

ASX Release 28 July 2025

Quarterly Activities Report and Appendix 4C for the Quarter Ended 31 December 2024

Key Highlights

Category	Highlight
Operations	Solid clinics patient activity and CDMO client engagement resumed
Strategic Growth	Epsilon Pharmacy launch underway, targeting the next quarter
Capital Management	\$4.6M loan secured to refinance Bligh Finance debt
Corporate Recovery	DOCA completed for subsidiaries Epsilon Pharma and Epsilon Clinics
Capital Raising	\$720,000 equity placement completed at \$0.016/share
Financial Position	Cash balance improved to \$1.565M from \$1.213M

Melbourne, Australia, 28 July 2025: Epsilon Healthcare Ltd ('EPN', the 'Company' or the 'Group') (ASX: EPN), an Australian-based, globally active healthcare organisation with a diversified and vertically integrated portfolio spanning pharmaceutical contract development and manufacturing, healthcare delivery and pharmacy services, today releases its Appendix 4C cash flow report for the quarter ended 31 December 2024 (Q4 FY24).

Managing Director Commentary

Peter Giannopoulos, Managing Director and CEO of Epsilon Healthcare, commented:

"The December quarter marked a pivotal moment for Epsilon as we laid the groundwork for long-term recovery and growth following a difficult period in the Company's history. With the DOCA for Epsilon Clinics and Epsilon Pharma completed, critical legacy issues addressed, and a strengthened financial position, we are now focused on strategic execution. The upcoming launch of Epsilon Pharmacy and the progress across our Clinics and manufacturing businesses demonstrate our commitment to building a scalable, integrated healthcare platform."

"I am personally encouraged by the resilience shown by our teams and the support of our investors and partners. The operational and financial reset we have undertaken was essential, and we are now well positioned to create long-term value for shareholders."

Operational and Commercial Update

During the quarter, the Company continued to stabilise operations across its key divisions, following the conclusion of voluntary administration in June 2024. With a renewed commercial focus, the Company progressed client re-engagement within its Contract Development and Manufacturing Organisation (CDMO), with ongoing discussions expected to support future revenue growth in future periods.

Epsilon Clinics continued to perform strongly, delivering consistent patient activity through its integrated telehealth services. A commitment to clinical excellence, education, and patient support enabled the business to retain leadership in the natural therapies telehealth space.

The leadership team have implemented several initiatives post-administration which are already showing measurable results across operations, client engagement and in revenue over the coming months.

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In Southport, manufacturing operations focused on scaling production, enhancing automation, and exploring high-margin innovation opportunities. The business advanced strategic initiatives, including novel formulation development, batch efficiency programs, and regulatory process improvements.

Strategic priorities during the quarter within the Southport manufacturing operations included:

- Scaling production to meet scheduled increasing domestic and international demand
- Automation and efficiency gain opportunities to assist in improvement of batch turnaround and margins expansion
- Innovation partnerships, including the development of novel formulations and delivery systems which will support further expanded activity in coming months
- Brand and reputation rebuilding, with an emphasis on regulatory excellence, reliability, and transparency
- Evaluation of opportunities for selective capital investment to enhance our extraction and testing capabilities, with a focus on high-margin niche segments

Epsilon Pharmacy Launch

The Company advanced plans to launch its first Epsilon Pharmacy operation in early 2025. This online platform is aimed at enhancing medicine access and pharmaceutical supply through direct dispensing & supply, and the promotion of the quality use of medicines. The initiative supports Epsilon's strategy to build an end-to-end healthcare ecosystem spanning manufacturing, dispensing, and patient care.

Corporate and Financial Management

To meet a key repayment milestone in December 2024, the Company secured a \$4.6 million loan, including \$1.0 million from entities associated with CEO and Managing Director Peter Giannopoulos and \$3.6 million from entities associated with Ure Lynam & Co.

In addition, Epsilon raised \$720,000 through the placement of 45 million ordinary shares to institutional and sophisticated investors at \$0.016/share. The placement provided essential working capital following the financial impact of the voluntary administration and was priced in line with the Company's net tangible asset value as at 31 October 2024.

Since coming out of voluntary administration in late June 2024, and with a newly appointed board assuming control, the Company has made significant progress. However, due to the significant costs of the administration, the Company needed to raise capital to partially offset these costs and take up opportunities to grow the business.

Administration and Restructuring

On 8 October 2024, the Company announced that further to the ASX release of 4 July 2024, notifying the market of the end of Voluntary Administration for the group, the Company advised that the Deed of Company Arrangement (DOCA) for the wholly owned subsidiaries, Epsilon Pharma Pty Ltd & Epsilon Clinics Pty Ltd had been completed. As is known in the public domain, the placement of the Company was placed into voluntary administration on 18 December 2023, by the two former directors of the Company.

The Company and the Board continued to work with the Deed Administrator to address matters pertaining to the DOCA for Epsilon Healthcare Limited including advocating for the rejection of a number of creditor claims.

Post-Administration Financial Review

Following the conclusion of administration and the appointment of a new board, the Company initiated a comprehensive post-administration review of its financial reporting, taxation, and compliance obligations.

This included:

- Restatement and amendment of FY2022 and FY2023 financials
- Lodgement of six corrected BAS statements for FY2023
- Reconciliation of ATO accounts and legacy accounting errors
- Review of tax depreciation and audit trails
- Preparation and submission of FY2023 tax returns for Epsilon Pharma
- Consolidated management accounts for multiple historical and current periods

This work, led by Ure Lynam & Co, was critical to restoring financial accuracy, preparing the Company for future audits, and re-establishing trust with regulators and stakeholders.

Additional work included reconciliation of ATO activity accounts, identification of errors in Healthcare's business activity statements (BAS) and lodging amending statements for six periods in FY2023.

- Identification of outstanding June 2023 BAS for Epsilon Pharma, preparation and lodgement of outstanding BAS reconsideration and discussion regarding the engagement of a forensic accountant.
- Identification of missing audit trail documentation, such as invoices for Winx, and checking correction, review and calculation of tax depreciation for Epsilon Pharma for the years ended 30 June 2024 and 30 June 2023.
- Preparation of tax effect accounting entries for Epsilon Pharma for year ended 31 December 2023 and 30 June 2024, reworking tax liability balance as of 31 December 2022, preparation of the FY2023 tax return including all schedules and information as required by the Australian Income Tax Assessment Acts and lodgement thereof for 30 June 2023.
- Calculation of and processing entries for the settlement of the Australian Oracle Holdings loan, the taking out of the initial Bligh finance loan and the extension of the Bligh Finance loan, preparation of consolidated management accounts, profit and loss, and balance sheets for the year ended 30 December 2023, 9 months ended 30 September 2024, 10 months ended 31 October 2024, months of October 2024, September 2024 and August 2024.
- Work on identifying errors in consolidating non-operating subsidiaries as of 31 December 2023 and presentation of same, reconciliations of tax accounts for all entities.

Summary of recent announcements up to this date

- Company update with launch of Epsilon Pharmacy in the next quarter
- Completion of \$720,000 capital raise
- Epsilon Pharma & Epsilon Clinics – Completion of DOCA

Other components of cash flow

- Cash on hand at the end of the quarter to 31 December 2024 was \$1,565,000 compared to \$1,213,000 in the preceding quarter
- Receipts from customers were \$1,477,000 compared to \$1,290,000 in the preceding quarter

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- Product manufacturing cost of goods (COGS) and operating costs were \$568,000 compared to \$1,775,000 in the preceding quarter due to ATO prior period payments made during that quarter
- Interest and other costs of finance were \$194,000 in the December 2024 quarter compared to preceding quarter of \$280,000
- Labour payments were \$569,000 in the December 2024 quarter compared to \$547,000 in the preceding quarter
- Administration and corporate costs were \$601,000 in the December 2024 quarter compared to \$488,000 in the preceding quarter reflecting the high cost of administrative and accounting services, a direct result of the voluntary administration and the remediation work being undertaken by Ure Lynam & Co.
- Related party payments of \$185,000 in the quarter to December 2024 compared to \$604,000 in the preceding quarter and comprised payments of salaries and superannuation to the Managing Director of \$145,000 and SV Partners administration services \$40,000 whereas the preceding period administration services were \$459,000

- ENDS -

This ASX announcement has been authorised for release by the Board of Epsilon Healthcare Limited (ASX: EPN).

For further information contact us via corporate@epsilonhealthcare.com.au.

About Epsilon Healthcare

Epsilon Healthcare Limited (ASX: EPN) is an Australian based, globally active healthcare organisation. With a diversified and vertically integrated portfolio of assets, including healthcare, pharmaceutical contract development and manufacture & pharmacy services, EPN is well placed to capitalise on current and emerging markets. Visit epsilonhealthcare.com.au for more information.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Epsilon Healthcare Limited

ABN

33 614 508 039

Quarter ended ("current quarter")

31 December 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,477	5,373
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(568)	(3,086)
(c) advertising and marketing	(1)	(3)
(d) leased assets	-	-
(e) staff costs	(569)	(2,037)
(f) administration and corporate costs	(601)	(2,480)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(194)	(1,475)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	302	302
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(154)	(3,406)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(74)	(98)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(74)	(98)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	720	720
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	4,600	12,180
3.6	Repayment of borrowings	(4,709)	(8,048)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(31)	(126)
3.10	Net cash from / (used in) financing activities	580	4,726

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,213	343
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(154)	(3,406)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(74)	(98)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	580	4,726

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Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,565	1,565

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,565	1,213
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other – monies held in solicitor trust account	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,565	1,213

6. Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	185
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

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Quarterly cash flow report for entities subject to Listing Rule 4.7B

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	7,400,000	7,400,000
7.2	Credit standby arrangements	-	-
7.3	Other	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>A secured loan facility of \$4,800,000 in total (including establishment fee of \$200,000) that commenced on 20 December 2024, with the termination date of 20 March 2025 and an interest rate of 18% p.a.</p> <p>An additional \$2,600,000 secured facility was provided by investors at 18% p.a. with a maturity date of 12 months from 24 June 2024.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(154)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,565
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,565
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	10.2
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	N/A	

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Quarterly cash flow report for entities subject to Listing Rule 4.7B

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 July 2025

Authorised by: By the board

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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