Epiminder Limited
(formerly Epi-Minder Pty Ltd)

ABN 59 616 831 684

Consolidated Financial Statements

For the Year Ended 30 June 2025

Epiminder Limited

ABN 59 616 831 684

Contents

For the Year Ended 30 June 2025

Directors' Report
30 June 2025

The directors present their report, together with the consolidated financial statements of the Group, being Epiminder Limited (the 'Company') and its controlled entities, for the financial year ended 30 June 2025.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Philip Binns	
Rohan Hoare	
Mark Phelps	resigned on 30 April 2025
Catherine Picard	resigned on 30 April 2025
Robert Klupacs	
Donal O'Dwyer	appointed on 30 April 2025
Patricia O'Rourke	
Jeffrey Sells	appointed on 4 May 2025

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Philip Binns	Chairman
Qualifications and experience	Philip has been a Director of the Company since 27 June 2018 and was appointed as Chair on 16 July 2018. Philip has over 30 years of experience leading organisations across the scientific and life science industries. Philip was most recently President of US based Agilent Technologies, Inc.'s Life Sciences and Applied Markets Group, retiring in April 2025. In 2008, Philip was appointed by the Federal Government to chair the Future Manufacturing Innovation Council and in 2012 served on the Prime Minister's Manufacturing Task Force. Philip is a board member of Lightcast Discovery Ltd, the Bionics Institute and is a National Advisory Councillor for the Australian Industry Group (Ai Group®). Philip is also an active investor and mentor in early-stage technology-based companies. Philip holds a Post Graduate Diploma in Management Studies and a Master of Business Administration from the University of Melbourne. He is also a Graduate of the Australian Institute of Company Directors.

Directors' Report
30 June 2025

Information on directors (continued)

Rohan Hoare	Chief Executive Officer & Managing Director
Qualifications and experience	Rohan was appointed Chief Executive Officer on 1 September 2020 and became a Director of the Company on 7 December 2022. Rohan heads the Company's leadership team and is responsible for the Company's day-to-day operations and implementing the Company's strategy. Rohan has extensive experience in medical devices both in large established med-tech companies (St. Jude Medical, Inc. and Cyberonics, Inc. (now part of Liva-Nova PLC) and start-ups (EndoStim, Inc. and Brainmatterz LLC). Rohan is also an alumni of McKinsey & Company, a global management consulting firm. Rohan is a director of Brainmatterz, Xnerve and the Epilepsy Foundation of Texas. Rohan holds a Bachelor's of Science (Hons) from Monash University and a Master's of Physics and a Doctor of Philosophy from Harvard University.
Mark Phelps	Non-Executive Director
Resignation from the Board	30 April 2025
Qualifications and experience	Mark is Vice President Customer Software Development at Cochlear. There, he leads the global Customer Software team, developing regulated medical device software and connected health solutions for patients and hearing care professionals. Mark has over 30 years experience, working globally across multiple industries and a diversity of business functions. He has functional experience and expertise in the areas of software development, corporate and business development (M&A/CVC), business strategy and planning, finance and strategic program execution. Mark has spent the last 19 years in the medical device industry with Cochlear, and before that worked in sectors including investment banking, financial services, travel and transport.
Catherine Picard	Non-Executive Director
Resignation from the Board	30 April 2025
Qualifications and experience	Catherine is VP Advanced Innovation & Strategic Investments and leads the Advanced Innovation team, which develops new concepts, technologies, therapies and solutions for the future of Cochlear. Prior to joining Cochlear she had 17 years at GE Healthcare in research management, the last 4 of which as General Manager. From 2005-2015 she had a range of senior management responsibilities at Sorin Group. Following the merger of Sorin and Cyberonics in 2015 to form LivaNova she had the role of VP Heart Failure and Head of R&D Council. She joined Cochlear in April 2017.

Information on directors (continued)

Robert Klupacs	Non-Executive Director
Qualifications and experience	Robert has been a Director of the Company since 25 September 2017 and is the Chair of the Remuneration & Nomination Committee. Robert is the CEO of the Bionics Institute, an organisation whose mission is to research and innovate cutting-edge medical devices to solve medical challenges and transform lives. Robert is an Australian qualified patent attorney who has had a wide and successful career to date within both private and publicly traded companies as well as the academic arena. Robert is also the founder of 28 start-up companies and with over 30 of years corporate experience, is uniquely experienced in translating and commercialising early-stage intellectual property into commercial product or investable corporate vehicles. Robert holds a Bachelor's of Science (Hons) (Pharmacology) from Monash University and a Post Graduate Diploma in Intellectual Property Law from the University of Melbourne.
Donal O’Dwyer	Independent Non-Executive Director
Qualifications and experience	Donal was appointed as a Director of the Company on 30 April 2025 and is a member of the Audit & Risk Committee. Donal has a deep knowledge of the health industry globally, after more than 40 years in senior executive and Non-Executive Director roles within the healthcare products and medical device sectors. During his tenure with Baxter Healthcare, Donal rose through the ranks from Plant Manager in Ireland to President of the Cardiovascular Group Europe (now Edwards Lifescience Corporation). Donal then worked for Johnson & Johnson's cardiovascular devices franchise (Cordis) - initially as European President and later, when he located to the US, Donal served as Worldwide President. Donal is currently a director of NIB Holdings Ltd. He is also Chair of Endoluminal Sciences Pty Ltd and Cordis Asset Management Pty Ltd. He has previously served as a director of Cochlear Ltd, Fisher Paykel Healthcare Ltd, Mesoblast Ltd and CardIex Ltd. Donal holds a Bachelor's of Engineering (Civil) from the University College Dublin and a Master's of Business Administration from the Manchester Business School.
Patricia O'Rourke	Non-Executive Director
Qualifications and experience	Patricia has been a Director of the Company since 18 June 2018 and is a member of the Audit & Risk Committee and the Remuneration & Nomination Committees. Patricia has more than 35 years of experience in the health and research industry, including both the public and private sectors. She has held numerous board, chief executive and executive leadership positions during this time. She is currently a non - executive director of Australian Unity, a national social enterprise in health, wealth and care with over 370,000 members, 750,000 customers and employs 10,000 people across the country. She has also held director roles with the GARVAN Institute of Medical Research, St Vincent St Vincent's Institute of Medical Research, Aikenhead Centre for Medical Discovery (ACMD), the Victorian Endowment for Science, Knowledge and Innovation (VESKI) and Monash Health. Ms O’Rourke was previously the Chief Executive Officer of the Private Hospitals Division at St Vincent’s Health Australia, after spending nearly 36 years at St Vincent’s in various clinical director and operations and chief executive officer roles. Patricia is a graduate of the Australian Institute of Company Directors and of the Harvard Leadership program.

Information on directors (continued)

Jeffrey Sells	Independent Non-Executive Director
Qualifications and experience	Jeff was appointed as a Director of the Company on 4 May 2025 and is Chair of the Audit & Risk Committee. Jeff is the Chief Financial Officer of Healthscope Operations Pty Limited, a national private hospital operation and healthcare provider with a network of 38 hospitals. Jeff has a deep understanding of the healthcare industry and commerce more generally, having worked in chief financial officer roles and led business units for over 25 years. Prior to joining Healthscope in 2024, Jeff worked at Sigma Healthcare Limited for 12 years finishing as the Chief Commercial Officer responsible for a wholesale and retail business and prior to that he was Sigma's Chief Financial Officer. Prior to Sigma, Jeff held chief financial officer roles in the resources sector at Oxiana Limited and Citadel Resource Group Limited. Jeff is a Chartered Accountant, holds a Bachelor's of Business, Majoring in Accounting, from Curtin University and has completed the Advanced Management Program (AMP188) at Harvard Business School.

Principal activities

The principal activities of the Group during the financial year were developing the Minder system for long-term EEG monitoring.

No significant change in the nature of these activities occurred during the year.

Operating results

The consolidated loss of the Group amounted to $31,778,978 (2024: loss of $15,918,169).

Significant changes in state of affairs

In June 2025, the Company underwent a change in its corporate structure and legal status, transitioning from a proprietary limited company to an unlisted public company. As part of this transition, the Company changed its name from Epi-Minder Pty Ltd to Epiminder Limited. In April 2025, the FDA has granted De Novo authorisation to Epiminder's Minder, an implantable continuous electroencephalogram monitoring system (iCEM), making it the first device of its kind approved in the United States for patients with epilepsy.

During the year, the Company raised cash of $14,577,174 via the issue of convertible notes.

There have been no other significant changes in the state of affairs of entities in the Group during the year.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Directors' Report

30 June 2025

Future developments and results

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Environmental matters

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

Dividends paid or recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Company secretary

The following person held the position of Company secretary at the end of the financial year:

Karen Campitelli

Karen Campitelli is the COO and Company Secretary for the Bionics Institute. She has over 20 years experience in strategic partnerships and management, corporate governance and building key relationships.

Prior to emigrating to Australia, Karen worked as a political lobbyist and strategist to the European Institutions for several international organisations based in Brussels, after completing her MA (European Studies) at KUL Leuven. Karen holds a Bachelor of Law (Common & Civil Law with French) from Queens University, Belfast.

Meetings of directors

During the financial year, 8 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Philip Binns	8	8
Rohan Hoare	7	7
Mark Phelps (resigned on 30 April 2025)	8	7
Catherine Picard (resigned on 30 April 2025)	8	8
Robert Klupacs	8	8
Donal O’Dwyer (appointed on 30 April 2025)	1	1
Patricia O'Rourke	8	8
Jeffrey Sells (appointed on 4 May 2025)	-	-

Directors' Report
30 June 2025

Options

A total of 286,000 options were issued during the 30 June 2025 financial year. In addition, the Group underwent a share split on a 1:4 basis, which affected the number of outstanding options. As a result of the share split, the total number of options on issue as at 30 June 2025 was 7,712,224 as detailed in Note 18.

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by law. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

Proceedings on behalf of company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

ASIC corporations instrument 2016/191 rounding of amounts

The Company is an entity to which ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191 applies and, accordingly, amounts in the consolidated financial statements and directors' report have been rounded to the nearest dollar.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2025 has been received and can be found on page 7 of the consolidated financial report.

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

Director: ..... Philip Binns .... Director: ....
Philip Binns Jeff Sells

Dated this ....2............ day of ....September........ 2025

EPIMINDER LIMITED

ABN 59 616 831 684

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF EPIMINDER LIMITED

I declare that, to the best of my knowledge and belief, during the period ended 30 June 2025 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

MVAB Assurance

MVAB ASSURANCE
Chartered Accountants

W. Tarrant

WAYNE TARRANT
Partner

Signed at Melbourne this 2nd day of September 2025

MVAB Assurance
ABN: 13 488 640 554

Liability limited by a scheme approved under Professionals Standards Legislation

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Epiminder Limited

ABN 59 616 831 684

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2025

	Note	2025 $	2024 (Restated) $
Income	5	**445,183**	6,563,041
Direct research costs		**(12,064,572)**	(11,085,392)
Employee benefits expenses		**(6,925,116)**	(4,777,247)
Depreciation and amortisation expense		**(67,986)**	(92,014)
Impairment of intangible asset	12	**(3,321,111)**	-
Consulting costs		**(2,274,139)**	(877,849)
Share based payments	18	**(2,000,688)**	(1,215,051)
Outsourced finance and company secretarial services		**(600,000)**	(540,000)
Legal and filing fees		**(1,469,686)**	(848,431)
Travel expenses		**(411,771)**	(320,565)
Finance expenses	6	**(1,943,147)**	(1,405,676)
Computer/IT expenses		**(674,985)**	(565,907)
Other expenses	7	**(470,960)**	(753,078)
Loss before income tax		**(31,778,978)**	(15,918,169)
Income tax expense	8	**-**	-
Loss for the year		**(31,778,978)**	(15,918,169)
Exchange differences on translating foreign controlled entities		**(21,962)**	(23,717)
Other comprehensive income for the year, net of tax		**(21,962)**	(23,717)
Total comprehensive loss for the year		**(31,800,940)**	(15,941,886)
Loss attributable to:			
Members of the parent entity		**(31,778,978)**	(15,918,169)
Total comprehensive loss attributable to:			
Members of the parent entity		**(31,800,940)**	(15,941,886)

The accompanying notes form part of these financial statements.

Epiminder Limited

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Consolidated Statement of Financial Position

As At 30 June 2025

	Note	2025 $	2024 (Restated) $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	**8,852,141**	11,312,247
Trade and other receivables	10	**383,332**	301,426
Other assets	13	**151,621**	6,007,188
TOTAL CURRENT ASSETS		**9,387,094**	17,620,861
NON-CURRENT ASSETS			
Property, plant and equipment	11	**70,574**	62,450
Intangible assets	12	**13,149,900**	16,508,968
TOTAL NON-CURRENT ASSETS		**13,220,474**	16,571,418
TOTAL ASSETS		**22,607,568**	34,192,279
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	**3,133,705**	1,722,064
Borrowings	15	**8,380,447**	3,822,646
Employee benefits	16	**576,708**	358,938
TOTAL CURRENT LIABILITIES		**12,090,860**	5,903,648
NON-CURRENT LIABILITIES			
Borrowings	15	**48,000,289**	36,037,770
Employee benefits	16	**110,031**	44,221
TOTAL NON-CURRENT LIABILITIES		**48,110,320**	36,081,991
TOTAL LIABILITIES		**60,201,180**	41,985,639
NET LIABILITIES	2(k)	**(37,593,612)**	(7,793,360)
EQUITY			
Issued capital	17	**37,223,548**	37,223,548
Reserves	18	**7,668,948**	5,690,222
Accumulated losses	19	**(82,486,108)**	(50,707,130)
TOTAL DEFICIENCY	2(k)	**(37,593,612)**	(7,793,360)

The accompanying notes form part of these financial statements.

Epiminder Limited

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Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2025

2025

	Note	Issued Capital $	Reserves $	Accumulated Losses $	Total $
Balance at 1 July 2024		**37,223,548**	**5,690,222**	**(50,707,130)**	**(7,793,360)**
Loss for the year		**-**	**-**	**(31,778,978)**	**(31,778,978)**
Other comprehensive income for the year		**-**	**(21,962)**	**-**	**(21,962)**
Transactions with owners in their capacity as owners					
Share based payment transactions	18	**-**	**2,000,688**	**-**	**2,000,688**
Balance at 30 June 2025		**37,223,548**	**7,668,948**	**(82,486,108)**	**(37,593,612)**

2024

	Note	Issued Capital $	Reserves $	Accumulated Losses (Restated) $	Total $
Balance at 1 July 2023		31,681,799	4,498,888	(34,788,961)	1,391,726
Loss for the year (restated)		-	-	(15,918,169)	(15,918,169)
Other comprehensive income for the year		-	(23,717)	-	(23,717)
Transactions with owners in their capacity as owners					
Share based payment transactions	18	-	1,215,051	-	1,215,051
Issue of shares		5,636,790	-	-	5,636,790
Transaction costs		(95,041)	-	-	(95,041)
Balance at 30 June 2024		37,223,548	5,690,222	(50,707,130)	(7,793,360)

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2025

	Note	2025 $	2024 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from R&D rebate		**5,907,725**	8,249,212
Payments to suppliers and employees		**(23,330,072)**	(22,655,209)
Interest received		**445,183**	637,151
Net cash used in operating activities		**(16,977,164)**	(13,768,846)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		**(38,153)**	(49,839)
Net cash used in investing activities		**(38,153)**	(49,839)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		**-**	5,541,749
Proceeds from convertible notes		**14,577,173**	8,440,866
Net cash provided by financing activities		**14,577,173**	13,982,615
Net (decrease)/increase in cash and cash equivalents held		**(2,438,144)**	163,930
Cash and cash equivalents at beginning of year		**11,312,247**	11,172,034
Effects of exchange rate changes on cash and cash equivalents		**(21,962)**	(23,717)
Cash and cash equivalents at end of financial year	9	**8,852,141**	11,312,247

The consolidated financial report covers Epiminder Limited and its controlled entities ('the Group'). Epiminder Limited is an unlisted public Company, incorporated and domiciled in Australia.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The consolidated financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*.

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

Material accounting policies adopted in the preparation of these consolidated financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Material Accounting Policy Information

(a) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these consolidated financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 21 to the consolidated financial statements.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

(b) Revenue and other income

R&D rebate

Income from the R&D Tax Incentive is recognised on an accruals basis.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

2 Material Accounting Policy Information (continued)

(b) Revenue and other income (continued)

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

(c) Property, plant and equipment

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

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Group, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Furniture, Fixtures and Fittings	10%
Office Equipment	25%
Computer Equipment	20-33%
Research Equipment	20-50%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(d) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Amortised cost

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

2 Material Accounting Policy Information (continued)

(d) Financial instruments (continued)

Financial assets (continued)

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables and bank and other loans.

(e) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

2 Material Accounting Policy Information (continued)

(e) Impairment of non-financial assets (continued)

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(f) Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Research and development

Research costs, including physical devices for trial use, are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

(g) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

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 or Black-Scholes 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 consolidated entity 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.

2 Material Accounting Policy Information (continued)

(g) Employee benefits (continued)

Share-based payments (continued)

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. 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 consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity 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.

(h) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

(i) Foreign currency transactions and balances

Transaction and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;

2 Material Accounting Policy Information (continued)

(i) Foreign currency transactions and balances (continued)

Transaction and balances (continued)

- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

Foreign operations

The translation of foreign operations with different functional currency from Australian dollars is performed as follows:

- Assets and liabilities (including goodwill and fair value adjustments on acquisition) for each consolidated statement of financial position presented are translated at the closing rate at the date of the statement;
- Income and expenses for each consolidated statement of profit or loss and other comprehensive income are translated at the rate at the date of the transaction (or an average rate if that rate approximates the rate at the date of transaction;
- All resulting exchange differences are recognised in other comprehensive income.

On disposal of a foreign operation, the cumulative amount of the exchange difference related to that foreign operation recognised in other comprehensive income is reclassified from equity to profit or loss.

(j) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt these Standards. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

(k) Going concern

As disclosed in the consolidated financial statements, the Group incurred a loss of $31,800,940 (2024: $15,941,886) and had net cash outflows from operating activities of $16,977,164 (2024: $13,768,846) for the year ended 30 June 2025. As at that date, the Group had net current liabilities of $2,703,766 (2024: net current assets of $11,717,213) and total net liabilities of $37,593,612 (2024: $7,793,360).

These conditions may indicate a material uncertainty that may cast doubt about the Group’s ability to continue as a going concern and that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

2 Material Accounting Policy Information (continued)

(k) Going concern (continued)

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern over the next 12 months from the signing date of these financial statements, after consideration of the following factors:

- The Company is actively preparing for an initial public offering (IPO) targeted for settlement in November 2025, which is expected to raise at least $75 million (net $69 million after capital raising costs).
- In the event of a delay in the IPO or in the absence of IPO proceeds, the Company has the following contingency strategies in place, including:
    - Additional initiatives and measures relating to reductions in cost and expenditure.
    - Accessing additional sources of liquidity (through debt or equity) to fund ongoing operations.

Due to the capital raise being incomplete and that other contigency strategies have not yet been implemented, this would give rise to a material uncertainty which may cast significant doubt as to whether the Group:

- continue as a going concern; and therefore
- realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

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

3 Critical Accounting Estimates and Judgments

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the consolidated 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.

Impairment of non-financial assets other than goodwill

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

3 Critical Accounting Estimates and Judgments (continued)

Recovery of deferred tax assets

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

Share-based payments

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black Scholes model taking into account the terms and conditions upon which the instruments were granted.

Judgement has been exercised when estimating the length of the expected vesting period at grant date, based on the most likely outcome of the performance condition. If the performance condition is a market condition, the estimate of the length of the expected vesting period shall be consistent with the assumptions used in estimating the fair value of the options granted, and shall not be subsequently revised. If the performance condition is not a market condition, the entity shall revise its estimate of the length of the vesting period, if necessary, if subsequent information indicates that the length of the vesting period differs from previous estimate.

The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

4 Retrospective Restatement

The comparative figures have been adjusted in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

Epiminder Limited has received an additional $674,238 in R&D incentive for the financial year ended 30 June 2024, exceeding the previously accrued amount at 30 June 2024. As a result, a retrospective adjustment restatement has been applied to correct the above. The impact of this restatement is shown below:

		30 June 2024	
	Previously stated	**Adjustments**	**Restated**
	$	**$**	**$**
Consolidated Statement of Profit or Loss and Other Comprehensive Income			
Income	5,888,803	674,238	6,563,041
Consolidated Statement of Financial Position			
Other assets	5,332,950	674,238	6,007,188

5 Income

	2025	2024 (Restated)
	$	$
Interest income	**445,183**	637,151
R&D rebate	**-**	5,925,889
Total income	**445,183**	6,563,040

6 Finance Expenses

	2025	2024
	$	$
Interest expense on convertible notes	**1,943,147**	1,405,676
Total finance expenses	**1,943,147**	1,405,676

7 Result for the Year

The result for the year includes the following specific expenses:

	2025	2024
	$	$
Recruitment	**97,110**	78,658
Net realised and unrealised currency losses	**29,150**	458,167
Office administration	**227,538**	141,038
Other expenses	**117,162**	72,359
Total other expenses	**470,960**	750,222

8 Income Tax

(a) The major components of tax expense (income) comprise:

	2025	2024
	$	$
Current tax	**-**	-
Deferred tax	**-**	-
Total income tax expense	**-**	-

(b) Reconciliation of income tax to accounting profit:

	2025	2024
	$	$
Loss before income tax	**(31,778,978)**	(15,918,169)
Statutory tax rate at 30% in AU and 21% in US	**(9,538,204)**	(4,776,612)
Tax effect of:		
- R&D refund	**-**	(1,777,767)
- R&D expenses	**-**	3,654,263
- Share-based payments	**600,204**	364,515
- Non-deductible expenses	**15,414**	9,248
- Timing differences not recognised	**665,203**	207,045
- Prior year adjustment	**36,181**	-
- Tax losses not recognised	**8,221,202**	2,319,308
Income tax expense	**-**	-

(c) Unrecognised deferred tax assets and liabilities:

The Group had the following deferred tax assets and liabilities that have not been recognised in the statement of financial position:

	2025	2024
	$	$
Deferred tax assets		
- Tax losses	**14,931,968**	6,710,766
- Temporary differences	**939,783**	272,127
Net unrecognised deferred tax assets	**15,871,751**	6,982,893
Deferred tax liabilities		
- Temporary differences	**(21,172)**	(18,700)
Net unrecognised deferred tax liabilities	**(21,172)**	(18,700)

These deferred tax assets have not been recognised as it is not probable, at the reporting date, that future taxable profits will be available against which the Group can utilise the benefits. This assessment is reviewed at each reporting date and is subject to changes in future profitability projections, tax law developments, and operational plans.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2025

8 Income Tax (continued)

The unrecognised losses may be carried forward indefinitely but can only be used against future taxable income subject to the satisfaction of applicable tax loss recoupment rules (e.g. continuity of ownership test or same business test).

(d) Tax losses not recognised:

	2025	2024
	$	$
Unused tax losses for which no deferred tax asset has been recognised	**49,822,490**	22,452,866
Potential tax benefit at 30% in AU and 21% in US	**14,931,968**	6,710,766

9 Cash and Cash Equivalents

	2025	2024
	$	$
Cash at bank and in hand	**8,852,141**	11,312,247
Total cash and cash equivalents	**8,852,141**	11,312,247

10 Trade and Other Receivables

	2025	2024
	$	$
CURRENT		
GST receivable	**383,332**	301,426
Total current trade and other receivables	**383,332**	301,426

11 Property, Plant and Equipment

	2025	2024
	$	$
Furniture, fixtures and fittings		
At cost	**5,944**	5,944
Accumulated depreciation	**(1,229)**	(635)
Total furniture, fixtures and fittings	**4,715**	5,309
Office equipment		
At cost	**2,018**	1,989
Accumulated depreciation	**(2,018)**	(1,821)
Total office equipment	**-**	168
Computer equipment		
At cost	**103,376**	76,566
Accumulated depreciation	**(49,448)**	(26,495)
Total computer equipment	**53,928**	50,071

11 Property, Plant and Equipment (continued)

	2025	2024
	$	$
Research equipment		
At cost	**27,068**	15,725
Accumulated depreciation	**(15,137)**	(8,823)
Total research equipment	**11,931**	6,902
Total property, plant and equipment	**70,574**	62,450

Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Furniture, Fixtures and Fittings	Office Equipment	Computer Equipment	Research Equipment	Total
	$	$	$	$	$
Year ended 30 June 2025					
Balance at the beginning of year	**5,309**	**168**	**50,071**	**6,902**	**62,450**
Additions	**-**	**-**	**26,811**	**11,342**	**38,153**
Depreciation expense	**(594)**	**(168)**	**(22,954)**	**(6,313)**	**(30,029)**
Balance at the end of the year	**4,715**	**-**	**53,928**	**11,931**	**70,574**

	Furniture, Fixtures and Fittings	Office Equipment	Computer Equipment	Research Equipment	Total
	$	$	$	$	$
Year ended 30 June 2024					
Balance at the beginning of year	977	668	23,574	3,491	28,710
Additions	4,879	5	37,911	7,044	49,839
Depreciation expense	(547)	(505)	(11,414)	(3,633)	(16,099)
Balance at the end of the year	5,309	168	50,071	6,902	62,450

12 Intangible Assets

Upon inception of the Company, the Bionics Institute of Australia, UM Commercialisation and the St Vincent's Hospital (the Founders) collaborated and contributed the intellectual property of the Minder® technology in exchange for shares of the Company, amounting to the $4,499,900. This was agreed upon in the Security Holders Agreement dated 18 June 2018.

Cochlear Investments Pty Ltd ("Cochlear") and the Company entered into a Convertible Note Deed date 18 June 2018 whereby in exchange for $1,650,000 of convertible notes, Cochlear are collaborating with the Company on the manufacturing of the Minder® technology device. The extent of this collaboration was agreed upon in the Collaboration Agreement dated 18 June 2018.

12 Intangible Assets (continued)

In April 2021 further intellectual property was contributed by the Founders in exchange for shares of the Company, amounting to $7,000,000.

In July 2021, $2,300,000 shares were issued to Seer in exchange for their perpetual cloud licence. During the 2025 year, the licence was deregistered along with the software after Seer failed to provide the required FDA documents. As the software is essential for research, the Seer Cloud holds no value for the Company. As a result, the balance was written off at the end of the year ended 30 June 2025.

In December 2022, further intellectual property was contributed by Seer for the Seizure Forecasting IP in exchange for shares of the Company, amounting to $1,250,000. As Seer Medical Holdings Limited is now under administration in 2025 and a new arrangement is not yet drafted with new owners of Seer Medical Holdings Limited, the unamortised balance of the Seizure Forecasting IP has been written off at the end of the year ended 30 June 2025.

	2025	2024
	$	$
Intellectual property - finite useful life		
Cost	**1,250,000**	1,250,000
Accumulated amortisation	**(228,889)**	(190,932)
Accumulated impairment	**(1,021,111)**	-
Net carrying value	**-**	1,059,068
Intellectual property - indefinite useful life		
Cost	**15,449,900**	15,449,900
Accumulated impairment	**(2,300,000)**	-
Net carrying value	**13,149,900**	15,449,900
Total intangible assets	**13,149,900**	16,508,968

Movements in carrying amounts of intangible assets

	Intellectual property - finite useful life	Intellectual property - indefinite useful life	Total
	$	$	$
Year ended 30 June 2025			
Balance at the beginning of the year	**1,059,068**	**15,449,900**	**16,508,968**
Amortisation	**(37,957)**	**-**	**(37,957)**
Impairment	**(1,021,111)**	**(2,300,000)**	**(3,321,111)**
Closing value at 30 June 2025	**-**	**13,149,900**	**13,149,900**

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2025

12 Intangible Assets (continued)

Movements in carrying amounts of intangible assets (continued)

	Intellectual property - finite useful life	Intellectual property - indefinite useful life	Total
	$	$	$
Year ended 30 June 2024			
Balance at the beginning of the year	1,134,983	15,449,900	16,584,883
Amortisation	(75,915)	-	(75,915)
Closing value at 30 June 2024	1,059,068	15,449,900	16,508,968

13 Other Assets

	2025	2024 (Restated)
	$	$
CURRENT		
Prepayments	**53,604**	18,830
R&D rebate accrual	**-**	5,907,725
Deposits	**98,017**	80,633
Total other assets	**151,621**	6,007,188

14 Trade and Other Payables

	2025	2024
	$	$
CURRENT		
Trade payables	**1,701,163**	535,451
Accrued expenses	**1,084,167**	964,035
Other payables	**348,375**	222,578
Total current trade and other payables	**3,133,705**	1,722,064

15 Borrowings

	2025	2024
	$	$
CURRENT		
Secured liabilities:		
Convertible notes B	**3,978,475**	3,822,646
Convertible notes D	**4,401,972**	-
Total current borrowings	**8,380,447**	3,822,646

15 Borrowings (continued)

	2025 $	2024 $
NON-CURRENT		
Secured liabilities:		
Convertible notes A	**3,790,603**	3,770,603
Convertible notes D	**1,809,125**	5,953,480
Convertible notes F	**18,525,942**	17,714,971
Convertible notes H	**14,688,551**	8,598,716
Pre-IPO convertible notes	**9,186,068**	-
Total non-current borrowings	**48,000,289**	36,037,770

Cochlear and the Company entered into a Convertible Note Deed on 18 June 2018. Cochlear transferred $2,000,000in cash and agreed to collaborate with the Company on the manufacturing of the Minder® device in exchange for $3,650,000 of convertible A notes which give them the right to shares with a maturity period of 126 months after the issuance date. During 2019, Cochlear purchased an additional $1,100,765 of convertible B notes with the same rights and conditions of the convertible A notes, however, with a maturity date of 60 months after the issuance date. All notes are convertible at a conversion price of $1 per share, unless recent capital raisings are at a different price.

In financial year ending 30 June 2020, Cochlear purchased an additional $1,720,525.51 of convertible B notes with the same rights and conditions of the convertible B notes issued in 2019.

In financial year ending 30 June 2021, Cochlear purchased an additional $295,295 of convertible B notes with the same rights and conditions of the convertible B notes previously issued. In addition to this, $3,601,816 of convertible D notes were acquired by Cochlear with the conditions outlined within the Collaboration Agreement amended on 24 September 2020.

In financial year ending 30 June 2022, Cochlear purchased an additional $1,550,524 of convertible D notes with the same rights and conditions of the convertible D notes previously issued. In addition to this, $8,658,827 of convertible F notes were acquired by Cochlear with the conditions outlined within the Convertible Note Deed dated 20 December 2021.

In financial year ending 30 June 2023, Cochlear purchased an additional $7,560,589 of convertible F notes with the same rights and conditions of the convertible F notes previously issued.

In financial year ending 30 June 2024, $8,440,866 of convertible H notes were acquired by Cochlear with the conditions outlined within the Collaboration Agreement amended on 14 September 2023.

In financial year ending 30 June 2025, Cochlear purchased an additional $5,576,482 of convertible H with conditions outlined within the Collaboration Agreement amended on 14 September 2023.

In addition to this, $9,003,069 of pre-IPO convertible notes were also issued, with $1,349,659 issued to Cochlear and $7,653,500 to other noteholders in line with terms in Collaboration Agreement with Cochlear amended 14 September 2023 and also pre-IPO Letter Agreement dated 26 February 2025 respectively.

16 Employee Benefits

	2025	2024
	$	$
CURRENT		
Provision for annual leave	**576,708**	358,938
Total current employee benefits	**576,708**	358,938
NON-CURRENT		
Provision for long service leave	**110,031**	44,221
Total non-current employee benefits	**110,031**	44,221

17 Issued Capital

	2025	2024
	$	$
55,901,248 (post 1:4 split) (2024: 13,975,312) Ordinary shares	**37,223,548**	37,223,548

Ordinary shares

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

18 Reserves

	2025	2024
	$	$
Foreign currency translation reserve	**(62,350)**	(40,388)
Share-based payments reserve	**7,731,298**	5,730,610
	7,668,948	5,690,222

Foreign currency translation reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

18 Reserves (continued)

Share-based payments reserve

Movement in options reserve

	Number of options	$
Options on issue as at 1 July 2023	**1,451,056**	4,515,559
Issue of new options	**191,000**	56,276
Share-based payments expense	**-**	1,158,775
Options forfeited/expired	**-**	-
Total movement	**191,000**	1,215,051
As at 30 June 2024	**1,642,056**	5,730,610
Issue of new options (pre-split)	**286,000**	196,354
Share-based payments expense	**-**	1,804,334
Additions due to 1:4 split	**5,784,168**	-
Total movement	**6,070,168**	2,000,688
As at 30 June 2025	**7,712,224**	7,731,298

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

19 Accumulated Losses

	2025 $	2024 $
Accumulated losses at the beginning of the financial year	**(50,707,130)**	(34,788,961)
Loss for the year	**(31,778,978)**	(15,918,169)
Accumulated losses at end of the financial year	**(82,486,108)**	(50,707,130)

20 Financial Risk Management

The Group holds the following financial instruments:.

	2025 $	2024 $
Financial assets		
Held at amortised cost		
Cash and cash equivalents	**8,852,141**	11,312,247
Trade and other receivables	**383,332**	301,426
Total financial assets	**9,235,473**	11,613,673
Financial liabilities		
Measured at amortised cost		
Trade and other payables	**3,133,705**	1,722,064
Borrowings	**56,380,736**	39,860,416
Total financial liabilities	**59,514,441**	41,582,480

20 Financial Risk Management (continued)

(a) Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

Exposures to currency exchange rates arise from the Group's overseas transactions, which are primarily denominated in US dollars.

(b) Interest rate risk

The Group is exposed to limited interest rate risk. Its only interest-bearing liability is convertible notes, which are usually at a fixed interest rate. This structure ensures predictability of interest payments and mitigates the Group's exposure to fluctuations in market interest rates.

(c) Liquidity risk

Liquidity risk arises from the Group’s management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group’s policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Group maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

At the reporting date, these reports indicate that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

21 Interests in Subsidiaries

Composition of the Group

Subsidiaries	Principal place of business / Country of Incorporation	Percentage owned (%)* 2025	Percentage owned (%)* 2024
Epi-Minder America, Inc.	United States of America	**100**	100

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

22 Contingencies

Contingent Liabilities

Epiminder Limited is currently engaging with the Australian Taxation Office (ATO) in relation to the application of certain tax provisions of the Australian tax law. These provisions are relevant for the purposes of determining Epiminder’s ability to make historical refundable research and development (R&D) tax offset claims.

It is estimated that the financial effect of an adverse finding by the ATO would be that Epiminder would be required to repay approximately $16,900,000 plus any penalties and interest (if applicable). However, the amount that Epiminder may be required to pay to the ATO is subject to significant uncertainty as it will ultimately depend on the outcome of the ATO engagement, including whether any penalties and interest are imposed. Furthermore, there is significant uncertainty as to the timing of any such repayment as engagement with the ATO has only recently commenced.

In the event the R&D rebate is required to be repaid to the ATO, Epiminder may still have available for its benefit non-refundable R&D tax offset credits in future.

It is also possible that following the engagement with the ATO and a favourable finding by the ATO that Epiminder may be eligible to make a refundable R&D tax offset claim for the year ended 30 June 2025 of approximately $5,000,000.

Under the terms of the Exit Letter Agreement for Epiminder Limited's clinical study in Australia, which was signed with each participating patient, the Group has a contractual obligation to fund the cost of device removal surgery in the event that a patient elects to have the implant removed at any point in the future.

As at 30 June 2025, there was a contingent liability of $200,000, representing the maximum potential liability should all remaining implanted patients opt to undergo device removal surgeries in line with management's current cost assessments.

The Group had no known contingent liabilities as at 30 June 2024.

23 Related Parties

(a) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

During the year, payments were made to a related party as follows:

$8,081,051 (2024: $6,940,866) to Cochlear, the convertible note holder, for management, research and manufacturing costs under the Collaboration Agreement.

The Company notes that Cochlear is considered a related party for the purposes of AASB 124 Related Party Disclosures but is not considered a related party for the purposes of the Corporations Act 2001 (Commonwealth).

In prior reporting periods, the Company disclosed certain other entities as related parties under AASB 124. These entities were considered related parties due to historical governance connections, equity interests, or transitional commercial support arrangements that, at the time, gave rise to potential influence over the Company's financial and operating decisions.

During the current reporting period, Management reassessed related party relationships in accordance with AASB 124. Following this reassessment, it was determined that those entities no longer meet the definition of a related party.

Accordingly, transactions with these entities have not been disclosed as related party transactions in the current reporting period.

(b) Key management personnel remuneration

Key management personnel remuneration included within employee expenses for the year is shown below:

	2025	2024
	$	$
Short-term employee benefits	**1,084,488**	981,247
Total key management personnel remuneration	**1,084,488**	981,247

(c) Loans to/from related parties

There were no loans to or from the related party at the current and previous reporting date other than the Convertible notes as disclosed within Note 15.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2025

24 Parent Entity

	2025	2024
	$	$
Consolidated Statement of Financial Position		
Assets		
Current assets	**9,360,323**	17,620,999
Non-current assets	**13,221,904**	16,572,680
Total Assets	**22,582,227**	34,193,679
Liabilities		
Current liabilities	**11,832,698**	5,611,898
Non-current liabilities	**48,110,320**	36,081,991
Total Liabilities	**59,943,018**	41,693,889
Net Liabilities	**(37,360,791)**	(7,500,210)
Equity		
Issued capital	**37,223,548**	37,223,548
Reserves	**7,731,298**	5,730,618
Accumulated losses	**(82,315,637)**	(50,454,376)
Total Deficiency	**(37,360,791)**	(7,500,210)
Consolidated Statement of Profit or Loss and Other Comprehensive Income		
Total loss for the year	**(31,861,262)**	(15,859,938)
Total comprehensive loss	**(31,861,262)**	(15,859,938)

Capilal commitments

The parent entity did not have any capital commitments as at 30 June 2025 or 30 June 2024.

25 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

26 Statutory Information

The registered office and principal place of business of the company is:

Epiminder Limited
210 West Mezzanine 2
525 Collins Street
Melbourne, VIC 3000

27 Auditors' Remuneration

	2025	2024
	$	$
Remuneration of the auditor MVAB Assurance, for:		
- auditing the consolidated financial statements	**17,800**	14,600
- auditing the consolidated half-year financial statements	**14,600**	-
Total auditors' remuneration	**32,400**	14,600

Consolidated Entity Disclosure Statement
For the Year Ended 30 June 2025

Entity Name	Entity Type	Place found / Country of Incorporation	Ownership Interest	Tax Residency
Epiminder Limited	Body Corporate	Australia	N/A	Australia
Epi-Minder America, Inc.	Body Corporate	United States of America	100%	United States of America

Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the Group as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Determination of tax residency

Section 295 (3A)(vi) of the Corporation Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The Group has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

Where necessary, the Group has used independent tax advisers in foreign jurisdiction to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295 (3A)(vii) of the Corporations Act 2001).

Partnerships and Trusts

None of the entities noted above were trustees of trusts within the Group, partners in a partnership within the Group or participants in a joint venture within the Group.

Epiminder Limited

ABN 59 616 831 684

Directors' Declaration

In the directors' opinion:

1. the consolidated financial statements and notes for the year ended 30 June 2025 are in accordance with the *Corporations Act 2001* and:

    a. comply with Australian Accounting Standards - Simplified Disclosures; and

    b. give a true and fair view of the financial position as at 30 June 2025 and of the performance for the year ended on that date of the consolidated group;

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

3. the consolidated entity disclosure statement required by the *Corporations Act 2001* is true and correct.

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

Director .. Philip Binns .... Director ....
Philip Binns Jeff Sells

Dated this ....2...... day of _September___ 2025

EPIMINDER LIMITED
ABN 59 616 831 684

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EPIMINDER LIMITED

Opinion

We have audited the financial report of Epiminder Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 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 a summary of material accounting policies, and the director's 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 30 June 2025 and of its financial performance for the year ended; and
(ii) complying with Australian Accounting Standards - Simplified Disclosures and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter

We draw your attention to note 22 of the financial report , which describes the potential adverse impact of the current engagement with the Australian Taxation Office in relation to a complex taxation matter. Our opinion is not modified is respect of this matter.

MVAB Assurance
ABN: 13 488 640 554

Liability limited by a scheme approved under
Professionals Standards Legislation

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Material Uncertainty Related to Going Concern

We draw your attention to Note 2 (k) (Going Concern) in the financial report, which indicates the Group incurred an operating loss of $31,800,940 and a negative cash outflow from operating activities of $16,977,164. As stated in Note 2(k), this event or condition, along with other matters as set forth in Note 2(k), indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Report and Auditor's Report Thereon

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 30 June 2025 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the company is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility 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 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 aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of the financial report.

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Further information about our responsibilities can be found at http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

MVAB Assurance

W. Tarrant

MVAB ASSURANCE
Chartered Accountants

WAYNE TARRANT
Partner

Signed at Melbourne this 2nd day of September 2025

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ABN: 13 488 640 554

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