX on 19 December 2025. The Group achieved substantial progress in restoring stability and clarity to its corporate structure. This reinstatement represented a significant milestone for Epsilon and marks an important turning point

For personal use only

in the Company's journey.

Board and management changes

In July 2025, Daniel Kaplon was appointed as CFO and has also the role of Company Secretary.

Capital raisings and funding arrangements

EPN successfully advanced its capital initiatives, issuing $555,000 of loan notes that were converted to 27,750,000 shares on 30 June 2025 and a further $120,000 from the conversion of 6m options. This conversion enhances the Company's capital position and supports continued investment in diversification and growth opportunities over the near term. During the period, 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.

Deed of Company Arrangement

The Group achieved substantial progress in restoring stability and clarity to its corporate structure. The Deed of Company Arrangement ("DOCA") for Epsilon Clinics Pty Limited was effectuated on 19 February 2025, followed by Epsilon Pharma Pty Limited on 2 April 2025, and culminating with Epsilon Healthcare Limited on 26 June 2025. These milestones mark an important step forward, strengthening the Group's foundation and supporting a renewed confidence in its future direction.

Matters Subsequent to Balance Date

Since the end of the reporting year:
On 30 March 2026, the consolidated entity secured an extension to 30 September 2027 on the repayment of its syndicate loan as disclosed in Note 14 Borrowings. As at 31 March 2026, the amount of the secured loan has reduced to $2.37m.

There were no other matter or circumstance which has arisen since 31 December 2025 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

For personal use only

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 (2024: $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 2025 financial year (2024: nil).

Auditor's independence declaration

A copy of the auditor's independence declaration is set out on Page 27.

Auditor

RSM Australia Partners continue in office in accordance with section 327 of the *Corporations Act 2001*.

Shares under option

6m shares were issued on exercise of options in the 2025 financial year.

For personal use only

For personal use only

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).

For personal use only

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

The remuneration of directors for the year ending 31 December 2025 is detailed in Table 3 of this report. There is currently a maximum director payment pool of $500,000 for non-executive directors.

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.

For personal use only

Table 1: Shareholdings of key management personnel

2025	Opening Balance	Granted as compensation	Acquired	Disposed	Closing balance
Alan Beasley	10,500,000	-	-	-	10,500,000
Zoe Hutchings	1,201,766	-	40,000	-	1,241,766
Total	**11,701,766**	**-**	**40,000**	**-**	**11,741,766**

2024	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**

**Note these holdings are held indirectly*.

Table 2: Option holdings of key management personnel

2025	Opening Balance	Granted as compensation	Acquired	Disposed	Closing balance
Alan Beasley	-	-	10,000,000	-	10,000,000
Peter Giannopoulos	-	-	25,000,000		25,000,000
Total	**-**	**-**	**35,000,000**	**-**	**35,000,000**

2024	Opening Balance	Granted as compensation	Acquired	Disposed	Closing balance
Alan Beasley	-	-	-	-	-
Peter Giannopoulos	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

Employee options

For personal use only

The Company established an Employee Option Plan (EOP) approved by shareholders on 15 November 2018 and re-adopted at the 2021 Annual General Meeting for the purposes of ASX Listing Rule 7.2 Exception 13. No options were granted under the EOP during the financial year and there are no employee options currently on issue. The EOP is not currently being used as part of remuneration arrangements. Any future grants would be subject to the Corporations Act, the ASX Listing Rules and any required securityholder approvals.

For personal use only

Table 3: Details of remuneration

Remuneration of KMP of the Group for the year ended 31 December 2025 is set out below

	Short-term Employee Benefits				Post Employment	Long - term benefits	Share Based Payments	Total	%
	Salary & fees	Bonus	Other benefits	Annual Leave	Superannuation	Long service leave[1]	Performance rights		Performance Based
Directors	$	$	$	$	$	$	$	$	
Alan Beasley	132,000	-	-	-	-	-	-	132,000	-
Zoe Hutchings	60,000	-	-	-	-	-	-	60,000	-
Subtotal – Directors	192,000	-	-	-	-	-	-	192,000	
Key Management Personnel									
Peter Giannopoulos	534,636	129,938	-	31,747	44,886	3,019	-	744,225	17%
Daniel Kaplon[2]	125,000	12,123	-	9,615	15,000	51	-	161,790	7%
Subtotal – Key Management Personnel	659,636	142,061	-	41,362	59,886	3,070	-	906,015	
Total	851,636	142,061	-	41,362	59,886	3,070	-	1,098,015	

Remuneration of KMP of the Group for the year ended 31 December 2024 is set out below

[1] Long service leave and annual leave entitlements are measured on an accrual basis.

[2] Commenced 9 July 2025.

	Short-term Employee Benefits				Post Employment Superannuation	Long - term benefits Long service leave	Share Based Payments Performance rights	Total	% Performance Based
	Salary & fees	Bonus	Other benefits	Annual Leave					
Directors	$	$	$	$	$	$	$	$	
Alan Beasley	90,000	-	-	-	-	-	-	90,000	-
Zoe Hutchings	30,000	-	-	-	-	-	-	30,000	-
Subtotal – Directors	120,000	-	-	-	-	-	-	120,000	
Key Management Personnel									
Peter Giannopoulos	505,486	126,861	-	24,630	56,903	1,251	-	715,130	18%
Subtotal – Key Management Personnel	505,486	126,861	-	24,630	56,903	1,251	-	715,130	
Total	625,486	126,861	-	24,630	56,903	1,251	-	835,130	

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.

Additional information

The earnings of the consolidated entity for the five years to 31 December 2025 are summarised below:

	2025 $	2024 $	2023 $	2022 $	2021 $
Revenue	9,393,660	5,600,181	6,651,520	4,651,801	5,498,149
Loss before tax	(2,245,302)	(5,627,128)	(3,306,662)	(14,142,982)	(10,107,242)
Loss after tax	(1,278,503)	(5,493,736)	(1,090,990)	(13,606,332)	(9,243,178)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2025	2024	2023	2022	2021
Share price at financial year end (cents per share)	3.3	2.4	2.4	2.5	7.0
Total dividends declared (cents per share)	-	-	-	-	-
Basic earnings per share (cents per share)	(0.34)	(1.59)	(0.36)	(5.39)	(4.79)

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:	Alan Beasley
Title:	Non-Executive Director

For personal use only

Agreement commenced:	1 January 2023
Term of agreement:	No fixed term.
Details:	$144,000 per annum.

Name:	Zoe Hutchings
Title:	Non Executive Director
Agreement commenced:	11 June 2024
Term of agreement:	No fixed term.
Details:	$60,000 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 and 6 month non-compete clause.
Details:	Total annual renumeration $519,750, excluding superannuation.
STI/LTI:	Up to 25% fixed base remuneration as a short-term incentive; and up to 80% fixed base remuneration as a long-term incentive; - STI issued as cash and LTI Issued as options - LTI eligible after 2 years of employment - Purchase price is at nil value - Granted on their value at employment start date

Name:	Daniel Kaplon
Title:	Chief Financial Officer & Company Secretary
Agreement commenced:	9 July 2025
Term of agreement:	The agreement may be cancelled by either party with 3 months' notice.
Details:	$250,000 per annum, excluding superannuation.
STI/LTI:	Up to 10% fixed base remuneration as a short-term incentive; and up to 20% fixed base remuneration as a long-term incentive; - STI issued as cash and LTI Issued as options - LTI eligible after 2 years of employment - Purchase price is at nil value - Granted on their value at employment start date

For personal use only

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



31 March 2026

For personal use only

RSM Australia Partners

Level 27, 120 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199

www.rsm.com.au

For personal use only

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Epsilon Healthcare Limited and its controlled entities for the year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA PARTNERS



B Y CHAN
Partner

Date: 31 March 2026
Melbourne, Victoria

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Year ended 31 December 2025 $	Year ended 31 December 2024 $
Revenue from continuing	3	**9,393,660**	**5,600,181**
operations Cost of goods sold		(3,634,580)	(1,323,442)
Gross profit		**5,759,080**	**4,276,739**
Other income		478,522	471,861
Gain on reversal of impairment		772,154	-
Freight and other selling expenses		(402,388)	(197,276)
Professional expenses (accounting & legal)		(399,669)	(380,236)
Voluntary Administration Costs			
- Legal		(309,139)	(342,934)
- Voluntary & Deed Administrator Costs		(266,065)	(1,342,653)
- External accounting fees (Ure Lynam & Co)		(584,290)	(329,059)
Corporate and consulting expenses		(400,663)	(437,585)
Plant and facility costs		(574,181)	(660,777)
Licence and registration fees		(113,616)	(103,620)
Employee benefits expense		(3,147,315)	(2,536,444)
Advertising and promotion expenses		(40,613)	(1,590)
Insurance expenses		(439,145)	(411,307)
Bad debts expense		(41,387)	(105,962)
Depreciation and amortisation expense	10,11	(358,592)	(1,407,629)
Interest		(899,636)	(1,130,746)
Office and occupancy expenses		(93,832)	(45,108)
General expenses		(614,016)	(215,204)
Foreign exchange loss		(22,913)	(11,164)
Interest – leases		(196,041)	(20,278)
Share based payments		(160,000)	-
Facilitation and establishment cost		(191,556)	(696,156)
Loss before income tax		**(2,245,302)**	**(5,627,128)**
Income tax benefit	5	966,799	133,392
Loss for the year		**(1,278,503)**	**(5,493,736)**
Other comprehensive income			
- Revaluation gain on manufacturing facility		4,432,926	(4,842,702)
Total comprehensive loss for the year		**3,154,424**	**(10,336,438)**

For personal use only

Earnings per share			
- Basic/diluted losses per share (Cents)	23	(0.34)	(1.59)

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

For personal use only

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

Assets	Notes	As at 31 December 2025 $	As at 31 December 2024 (Restated) $
Current Assets			
Cash and cash equivalents	6	242,862	1,565,647
Trade and other receivables	7	2,891,872	651,588
Inventory	8	1,204,362	528,991
R&D receivable		449,216	299,470
Accrued Revenue		286,238	140,871
Assets held for sale	29	-	6,700,000
Financial assets	9	296,860	502,736
Total Current Assets		**5,371,410**	**10,389,304**
Non-Current Assets			
Property, plant and equipment	10	6,821,802	-
Right-of-use assets	11	5,336,291	-
Financial assets	9	336,251	66,000
Total Non-Current Assets		**12,494,345**	**66,000**
Total Assets		**17,865,754**	**10,455,305**
Liabilities			
Current Liabilities			
Trade and other payables	12	2,916,658	2,590,691
Contract liabilities	13	441,424	230,891
Borrowings	14	176,040	7,850,755
Employee benefits	15	680,436	795,994
Lease liabilities	11	391,838	33,861
Total Current Liabilities		**4,606,396**	**11,502,192**
Non-Current Liabilities			
Deferred tax liability	16	1,473,751	966,799
Borrowings	14	4,703,644	-
Employee benefits	15	89,922	63,529
Lease liabilities	11	5,079,733	-
Total Non-Current Liabilities		**11,347,050**	**1,030,327**
Total Liabilities		**15,953,446**	**12,532,520**
Net Assets		**1,912,308**	**(2,077,215)**

For personal use only

Equity			
Contributed equity	17	48,215,696	47,533,485
Reserves	17	4,585,816	3,980,197
Accumulated losses		(50,889,204)	(53,590,897)
Equity		**1,912,308**	**(2,077,215)**

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 2025

	Contributed equity	Other contributed equity	Accumulated losses	Reserves	Total
	$	$	$	$	$
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	-	-	-	(4,842,702)	(4,842,702)
Total comprehensive profit/(loss)	-	-	(5,493,736)	(4,842,702)	(10,336,438)
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
Options vesting expense and expiration	-	-	-	-	-
Total transactions with owners	720,000	-	-	-	720,000
At 31 December 2024	**47,533,485**	**-**	**(53,590,897)**	**3,980,197**	**(2,077,215)**

	Contributed equity	Other contributed equity	Accumulated losses	Reserves	Total
	$	$	$	$	$
At 1 January 2025	47,533,485	-	(53,590,897)	3,980,197	(2,077,215)
Loss for the year	-	-	(1,278,503)	-	(1,278,503)
Other comprehensive income	-	-	3,867,196	565,730	4,432,926

For personal use only

Total comprehensive profit/(loss)	-	-	2,588,693	565,730	3,154,423
Transactions with owners in their capacity as owners:					
Issue of share capital	675,100	-	-	-	675,100
Issue of options	7,111	-	-	152,889	160,000
Options vesting expense and expiration	-	-	113,000	(113,000)	-
Total transactions with owners	682,211	-	113,000	39,889	835,100
At 31 December 2025	**48,215,696**	**-**	**(50,889,204)**	**4,585,816**	**1,912,308**

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

For personal use only

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Year ended 31 December 2025 $	Year ended 31 December 2024 $
Cash flows from operating activities			
Receipts from customers		9,177,155	5,372,974
Payments to suppliers and employees		(11,273,590)	(7,581,536)
Research and development tax incentive received		299,470	302,371
Interest on Lease Liability		(196,041)	
Finance costs		(1,133,655)	(1,499,408)
Net cash outflow from operating activities	20	(3,126,661)	(3,405,599)
Cash flows from investing activities			
Payments for plant and equipment		(169,743)	(97,732)
Payment of lease security deposit		(244,000)	-
Proceeds from disposal of property, plant and equipment		6,700,000	-
Net cash inflow/(outflow) from investing activities		**6,286,258**	**(97,732)**
Cash flows from financing activities			
Principal payment of lease liabilities		(244,875)	(126,200)
Principal payment of borrowings		(5,368,202)	(126,200)
Proceeds from borrowings		455,594	7,554,000
Proceeds from shares issued (net of costs)		675,100	720,000
Net cash inflow/(outflow) from financing activities		**(4,482,383)**	**4,725,965**
Net (decrease)/increase in cash and cash equivalents		(1,322,786)	1,222,634
Cash and cash equivalents at the beginning of the financial year		1,565,647	343,013
Cash and cash equivalents at end of the year	6	**242,862**	**1,565,647**

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

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2025

1. Material Accounting Policy Information

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 2025.

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 2025.

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.

For personal use only

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 Group incurred a loss of $1,278,503 and had net cash outflows from operating activities of $3,126,661 for the year ended 31 December 2025.

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

(a) The Directors have prepared cash flow forecasts for the 12 months from the date of this report and, based on those forecasts (as the Directors' best estimate of the Group's performance), expect the Group to maintain a positive cash balance and be able to meet its operational and financial commitments as and when they fall due.

(b) The second half of 2025 saw the Group achieve an operating profit before tax of $790,357 compared to a loss of $3,621,809 for the same period in 2024. With the annualisation impact of the new Pharmacy business unit and continued overhead cost reductions, the Group expects profitability to continue to improve.

(c) The Group has secured an extension of its syndicate loan repayment date, from 24 March 2027 to 30 September 2027.

(d) On 18 December 2025, the Managing Director, Peter Giannopoulos, via his solely owned and controlled company (Lekarna Pty Ltd), contributed a $2,000,000 irrevocable, unconditional and immediately enforceable loan to the Company through execution of a promissory note.

For personal use only

Accordingly, the Directors believe it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group 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 noncurrent 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.

For personal use only

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 at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of GST, discounts and returns.

Sale of goods (point in time)
Revenue is recognised when the goods are delivered and have been accepted by customers at their premises (or otherwise when control of the goods transfers to the customer in accordance with the relevant contractual terms).

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 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 presented separately (or included in other payables where immaterial) and the right to recover returned goods asset 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.

Contract manufacturing (over time / work in progress)
For certain contract manufacturing arrangements, the Group's performance obligation is the manufacture of product to the customer's specifications (including required quality and regulatory release activities) and, where applicable, holding the product on the customer's behalf in accordance with the customer's instructions. Revenue is recognised over time where the customer controls the work in progress and/or manufactured product as it is created and held, including where the product is manufactured for a specific customer and cannot be redirected to another customer, and the customer has the ability to direct the use of the product while it is being manufactured and/or stored on their behalf (for example, where product is held under the customer's direction and cannot be released, transferred or otherwise dealt with without customer authorisation). In these circumstances, recognising revenue over time appropriately depicts the Group's performance as manufacturing services are performed and the product is progressively completed.

For personal use only

Progress towards complete satisfaction of the performance obligation is measured using an input method (cost-to-complete), being costs incurred to date as a proportion of total expected costs for the batch/order. Estimates of total expected costs and stage of completion are reviewed at each reporting date.

Where product is substantially physically completed at reporting date but is awaiting final QA/QC release prior to invoicing and shipment, revenue is recognised to the extent of the Group's measured progress, only to the extent that it remains highly probable that a significant reversal of revenue will not occur when the final release activities are completed.

Contract assets and contract liabilities

Where revenue recognised exceeds amounts invoiced, the difference is recognised as a contract asset (presented separately in the statement of financial position). Contract assets are reclassified to trade receivables when the Group's right to consideration becomes unconditional (for example, upon invoicing).

Where consideration is received (or is due) from a customer before the Group transfers goods or services, the Group recognises a contract liability (presented separately in the statement of financial position) representing its obligation to transfer goods or services in the future.

Interest income

Interest income is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate 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 flows 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

The income tax expense (benefit) for the year comprises current income tax expense (benefit) and deferred tax expense (benefit).

Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination or are recognised directly in equity or in other comprehensive income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (benefit) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity.

For personal use only

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled. Goods and Services Tax (GST)

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

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.

For personal use only

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.

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.

j. Impairment of assets

For personal use only

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.

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.

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.

For personal use only

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 nonmonetary 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

For personal use only

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

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.

Increases in the carrying amount arising on revaluation of plant and equipment 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

For personal use only

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.

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.

For personal use only

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.

For personal use only

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.

For personal use only

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 2024.

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 2025. 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.

For personal use only

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.

Income Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Profit & Loss and Other Comprehensive Income, except to the extent that it relates to items recognised in directly in equity. In this case, the tax is also recognised directly in equity the balance sheet date in the countries where the Company generated taxable income. Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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.

For personal use only

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

For personal use only

3. Revenue

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

	For Year Ended 31 December 2025			
	Telehealth Medical Practice	Contract Development and Manufacturing	Pharmacy	Total
Revenue	$	$	$	$
Australia	525,179	7,588,334	1,213,733	9,327,246
Overseas	-	61,834	-	61,834
	525,179	**7,650,168**	**1,213,733**	**9,393,660**
Goods and services transferred at a point in time	525,179	7,547,841	1,213,733	9,286,753
Services transferred over time	-	102,327	-	102,327
	525,179	**7,650,168**	**1,213,733**	**9,393,660**

	For Year Ended 31 December 2024			
	Telehealth Medical Practice	Contract Development and Manufacturing	Pharmacy	Total
Revenue	$	$	$	$
Australia	861,263	4,738,918	-	5,600,181
Overseas	-	-	-	-
	-	-	-	-
	861,263	**4,738,918**	**-**	**5,600,181**
Goods and services transferred at a point in time	861,263	4,738,918	-	5,600,181
Services transferred over time	-	-	-	-
	861,263	4,738,918	-	5,600,181

4. Interests in subsidiaries

Accounting subsidiaries	Country of Incorporation	Percentage Owned 2025	Percentage Owned 2024
Canndeo Pty Ltd	Australia	100%	100%
Epsilon Pharma Pty Ltd	Australia	100%	100%
Metra Holdings Pty Ltd	Australia	100%	100%
Epsilon Clinics Pty Ltd	Australia	100%	100%

For personal use only

Epsilon Biotech Pty Ltd	Australia	100%	100%
Canna Clinics Pty Ltd	Australia	100%	100%
Green Horizon Australia Pacific Pty Ltd	Australia	100%	100%

5. Income tax expense

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

	For the Year Ending 31 December 2025 $	For the Year Ending 31 December 2024 $
Current tax expense	-	-
Deferred tax liability recognised in profit or loss	966,799	133,392
	966,799	133,392

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

	For the Year Ending 31 December 2025	For the Year Ending 31 December 2024
Loss from continuing operations before income tax expense	(2,245,302)	(5,627,128)
Tax at the Australian tax rate of 25% (2024: 25%)	(561,326)	(1,406,782)
Add/(deduct) tax effect of:		
Non-deductible expenses	416,305	651,610
Accounting expenditure subject to R&D tax incentive treatment	247,135	-
Deduction for decline in value of depreciating assets	(33,619)	83,625
Other deductible expenses	(293,260)	(32,374)
Other income not included in assessable income	(112,304)	(131,232)
Tax losses not recognised	336,869	1,059,546
Deferred tax benefit recognised on release of deferred tax liability	(966,799)	(133,392)
Income tax benefit	(966,799)	(133,392)

The Group has carried forward tax losses of approximately $42,544,586 (2024: $41,197,111). 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.

For personal use only

6. Cash and cash equivalents

	As at 31 December 2025 $	As at 31 December 2024 $
Cash at bank and in hand	242,862	1,565,647
Balance at end of the year	242,862	1,565,647

For personal use only

7. Trade and other receivables

	As at 31 December 2025 $	As at 31 December 2024 $
Trade Receivables	934,688	901,670
Allocation for expected credit losses	(46,308)	(262,145)
	888,380	639,524
Other receivables	2,003,492	12,064
Balance at end of the year	2,891,872	651,588

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:

	Expected Credit Loss Rate 2025	Expected Credit Loss Rate 2024	Carrying Amount 2025	Carrying Amount 2024	Allowance for Expected Credit Losses 2025	Allowance for Expected Credit Losses 2024
	%	%	$	$	$	$
Not overdue	-	-	654,037	339,811	-	-
0 to 3 months overdue	-	11%	234,343	336,027	-	36,313
3 to 6 months overdue	-	100%	-	15,107	-	15,107
Over 6 months overdue	100%	-	46,308	210,725	46,308	210,725
Balance at end of the year			**934,688**	**901,670**	**46,308**	**262,145**

	As at 31 December 2025 $	As at 31 December 2024 $
Balance at the beginning of the year Net	262,145	162,651
Movement for the year	(215,837)	99,494
Balance at end of the year	46,308	262,145

8. Inventory

	As at 31 December 2025 $	As at 31 December 2024 $

For personal use only

Finished goods – at cost	1,204,362	528,991
Balance at end of the year	1,204,362	528,991

9. Financial assets

	As at 31 December 2025 $	As at 31 December 2024 $
Current		
Prepayments	296,860	486,736
Other financial assets	-	16,000
Balance at end of the year	296,860	502,736
Non-Current		
Deposits paid	336,251	66,000
Balance at end of the year	633,111	568,736

10. Property, plant, equipment and impairment

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 2025 $	As at 31 December 2024 $
Plant and equipment – at cost	155,270	602,088
Accumulated depreciation	(623)	(602,088)
	154,646	-
Manufacturing facility and other equipment – at valuation	6,678,832	4,354,179
Accumulated depreciation	(11,676)	(4,354,179)
	6,667,156	-

For personal use only

Balance at end of year	6,821,802	-

For personal use only

	Plant and Equipment	Manufacturing Facility	Land, buildings and improvements	Total
	$	$	$	$
Balance at 1 January 2025	-	-	-	-
Acquisitions	155,270	-	-	155,270
Impairment	-	-	-	-
Reclassification	-	-	-	-
Disposals	-	-	-	-
Revaluations	-	6,678,832	-	6,678,832
Depreciation expense	(623)	(11,676)	-	(12,299)
Balance at 31 December 2025	154,646	6,667,156	-	6,821,802
Balance at 1 January 2024	1,048,659	8,718,9568	2,287,290	12,054,905
Acquisitions	97,733	-	-	97,733
Impairment	(12,063)	-	-	(12,063)
Reclassification	(980,240)	(5,863,919)	-	(6,844,159)
Disposals	-	(1,744,100)	(4,955,900)	(6,700,000)
Revaluations	-	-	2,668,610	2,668,610
Depreciation expense	(154,089)	(1,110,937)	-	(1,265,026)
Balance at 31 December 2024	-	-	-	-

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

	As at 31 December 2025	As at 31 December 2024
	$	$
Website and other software – at cost	-	280,000
Accumulated depreciation	-	(280,000)
	-	-
Right-of-Use Assets - Land and Buildings	5,692,033	477,971
Accumulated depreciation	(355,742)	(477,971)
	5,336,291	-
Balance at end of the year	**5,336,291**	**-**

For personal use only

	Intangible – Website & Other Software	Right-of-Use Assets Land and Buildings	Total
	$	$	$
Balance at 1 January 2025	-	-	-
Additions	-	5,692,033	5,692,033
Disposals	-	-	-
Impairment/termination	-	-	-
Depreciation expense	-	(355,742)	(355,742)
Balance at 31 December 2025	-	5,336,291	5,336,291
Balance at 1 January 2024	60,000	136,243	196,243
Additions	-	-	-
Disposals	-	-	-
Impairment/termination	(20,000)	(33,640)	(53,640)
Depreciation expense	(40,000)	(102,603)	(142,603)
Balance at 31 December 2024	-	-	-

The Group leased office and warehouse facilities at 5 Goodyear Street, Southport, Queensland. The lease commenced on 1 April 2020 for an initial term expiring on 31 March 2025. The Group exercised its first option to renew, and the lease is now on its first further term, expiring on 31 March 2030. The lease includes two remaining options to renew for further periods of five years each. The annual rent increases on each anniversary date by the Consumer Price Index or 3.5%, whichever is greater.

Following a sale and leaseback transaction, the Group entered into a lease where it operates its manufacturing, office and warehouse facilities. The lease expires on 30 September 2036 and includes 4 options to renew in accordance with the lease agreement. The annual rent is $520,000, exclusive of outgoings, and is subject to review on each anniversary of the commencement date, with increases being the greater of 3% or the Consumer Price Index.

	As at 31 December 2025	As at 31 December 2024
	$	$
Lease Liabilities		
Current	391,839	33,862
Non-current	5,079,733	-
Balance at end of the year	5,471,572	33,862

For personal use only

For personal use only

	As at 31 December 2025 $	As at 31 December 2024 $
Lease Liabilities		
Land and buildings		
Balance at beginning of the year	33,862	160,062
Additions	5,878,626	-
Disposal/termination	-	-
Interest expense	(196,041)	20,278
Lease payments – cash outflow	(244,875)	(146,478)
Balance at end of the year	**5,471,571**	**33,862**

Maturity analysis of lease liabilities

The table below summarises the Group's lease liabilities based on remaining contractual undiscounted cash flows at the reporting date. The amounts disclosed are undiscounted and therefore differ from the carrying amount of lease liabilities recognised in the statement of financial position.

2025	< 1 year	1–2 years	2–5 years	> 5 years	Total
Lease liabilities	718,951	741,472	2,201,946	3,753,176	7,415,545

The total undiscounted contractual cash outflows above exceed the carrying amount of lease liabilities because the statement of financial position reflects lease liabilities on a discounted basis, whereas the maturity analysis is presented using gross contractual cash flows.

12. Trade and other payables

	As at 31 December 2025 $	As at 31 December 2024 $
Current		
Trade payables	2,020,229	1,808,292
Accrued expenses	625,975	429,046
GST/ATO payable	270,453	353,353
Balance at end of the year	**2,916,657**	**2,590,691**

13. Contract liabilities

	As at 31 December 2025	As at 31 December 2024
Current	$	$
Contract liabilities	441,424	230,891
Balance at end of the year	441,424	230,891

For personal use only

14. Borrowings

December 2025	As at 31 December 2025	As at 31 December 2024
Current	$	$
Loans – secured	-	7,759,773
Insurance funding loans - secured	176,040	26,982
Other loan - unsecured	-	60,000
Director loan - unsecured	-	4,000
Balance at end of the year	**176,040**	**7,850,755**
Non-Current	$	$
Loans – secured	2,372,904	-
Director loan - secured	2,330,740	-
Balance at end of the year	**4,703,644**	**-**

The Company secured an extension to 30 September 2027 on the repayment of its syndicate loan borrowings. As of 31 December 2025, the principal amount has been reduced to $2,100,000. The loan bears an interest rate of 18% per annum and is secured over all assets of the Company.

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.

Director loans refer to the $2m promissory note provided by the Managing Director and other secured loans provided for working capital.

15. Employment benefits

	As at 31 December 2025	As at 31 December 2024
Current	$	$
Accrued wages	218,465	456,034
Accrued superannuation	122,819	108,730
Provision for annual leave	339,152	231,230
	680,436	795,994
Non-current		
Provision for long service leave	89,922	63,529
Total balance at end of the year	**770,358**	**859,523**

For personal use only

16. Deferred tax liabilities

Deferred tax liability comprises temporary differences attributable to:

	As at 31 December 2025 $	As at 31 December 2024 $
Revaluation of manufacturing facility	1,473,751	966,799
Balance at end of the year	**1,473,751**	**966,799**

As at 31 December 2025	Revaluation of Assets	Tax Losses	Total
At the beginning of the year	966,799	-	966,799
Revaluation of assets during the year	1,473,751	-	1,473,751
Charged/(credited) to profit or loss	(966,799)	-	(966,799)
Balance at end of the year	**1,473,751**	**-**	**1,473,751**

As at 31 December 2024	Revaluation of Assets	Tax Losses	Total
At the beginning of the year	2,179,739	(1,746,701)	433,038
Revaluation of assets during the year	667,153	-	667,153
Charged/(credited) to profit or loss	(1,880,093)	1,746,701	(133,392)
Balance at end of the year	**966,799**	**-**	**966,799**

17. Contributed equity

a. Share capital

	As at 31 December 2025		As at 31 December 2024	
	No. of Shares	$	No. of Shares	$
At the beginning of the year	345,354,011	47,533,485	300,354,011	46,813,485
Share placement (net)	-	100	38,750,000	620,000
Issue of ordinary shares as consideration of repayment of loan borrowing	27,750,000	555,000	6,250,000	100,000
Shares issued on exercise/conversion of loan notes	6,000,000	120,000	-	-
Transfer from options reserve on exercise of options	-	7,111	-	-

For personal use only

Costs of capital raising	-	-	-	-
Balance at end of the year	**379,104,011**	**48,215,696**	**345,354,011**	**47,533,485**

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.

b. Reserves

	As at 31 December 2025	As at 31 December 2024
	$	$
Options reserve	152,889	113,000
Asset revaluation reserve	4,432,927	3,867,197
Balance at end of the year	**4,585,816**	**3,980,197**

For personal use only

Options reserve

	As at 31 December 2025		As at 31 December 2024	
	No. of Options	$	No. of Options	$
At the beginning of the year	35,000,000	113,000	35,000,000	113,000
Options issued to KMPs	-	-	5,000,000	50,000
Options issued	135,000,000	160,000	-	-
Options converted to shares	(6,000,000)	(7,111)		
Options lapsed	(35,000,000)	(113,000)	-	-
Balance at end of the year	**129,000,000**	**152,889**	**35,000,000**	**113,000**

The reserve records options issued to share placement subscribers and/or loan note subscribers. When the option is exercised the amount in the share option reserve is transferred to share capital.

Revaluation surplus reserve

	As at 31 December 2025	As at 31 December 2024
	$	$
Balance beginning of financial year	3,867,197	8,709,899
Movement in the financial year	565,730	(4,842,702)
Balance at end of the year	4,432,927	3,867,197

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 three (3) main operating segments are:

a. Contract Development and Manufacturing activities

b. Telehealth medical practice services; and

c. Pharmacy 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.

For personal use only

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

The main source of revenue for these operating segments in the year to 31 December 2025 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

2. Telehealth medical practice services - provision of telehealth medical consultation services

3. Pharmacy Services – dispensing and pharmacy-related fulfilment 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 2025				
	Contract Development and Manufacturing	Telehealth Medical Practice	Pharmacy Services	Unallocated	Total
Revenue	$	$	$	$	$
External sales	7,650,167	-	1,213,733	-	8,863,899
External services	-	524,862	-	4,899	529,761
Total segment revenue	7,650,167	524,862	1,213,733	4,899	9,393,660
Depreciation and amortisation	358,469	-	-	123	358,592
(Loss)/profit after income tax expense	(974,609)	(237,694)	(7,853)	(58,347)	(1,278,503)
Segment Assets	2,572,351	254,987	91,630	14,946,788	17,865,755
Segment Liabilities	13,441,372	700,659	99,383	1,712,032	15,953,446

For personal use only

For personal use only

	31 December 2024				
	Contract Development and Manufacturing	Telehealth Medical Practice	Pharmacy Services	Unallocated	Total
Revenue	$	$	$	$	$
External sales	4,738,918	-	-	-	4,738,918
External services	-	861,263	-	-	861,263
Total segment revenue	4,738,918	861,263	-	-	5,600,181
Depreciation and amortisation	1,358,910	67	-	48,650	1,407,628
(Loss)/profit after income tax expense	(5,413,083)	(164,660)	-	84,007	(5,493,736)
Segment Assets	(3,678,766)	240,289	-	13,893,782	10,455,304
Segment Liabilities	10,648,573	448,266	-	1,435,679	12,532,519

19. Share based payments

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

2025	Shares	Options	Total
	$	$	$
Periodic vesting expense on current year issued securities	-	-	-
Options issued to loan note holders	-	160,000	160,000
Shares issued to advisors and KMP during the year	-	-	-
	-	160,000	160,000

2024	Shares	Options	Total
	$	$	$
Periodic vesting expense on current year issued securities	-	-	-

Shares issued to advisors and KMP during the year	-	-	-
	-	-	-

Equity-based incentives (Employee Option Plan)

The Company established an Employee Option Plan (EOP) approved by shareholders on 15 November 2018 and re-adopted at the 2021 Annual General Meeting for the purposes of ASX Listing Rule 7.2 Exception 13. No options were granted under the EOP during the financial year and there are no employee options currently on issue. The EOP is not currently being used as part of remuneration arrangements. Any future grants (if any) would be subject to the Corporations Act, the ASX Listing Rules and any required securityholder approvals. 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 2025 Average exercise price per option	31 December 2025 No. of options	31 December 2024 Average exercise price per option	31 December 2024 No. of options
At the beginning if the year	0.05	5,000,000	0.05	5,000,000
Granted during the year	-	-	-	-
Lapsed during the year	0.05	(5,000,000)	-	-
Balance at the end of the year	-	-	0.05	5,000,000
Vested and exercisable	-	-	-	-

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

	For the Year Ending 31 December 2025 $	For the Year Ending 31 December 2024 $
Loss for the year	(1,278,503)	(5,493,737)
-Depreciation and amortisation expense	358,592	1,407,629
-Asset disposals in the year	-	12,063
-Gain on reversal of impairment	(772,154)	-
-Impairments	14,473	53,640
-Accrued Interest	91,286	359,772
Change in operating assets and liabilities		

For personal use only

(Increase)/decrease in trade and other receivables	(535,396)	158,101
(Increase)/decrease in other assets	189,876	198,959
(Increase)/decrease in inventories	(675,371)	(528,991)
Increase/(decrease) in trade and other payables	102,488	468,155
Increase/(decrease) in contract liabilities	210,533	(304,509)
Increase/(decrease) in employee benefits	134,315	396,710
Increase/(decrease) in deferred tax liability	(966,799)	(133,392)
Net cash outflow from operating activities	**(3,126,661)**	**(3,405,599)**

For personal use only

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.

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 form 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.

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

	As at 31 December 2025	As at 31 December 2024
	$	$
Cash and cash equivalents	242,862	1,565,647
Trade and other receivables	3,627,326	1,091,930
Security deposits and bonds	336,251	66,000

Liquidity risk

The Group's policy is to maintain a comfortable level of liquidity through the continual monitoring of cash reserves and the raising of additional capital as required.

b. Financial instrument composition and maturity analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity as well as management's expectations of the settlement period of all other financial instruments. As such, the amounts may not reconcile to the Statement of Financial Position.

For personal use only

2025	Weighted average interest rate %	Non-interest Floating interest bearing $	Fixed interest rate $	Rate maturing within 1 year $	Total $
Financial Assets					
Cash and cash equivalents	-	242,862	-	-	242,862
Trade and other receivables	-	3,627,326	-	-	3,627,326
Total financial assets		**3,870,188**	**-**	**-**	**3,870,188**
Financial Liabilities					
Trade and other payables		2,916,658	-	-	2,916,658
Loans	17	-	176,040	4,703,644	4,879,684
Total financial liabilities		**2,916,658**	**176,040**	**4,703,644**	**7,796,342**

2024	Weighted average interest rate %	Non-interest Floating interest bearing $	Fixed interest rate $	Rate maturing within 1 year $	Total $
Financial Assets					
Cash and cash equivalents	-	1,565,647	-	-	1,565,647
Trade and other receivables	-	1,091,930	-	-	1,091,930
Total financial assets	**-**	**2,657,577**	**-**	**-**	**2,657,577**
Financial Liabilities					
Trade and other payables	-	2,590,691	-	-	2,590,691
Loans	18	-	-	7,850,755	7,850,755
Total financial liabilities		**2,590,691**	**-**	**7,850,755**	**10,441,446**

For personal use only

For personal use only

	Carrying amount	Contractual cash flow due 1 to 3 months	Contractual cash flow due 3 months to 1 year	Contractual cash flow due 1 to 5 years
2025	$	$	$	$
Financial Assets				
Trade and other receivables	3,627,326	3,627,326	-	-
Total financial assets	**3,627,326**	**3,627,326**	**-**	**-**

2025	$	$	$	$
Financial Liabilities				
Trade and other payables	2,916,658	2,916,658	-	-
Loans	4,879,684	-	176,040	4,703,644
Total financial liabilities	**7,796,342**	**2,916,658**	**176,040**	**4,703,644**

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 2025	For the Year Ending 31 December 2024
A D Danieli Chartered Accountants		
- Audit and review of the financial statements	-	48,315
RSM Australia Partners		
- Audit and review of the financial statements*	101,247	-

*includes ASX readmission proforma accounts audit

For personal use only

For personal use only

23. Earnings per share

	For the Year Ending 31 December 2025	For the Year Ending 31 December 2024
	Cents	Cents
Basic earnings per share	(0.34)	(1.59)
Diluted earnings per share	(0.34)	(1.59)

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:

	For the Year Ending 31 December 2025	For the Year Ending 31 December 2024
	No. of shares	No. of shares
Basic earnings per share	379,104,011	345,354,011
Diluted earnings per share	379,104,011	345,354,011

The loss used to calculate earnings per share was $1,272,503 (2024: $5,493,736 loss).

24. Fair Value Measurement

The Group applies the revaluation model to selected classes of property, plant and equipment. During the year ended 31 December 2025, specialised plant and equipment were revalued to fair value. At 31 December 2025, the recurring fair value measurements recognised by the Group relate to specialised plant and equipment only. The Group does not measure liabilities at fair value on a recurring basis.

The Group also recognised a right-of-use asset and corresponding lease liabilities in accordance with AASB 16 Leases. These balances are not subsequently measured at fair value on a recurring basis and are therefore not included in the fair value hierarchy disclosures below.

a. Fair value hierarchy

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:

Level 1	**Level 2**	**Level 3**

For personal use only

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.

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.

At 31 December 2025, the Group's recurring fair value measurements were as follows:

	31 December 2025			
	Level 1	Level 2	Level 3	Total

For personal use only

	$	$	$	$
Total manufacturing facility assets recognised at fair value on a recurring basis	-	-	6,821,802	6,821,802
Total manufacturing facility assets recognised at fair value	-	-	6,821,802	6,821,802

Valuation techniques and inputs used to measure Level 3 fair values

The fair value of specialised plant and equipment at 31 December 2025 was determined with reference to available second-hand market evidence for comparable assets, supported by an current independent valuation report. As the assets are specialised in nature and significant judgement is required in adjusting observable market data for differences in age, condition, configuration, utility and realisation assumptions, the measurement is classified as Level 3 under AASB 13.

Non-recurring fair value measurements

At 31 December 2025, other than the recurring Level 3 measurement of manufacturing facility assets described above, there were no material non-recurring fair value measurements requiring separate disclosure in this note.

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 $1,098,015 (2024: $835,150) as per that report.

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

	As at/Year Ended 31 December 2025	As at/Year Ended 31 December 2024
Services received	$	$
Consulting services provided by SV Partners (NSW) Pty Ltd, acting as the company's administrators	310,916	1,450,250
Accounting services provided by KS Black & Co, a related party of Mr Stuart Cameron.	-	6,138
Director fees and employee benefits payable to all directors	875,693	608,302
Total services received	1,186,609	2,064,690
Receivables		
Promissory Note provided by Managing Director	2,000,000	-
Total receivables provided	**2,000,000**	-

For personal use only

Interest paid/payable		
Interest paid on a secured loan balance provided by Australia Oracles Holding Pty Ltd, a related party of an associate of Mr Josh Cui.	-	355,635
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
Interest paid/payable 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).	126,000	64,899
Interest paid/payable on a secured loan balance provided by Lekarna Pty Ltd, a related party of Mr Peter Giannopoulos.	31,882	6,175
Total interest paid	**157,882**	**527,572**
Liabilities		
Current liabilities		
Unsecured loan balance provided by Alpha Securities Pty Limited, a related party of an associate of Mr Josh Cui.	-	60,000
Non-current liabilities		
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	700,000
Secured loan balance provided by Mr Peter Giannopoulos.	2,330,740	23,858
Total loans payable	**3,030,740**	**783,858**

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.

For personal use only

26. Contingent assets and liabilities

The Group did not have any other contingent assets or contingent liabilities at 31 December 2025 (31 December 2024: Nil).

27. Events occurring after the balance date

Since the end of the reporting year:
On 30 March 2026, the consolidated entity secured an extension to 30 September 2027 on the repayment of its syndicate loan as disclosed in Note 14 Borrowings. As at 31 March 2026, the amount of the secured loan has reduced to $2.37m.

There were no other matter or circumstance has arisen since 31 December 2025 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.

For personal use only

28. Parent entity disclosures

Financial position	As at/Year Ended 31 December 2025 $	As at/Year Ended 31 December 2024 $
Assets		
Total current assets	3,874,725	1,473,683
Total non-current assets	1,405,969	18,038,035
Total assets	**5,280,694**	**19,511,718**
Liabilities		
Total current liabilities	1,050,784	200,401
Total non-current liabilities	2,317,604	-
Total liabilities	**3,368,388**	**200,401**
Equity		
Contributed equity	48,215,595	47,533,485
Reserves	152,889	113,000
Accumulated losses	(46,456,176)	(28,315,168)
Total equity	**1,912,308**	**19,311,317**
Financial performance		
Profit/(loss) for the year	(18,296,175)	84,580
Other comprehensive income	-	-
Total comprehensive income/(loss)	(18,296,175)	84,580

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 2025 (2024: nil).

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 31 December 2025 (2024: 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:

For personal use only

- 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.

29. Restatement of comparatives

Correction of error

An error was identified in relation to the classification of assets as at 31 December 2024, wherein assets which were actively marketed for sale were incorrectly classified as property, plant and equipment. This error resulted in property, plant and equipment being overstated by $6,700,000 and assets held for sale being understated by $6,700,000. The consolidated entity has rectified this error in the financial year ending 31 December 2025, resulting in retrospective restatement of the financial year ending 31 December 2024.

The error has been corrected by retrospective restatement of the comparative information. The correction was limited to presentation within the statement of financial position and had no effect on profit or loss, other comprehensive income, total equity, or opening retained earnings as at 1 January 2024. As there was no material impact on the statement of financial position at the beginning of the preceding period, the presentation of a third column to the statement of financial position was not required under AASB 108. Extracts (being only those line items affected) due to correction of this error are disclosed below: Statement of financial position at the end of the earliest comparative period

Extract	31 December 2024 $ Reported	$ Adjustment	31 December 2024 $ Restated
Assets			
Total Assets			
Assets Held for Sale	-	6,700,000	6,700,000
Total Current Assets	3,689,305	6,700,000	10,389,705
Non-Current Assets			
Property, plant and equipment	6,700,000	(6,700,000)	-
Total Non-Current Assets	6,700,000	(6,700,000)	66,000
Total Assets	10,455,305	-	10,455,305

For personal use only

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

As at 31 December 2025

Entity name	Entity name	Place formed / Country of incorporation	Ownership interest %	Tax residency
Canndeo Pty Ltd	Body corporate	Australia	100.00%	Australia
Epsilon Pharma Pty Ltd	Body corporate	Australia	100.00%	Australia
Metra Holdings Pty Ltd	Body corporate	Australia	100.00%	Australia
Epsilon Clinics Pty Ltd	Body corporate	Australia	100.00%	Australia
Epsilon Biotech Pty Ltd	Body corporate	Australia	100.00%	Australia
Canna Clinics Pty Ltd	Body corporate	Australia	100.00%	Australia
Green Horizon Australia Pacific Pty Ltd	Body corporate	Australia	100.00%	Australia

For personal use only

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 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 will be able to pay its debts as and when they become due and payable.

d. the information disclosed in the attached consolidated entity disclosure statement is true and correct.

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



31 March 2026

For personal use only

RSM Australia Partners

Level 27, 120 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199

www.rsm.com.au

For personal use only

INDEPENDENT AUDITOR'S REPORT
To the Members of Epsilon Healthcare Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Epsilon Healthcare Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2025, 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 material accounting policy information, the consolidated entity disclosure statement 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 2025 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* (*including independence standards*) (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.

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

Certified System Quality ISO 9001

For personal use only

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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
Revaluation of Plant & Equipment Refer to Note 10 in the financial statements	
As at 31 December 2025, the Group held plant & equipment under the revaluation model of $6,667,156, representing 37% of total assets of the Group. These assets are carried at fair value based on an independent valuation report prepared at 31 December 2024, and management's assessment of changes in fair value during the year ended 31 December 2025. Management's assessment included consideration of observable second-hand market evidence for comparable equipment, adjusted for asset-specific factors. Because of the subjectivity and complexity involved in the determination of fair value, we have considered the valuation of plant & equipment held under the revaluation model to be a key audit matter.	Our audit procedures included the following: ▪ Assessing the qualifications, competence and objectivity of the independent valuers; ▪ Evaluated the appropriateness of the valuation methodology applied, and gaining an understanding of the assumptions and estimates used in the independent valuation report at 31 December 2024; ▪ Holding discussions with management about their assessment of the changes in the fair value of plant & equipment during the year end 31 December 2025; ▪ For a sample of plant & equipment, reviewing management's observable second-hand market evidence for comparable equipment; ▪ Reviewing management's revaluation journals, including income tax effect; and ▪ Reading and evaluating the financial report disclosures on fair value measurement for accuracy and completeness.

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed this matter
Revenue Recognition Refer to Note 3 in the financial statements	
Revenue for the year ended 31 December 2025 was $9,393,660. Revenue recognition was considered a key audit matter because of its significance to the Group's reported financial performance.	Our audit procedures in relation to the recognition of revenue included: ▪ Assessing whether the Group's revenue recognition policies were in compliance with AASB 15 *Revenue from Contracts with Customers*; ▪ Performing tests of detail on a sample basis to test the validity and accuracy of revenue transactions, including the inspection of sales invoices and delivery documentation; ▪ Performing substantive analytical procedures on the revenue balance; ▪ Review of sales transactions before and after year-end to ensure that revenue is recognised in the correct period; and ▪ Assessing the adequacy and completeness of disclosures in the financial report.
Key Audit Matter	**How our audit addressed this matter**
Going Concern Refer to Note 1(c) in the financial statements	
For the year ended 31 December 2025, the Group incurred a loss of $1,278,503 and had net cash outflows from operating activities of $3,126,661. Management has prepared a cash flow forecast for the next 12 months from 1 April 2025 which indicates that during this period the Group will have suffient cash resources to meet its operational and financial commitments as and when they fall due. We determined this assessment of going concern to be a key audit matter due to the significant judgements involved in preparing the cashflow forecasts, and the potential material impact on the results of management's assessment.	Our audit procedures included, among other things: ▪ Reviewing the financial position and performance of the Group; ▪ Reviewing the mathematical accuracy of the cash flow forecasts and budgets prepared by management; ▪ Critically assessing the director's reasons as to why they believe it is appropriate to prepare the financial report on a going concern basis, and that a material uncertainty related to going concern does not exist. This included confirming the extension of the syndicate loan repayment date to 30 September 2027, and verifying the ability of the Managing Director to provide the $2 million loan to the Group, via his solely owned and controlled company (Lekarna Pty Ltd), under the promisorry note; ▪ Undertaking subsequent event procedures; and ▪ Assessing the adequacy of the going concern disclosures in the financial statements.

For personal use only

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 2025 but does not include the financial report and the 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:

a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. the consolidated entity disclosure statement that is true and correct and is free of 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 have 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://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf.
This description forms part of our auditor's report.

For personal use only

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2025.

In our opinion, the Remuneration Report of Epsilon Healthcare Limited for the year ended 31 December 2025, 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.



RSM AUSTRALIA PARTNERS



B Y CHAN
Partner

Date: 31 March 2026
Melbourne, Victoria

For personal use only

SHAREHOLDER INFORMATION

ASX additional information

Additional information as at 3 March 2026 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 3 March 2026.

Spread of Shareholders

At 3 March 2026, there were 7,216 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	1,069	714,552	0.18
1,001 – 5,000	3,164	8,070,766	2.07
5,001 - 10,000	914	7,146,768	1.84
10,001 - 100,000	1,702	53,258,378	13.69
100,001 and over	367	319,913,547	82.22
Total	**7,216**	**389,104,011**	**100.00**

Less than marketable Parcels

A total of 5,805 shareholders were holding less than a marketable parcel of 20,000 shares as at 31 March 2026 ($0.024). Under the ASX Listing Rules, any shareholding values at less than $500 is considered to be an unmarketable parcel.

For personal use only

On Market Buy Back

There is no on-market buy-back.

Substantial Shareholders

As at 3 March 2026, substantial holders were Watercrest Asset Management Pty Ltd controlling 35,828,878 ordinary shares representing 9.21% and Alexander Hotel Investments Pty Ltd controlling 21,250,000 ordinary shares representing 5.46% of the issued capital.

Top 20 Shareholders

As at 31 March 2026 the twenty largest quoted shareholders held 47.18% of the fully paid ordinary shares as follows:

For personal use only

Holder Name	Share Holding	%	Issued Capital
1 WATERCREST ASSET MANAGEMENT PTY LTD	35,828,878		9.21
2 ALEXANDER HOTEL INVESTMENTS PTY LTD	21,250,000		5.46
3 CYRENE HOLDINGS PTY LTD <CYRENE A/C>	16,771,121		4.31
4 MR LLOYD STAFFORD TAYLOR	12,687,088		3.26
5 MR CRAIG GRAEME CHAPMAN <NAMPAC DISCRETIONARY A/C>	10,911,556		2.80
6 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10,517,481		2.70
7 MR ALAN PRESTON BEASLEY	10,500,000		2.70
8 DASH & CO ASSETS PTY LTD <DASH AND CO SUPER FUND A/C>	10,000,000		2.57
9 FENNELL CHURCH PTY LIMITED <FENNELL CHURCH PROP UNIT A/C>	8,438,499		2.17
10 HEALTH360 INVESTMENT MANAGEMENT INC	7,052,880		1.81
11 GIANNOPOULOS SUPERANNUATION NOMINEES PTY LTD <GIANNOPOULOS SUPER FUND A/C>	7,000,000		1.80
12 S BENTLEY & CO PTY LTD <S BENTLEY & CO FAMILY A/C>	5,555,556		1.43
13 HOLLOW SWORD BLADE COMPANY PTY LTD	4,000,000		1.03
14 MR GARY JOHN RADCLIFF + MRS DEBBI LEE RADCLIFF	3,955,700		1.02
15 BARCOO HOLDINGS PTY LTD <WYAN FAMILY INVESTMENTS>	3,795,824		0.98
16 BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	3,540,844		0.91
17 MR GEORGE DAABOUL	3,000,000		0.77
18 META GROWTH CORP	2,942,489		0.76
19 MS CHERESE RICHELLE TAYLOR + MR LAUIE GABRIEL DOK	2,940,000		0.76
20 CELTIC CAPITAL PTY LTD	2,888,872		0.74
Total	**183,576,788**		**47.18**

Statement of Restricted Securities

The Company has no securities which are Restricted Securities as at 3 March 2026.

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.

For personal use only



For personal use only