

Appendix 4E

Preliminary Final

Report for the Year

Ended 31 December

2024

ACN: 614 508 039

Appendix 4E

Preliminary final report (unaudited)

Name of entity:

Epsilon Healthcare Limited

ABN or equivalent company
reference:

33 614 508 039

1. Reporting period

Reporting period:

Previous corresponding period:

Year ended 31 December 2024

Year ended 31 December 2023

2. Results for announcement to the market				Current Year 2024 \$
2.1 Revenue from ordinary activities	Down	16%	to	5,600,181
2.2 Loss from ordinary activities for the period after tax attributable to members	Down	198%	to	(3,246,325)
2.3 Net Loss for the period attributable to members	Down	198%	to	(3,246,325)
2.4 Dividends	Amount per security		Franked amount per security	
Final dividend	Nil		N/A	
Interim dividend	Nil		N/A	
2.5 Record date for determining entitlements to the dividends	N/A			

2.6 Brief explanation of any of the figures reported above to enable the figures to be understood:

Revenue and loss from ordinary activities is attributable to:

- Increased extraordinary costs incurred by the Company as a direct result of direct administrator costs, legal, external accounting, funding and reputational damage resulting in a reduced manufacturing cadence caused by the voluntary administration (VA).
- B2B client and B2C patient revenues were markedly depressed as a direct result of the uncertainty caused by the Voluntary Administration.

Year ended 31 December 2024

3. Consolidated Statement of Comprehensive Income

	Current Period 31 Dec 2024	Previous Period 31 Dec 2023
	\$	\$
Revenue from continuing operations	5,600,181	6,651,520
Cost of goods sold	(1,323,442)	(1,667,543)
Gross profit	4,276,739	4,983,977
Other income	471,861	817
Freight and other selling expenses	(197,276)	(191,920)
Professional expenses (accounting & legal)	(380,236)	(322,367)
Voluntary Administration Costs		
- Legal	(342,934)	(26,064)
- Voluntary & Deed Administrator Costs	(1,342,653)	-
- External accounting fees (Ure Lynam & Co)	(329,059)	-
Corporate and consulting expenses	(437,585)	(704,879)
Plant and facility costs	(660,777)	(886,062)
Research and development expenses – prior year refund overstated (net)	-	(53,748)
License and registration fees	(103,620)	(172,048)
Employee benefits expense	(2,536,444)	(2,164,201)
Advertising and promotion expenses	(1,591)	(18,473)
Insurance expenses	(411,307)	(599,105)
Bad debts expense	(105,962)	(73,888)
Depreciation and amortisation expense	(1,407,628)	(1,478,820)
Finance expenses	(1,130,746)	(476,980)
Office and occupancy expenses	(45,108)	(246,980)
General expenses	(161,564)	(411,308)
Foreign exchange (loss)/gain	(11,164)	(8,900)
Share based payments	-	(50,000)
Loss on PPE	-	(367,481)
Interest – Leases	(20,278)	(38,232)
Facilitation and establishment cost (debt facilities)	(696,156)	-
Loss before income tax	(5,573,488)	(3,306,662)
Income tax benefit/(expense)	2,327,163	2,215,672

Year ended 31 December 2024

Loss after income tax expense from continuing operations	(3,246,325)	(1,090,990)
Other comprehensive income	-	-
Total comprehensive loss for the year	(3,246,325)	(1,090,990)
Attributable to: Members of the Parent Company		
Basic loss per share	(0.87 cents)	(0.36 cents)

4. Consolidated Statement of Financial Position

	Current Period 31 Dec 2024	Previous Period 31 Dec 2023
	\$	\$
Current Assets		
Cash and cash equivalents	1,565,647	343,013
Trade and other receivables	1,091,930	1,266,031
Inventory	528,991	-
Other assets	502,736	485,695
Total Current Assets	3,689,304	2,094,739
Non-Current Assets		
Property, plant and equipment	18,452,050	12,114,905
Right-of-use assets	53,640	136,243
Other assets	66,000	66,000
Total Non-Current Assets	18,571,690	12,317,148
Total Assets	22,260,994	14,411,887
Current Liabilities		
Trade and other payables	2,590,691	2,037,868
Contract liabilities	230,891	535,401
Borrowings	7,850,755	3,293,798
Employee benefits	795,994	375,365
Lease liabilities	33,861	126,200
Total Current Liabilities	11,502,192	6,368,632
Non-Current Liabilities		
Deferred tax liability	-	433,038

Year ended 31 December 2024

Employee benefits	63,529	37,132
Lease Liabilities	-	33,862
Total Non-Current Liabilities	63,529	504,032
Total Liabilities	11,565,721	6,872,664
Net Assets	10,695,273	7,539,223
Equity		
Contributed entity	47,533,485	46,813,485
Reserves	14,505,274	8,822,899
Accumulated losses	(51,343,486)	(48,097,161)
Total equity	10,695,273	7,539,223

5. Consolidated Statement of Cash Flows

	Current Period 31 Dec 2024	Previous Period 31 Dec 2023
	\$	\$
Cash flows from operating activities		
Receipts from customers	5,372,974	8,187,972
Payments to suppliers and employees	(7,581,536)	(8,693,782)
Research and development tax incentive received	302,371	421,542
Finance costs	(1,499,408)	(619,103)
Net cash used in operating activities	(3,405,599)	(703,371)
Cash flows from investing activities		
Payments for plant and equipment	(97,732)	(100,094)
Proceeds from disposal of plant and equipment	-	975
Net cash used in investing activities	(97,732)	(99,119)
Cash flows from financing activities		
Principal payment of lease liabilities	(126,200)	(156,289)
Principal payment of borrowings	(8,048,320)	(2,673,158)
Proceeds from borrowings	12,180,485	3,165,353
Proceeds from shares issued net of costs	720,000	-
Net cash used in financing activities	4,725,965	335,906

Year ended 31 December 2024

Net (decrease)/increase in cash and cash equivalents	1,222,634	(466,584)
Cash and cash equivalents at the beginning of the year	343,013	809,597
Cash and cash equivalents at the end of the year	1,565,647	343,013

6. Consolidated Statement of Changes in Equity

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

Year ended 31 December 2024

Transactions with owners in their capacity as owners:

Credit for costs of shares issued in the year ending 31 December 2022

Costs of capital raising

Performance shares cancelled

Options vesting expense and expiry

Total transactions with owners

Balance at 31 December 2023

801	-	-	-	801
-	-	-	-	-
-	-	-	-	-
-	-	-	50,000	50,000
801	-	-	50,000	50,801
46,813,485	-	(48,097,161)	8,822,899	7,539,223

Balance at 1 January 2024

46,813,485 - (48,097,161) 8,822,899 7,539,223

Loss for the year

Other comprehensive loss

Total comprehensive loss for the year

-	-	(3,246,325)	-	(3,246,325)
-	-	-	-	-
-	-	(3,246,325)	-	(3,246,325)

Transactions with owners in their capacity as owners:

Issue of share capital

Issue of ordinary shares as consideration of repayment of loan borrowing

Revaluation of assets

Total transactions with owners

Balance at 31 December 2024

620,000	-	-	-	620,000
100,000	-	-	-	100,000
-	-	-	5,682,375	5,682,375
720,000	-	-	5,682,375	6,402,375
47,533,485	-	(51,343,486)	14,505,274	10,695,273

7. Dividends (in the case of a trust, distributions)

Date dividend is payable

N/A

+Record date to determine entitlements to the dividend

N/A

If it is a final dividend, has it been declared?

N/A

Amount per security

		Amount per security	Franked amount per security at 30% tax (see note 4)	Amount per security of foreign source dividend
Final dividend:	Current year	NIL	N/A	N/A
Interim dividend:	Current year	NIL	N/A	N/A

Total dividend (distribution) per security (interim plus final)

	Current period	Previous period
Ordinary securities	N/A	N/A
Preference securities	N/A	N/A

8. Dividend or distribution plans in operation

N/A

The last date(s) for receipt of election notices for the
+dividend or distribution plans

N/A

9. NTA backing

	Current Period 2024 Cents per Share	Prior Period 2023 Cents per Share
Net tangible asset backing per ordinary shares	3.09	2.49

10. Details of entities over which control has been gained or lost during the period

Controlled entities

	Country of Incorporation	Percentage Owned	Date Control Gained
N/A			

11. Details of associates and joint venture entities

N/A

12. Significant information

Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position:

Please refer to section 2.6 above for information on the Group's financial performance.

13. Foreign entities set of accounting standards used in compiling the report (IAS)

The Company is not a foreign entity. Australian Accounting Standards have been applied consistently across all entities in the Group.

14. Commentary on the results for the period

14.1 Earnings per security (EPS)

	Current Period 2024	Previous Period 2023
Basic Loss per share	(0.87) cents	(0.36) cents

14.2 Returns to shareholders (Including distributions and buy backs)

	Current Period 2024 \$	Previous Period 2023 \$
Ordinary securities	-	-
Preference securities	-	-
Other equity instruments	-	-
Total	-	-

14.3 Significant features of operating performance

Please refer to section 2.6 above for information on the Group's financial performance.

14.4 Segment Information

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

- a) Contract Development and Manufacturing activities as a CDMO for Australian domiciled and international clients delivering Active Pharmaceutical Ingredients (APIs), formulation activities and manufacture & testing of finished formulation pharmaceutical products; and
- b) Telehealth medical practice services.

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

The main source of revenue for these operating segments in the year to 31 December 2024 is from CDMO activities as the Company continues to increase the utilisation of the Southport facility. In addition, Telehealth services continued to contribute as a revenue contributor. Revenues and profit generated by each of the Group's operating segments, segment assets, and segment liabilities are summarised as follows:

	Telehealth Medical Practice 31 Dec 2024 \$	Contract Development and Manufacturing 31 Dec 2024 \$	Unallocated 31 Dec 2024 \$	Total 31 Dec 2024 \$
Revenue				
External sales	-	4,738,918	-	4,738,918
External services	861,263	-	-	861,263
Total segment revenue	861,263	4,738,918	-	5,600,181
Depreciation and amortisation	68	1,358,910	48,650	1,407,628
Segment operating (loss)/profit	(164,660)	(3,185,672)	104,007	(3,246,325)
Segment assets	240,289	8,106,923	13,913,782	22,260,994
Segment liabilities	448,266	9,681,775	1,435,679	11,565,721

	Telehealth Medical Practice 31 Dec 2023 \$	Contract Development and Manufacturing 31 Dec 2023 \$	Unallocated 31 Dec 2023 \$	Total 31 Dec 2023 \$
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Revenue				
External sales	5,880	5,416,795	-	5,422,675
External services	1,228,845	-	-	1,228,845
Total segment revenue	1,234,725	5,416,795	-	6,651,520
Depreciation and amortisation	808	1,352,233	125,778	1,478,819
Segment operating (loss)/profit	(213,861)	(1,875,771)	998,642	(1,090,990)
Segment assets	252,786	1,492,517	12,666,584	14,411,887
Segment liabilities	296,104	5,564,073	1,012,487	6,872,664

14.5 Report on trends in performance

Cashflows

Overall net operating cash outflows increased as a direct result of costs caused by the voluntary administration.

Revenue

- Revenue from Contract Development and Manufacturing (CDMO) operations from the Company's onshore operations in Southport decreased compared to the prior year due to the disruption of being in voluntary administration.
- Focus during H2 2024 since the new Board was appointed and stewardship of the company given to the Board, has been on recovery and rebuilding operations, client confidence and a manufacturing cadence to restore and improve operational performance.
- The telehealth clinic revenue had decreased slightly from the previous financial year.

Expenses

- Cost of goods have decreased as a result of reduced manufacturing activities with a direct correlation to the decline in revenue.
- Other operating expenses increased significantly, as stated previously due to the legal, funding, administrator and external accounting fees incurred during and post the period of voluntary administration.

Balance Sheet

- An increase of \$7.8m in total assets was largely due to a \$1.2m improvement in cash and cash equivalents relating to borrowings and a \$6.3m increase in property, plant and equipment from a revaluation of the Southport facility assessed by an independent valuer.
- A decrease in trade and other receivables was associated with the decline in revenue during the period.
- An increase in total liabilities of \$4.7m was largely due an increase in borrowings of \$4.8m to pay out Australian Oracles Holdings (company where the director was the father-in-law of Xiao (Josh) Cui) and to fund the business during the period of voluntary administration.

14.6 Report any factors which have affected the results during the reporting period or which are likely to affect results in the future, including those where the effect could not be quantified.

The CDMO and telehealth medical clinic services are aligned with Epsilon's previously announced strategic position of focusing on its local operations and export opportunities to deliver expanded size and scale of its healthcare, and pharmaceutical manufacturing operations and in turn associated revenues.

Any other information required to be disclosed to enable the reader to compare the information presented with equivalent information for previous periods. This must include information needed by an investor to make an informed assessment of the entity's activities and results.

The Company was put into voluntary administration (VA) by the majority of directors on 17 December 2023 and exited VA on 24 June 2024. This period was disruptive to the business and our efforts have been firmly focused on the recovery and rebuilding the foundations of Epsilon Healthcare from the ground up. Stabilising our operations, re-engaging with our clients, and restoring confidence in our ability to deliver meaningful value. This has required difficult decisions, significant investment of resources, and a disciplined approach to governance, financial management, compliance and operational improvement.

15. Compliance statement

This report is based on accounts to which one of the following applies.
(Tick one)

- ☐ The accounts have been audited
- ☐ The accounts have been subject to review
- ☒ The accounts are in the process of being audited
- ☐ The accounts have not yet been audited or reviewed
or subject to review

16. If the accounts have not yet been audited or subject to audit review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:

The report is based upon the annual financial report which are in the process of being audited, and it is unlikely that there will be any dispute or qualification.

17. If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:

N/A


Alan Preston Beasley
Dated:

07 October 2025

Print name: Alan Beasley, Chairman.
as Approved by the Full Board of Directors