

ASX Release 07 November 2025

## **Quarterly Activities Report and Appendix 4C for the Quarter Ended 30 June 2025**

### **June Quarter Update - Revenue Growth and Strengthening Financial Performance**

Epsilon Healthcare Limited (ASX: EPN) (“Epsilon” or “the Company”) is pleased to provide an update on its operational and financial performance for the quarter ended 30 June 2025.

The June quarter represented a pivotal turning point in the Company’s recovery and growth trajectory, reflecting the early success of the operational and commercial initiatives undertaken since June 2024. These efforts have resulted in a marked improvement in revenues and financial performance from May 2025, reflecting the early success of Epsilon’s strategy to build a resilient and scalable healthcare business.

### **Company Overview**

The June quarter saw Epsilon continue to strengthen the foundations for a growth phase and sustainable success, following one of the most challenging periods in the company’s history. Customer receipts were over \$2 million for the quarter equal to 73% higher compared to the previous quarter.

A concerted focus on business development and client re-engagement led to substantial growth in contract manufacturing activities through the Epsilon Pharma CDMO subsidiary. This improvement was complemented by the successful commencement and build-up of Epsilon Pharmacy operations from late February 2025 and continued strong earnings from Epsilon Clinics.

Collectively, these developments have driven a clear upward trajectory in both operational and financial performance as the Company continues to operate with a renewed confidence.

### **Managing Director Commentary**

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

“The strong momentum we have seen building since Q4 2024 has resulted in a striking improvement in reported revenues from May 2025. This reflects the dedication and hard work of our teams across all business units. Our people have demonstrated exceptional professionalism throughout this period of renewal, and it is rewarding to see those efforts translating into tangible improvements in financial outcomes. With new client relationships, expanding manufacturing volumes, and our pharmacy operations now established, Epsilon is well positioned for sustained growth and long-term value creation.”

### **Operational and Commercial Update**

During the quarter, Epsilon continued to consolidate its operational base and accelerate growth across its core divisions:

#### **Epsilon Pharma - Contract Development and Manufacturing Organisation (CDMO)**

The Company’s renewed commercial strategy has generated a substantial pipeline of new client opportunities, resulting in notable revenue growth from contract manufacturing activities from May 2025. The focus on quality, reliability, and responsiveness has strengthened Epsilon’s reputation in the

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domestic and international market, positioning the division as a preferred partner in the natural and pharmaceutical product manufacturing sector.

### **Epsilon Clinics**

Epsilon Clinics continued to perform strongly, maintaining consistent patient activity through its integrated model. A commitment to clinical excellence, patient care, and education has reinforced the division's leadership in the natural therapies telehealth sector. The business continues to deliver stable earnings and represents a solid foundation within Epsilon's integrated healthcare strategy.

### **Epsilon Pharmacy**

Epsilon Pharmacy commenced operations in late February 2025, marking a significant strategic milestone for the Company.

Epsilon Pharmacy plays a vital role in enhancing medicine accessibility through direct dispensing and a strong focus on the Quality Use of Medicines (QUM). The division continues to scale operations, with positive early growth in dispensing volumes and patient engagement since launch.

The introduction of Epsilon Pharmacy represents a major step in the development of Epsilon's integrated healthcare ecosystem, combining client contract manufacturing services, pharmaceutical dispensing, and patient care into a seamless and scalable business model.

### **Looking Forward**

Epsilon has now emerged from a period of restructuring with renewed strength, clarity, and purpose. The significant work undertaken across the past year has rebuilt the Company's operational and financial foundations, and the impact of these initiatives is now clearly visible in the improved performance which is evident from May 2025.

With new client growth in contract manufacturing, a growing pharmacy operation, and established clinic operations, Epsilon is well positioned to continue delivering improving revenues, expanding margins, and increasing shareholder value in the year ahead.

### **Summary of recent announcements during the quarter**

- Epsilon Pharma Deed of Company Arrangement Effectuated
- Issue of loan notes to raise up to \$1 million
- Renewal of Medicinal Cannabis Permit
- Filed NSW Supreme Court proceedings against former director Josh (Xiao) Cui

### **Other components of cash flow**

- Cash on hand at the end of the quarter to 30 June 2025 was \$923,000 compared to \$885,000 in the preceding quarter
- Receipts from customers were \$2,131,000 compared to \$1,234,000 in the preceding quarter
- Product manufacturing cost of goods (COGS) and operating costs were \$1,447,000 compared to \$539,000 in the preceding quarter
- Labour payments were \$578,000 in the June 2025 quarter compared to \$641,000 in the preceding quarter
- Interest and other costs of finance were \$951,000 in the June 2025 quarter compared to nil in the preceding quarter
- Administration and corporate costs were \$1,480,000 in the June 2025 quarter compared to \$836,000 in the preceding quarter reflecting the high cost of payments made to the

administrator, SV Partners and 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 \$350,000 in the quarter to June 2025 compared to \$271,000 in the preceding quarter and comprised employment related payments to the Managing Director of \$145,000, director fees \$20,000 and SV Partners administration services \$185,000

- 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](mailto:corporate@epsilonhealthcare.com.au).

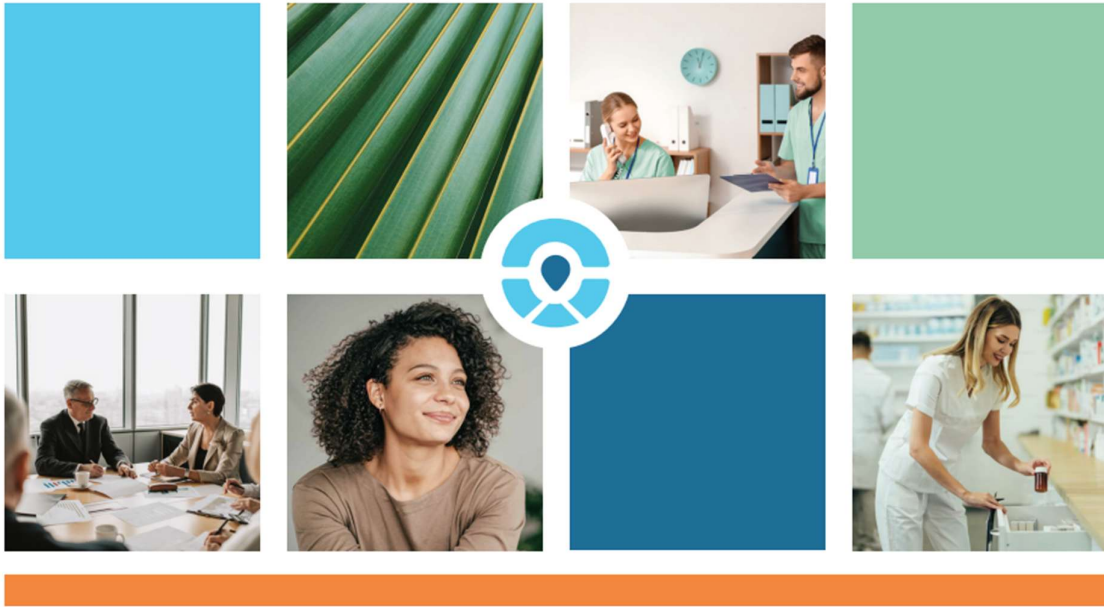


#### **About Epsilon Healthcare**

Epsilon Healthcare Limited (**ASX: EPN**) is an Australian based, globally active healthcare organisation. EPN operates a diversified and vertically integrated portfolio of assets, including healthcare and clinics operation, pharmaceutical contract development and manufacture & pharmacy dispensing and information services. Visit [epsilonhealthcare.com.au](http://epsilonhealthcare.com.au) for more information.

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## 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")

30 June 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,131	3,365
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(1,447)	(1,986)
(c) advertising and marketing	(10)	(26)
(d) leased assets	-	-
(e) staff costs	(578)	(1,219)
(f) administration and corporate costs	(1,480)	(2,316)
1.3 Dividends received	-	-
1.4 Interest received	-	2
1.5 Interest and other costs of finance paid	(951)	(951)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	1	(1)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,334)</b>	<b>(3,132)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	2	-
(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 (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	6,700	6,700
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>6,702</b>	<b>6,700</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	525	685
3.6	Repayment of borrowings	(4,860)	(4,860)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	5	(35)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(4,330)</b>	<b>(4,210)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	885	1,565
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,334)	(3,132)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	6,702	6,700
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(4,330)	(4,210)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>923</b>	<b>923</b>

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	923	885
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other – monies held in solicitor trust account	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>923</b>	<b>885</b>

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	350
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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</i>		

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7. <b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	2,600,000	2,600,000
7.2 Credit standby arrangements	-	-
7.3 Other	525,000	525,000
7.4 <b>Total financing facilities</b>	<b>3,125,000</b>	<b>3,125,000</b>
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 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>The secured loan facility of \$4,800,000 that commenced on 20 December 2024 has now been repaid. The \$2,600,000 secured facility that was provided by investors at 18% p.a. with a maturity date of 12 months from 24 June 2024 has been extended another four months.</p> <p>A convertible note issue has raised \$555,000 to date, with an interest rate of 10% per annum (accruing daily and calculated on the Face Value) paid in arrears by EPN on the Redemption Date or the date that the Note is converted into a fully paid ordinary EPN share. These loan notes in total were all converted to shares on 30 June 2025</p>		

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,334)
8.2 Cash and cash equivalents at quarter end (item 4.6)	923
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	923
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	0.4
<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?	
<p>The Company expects improvements to operating cashflows since successfully exiting voluntary administration and the costs associated during that period. In July 2025, the Company announced it had sold land and buildings for \$6.7 million with a leaseback arrangement using these proceeds to pay down liabilities and to provide additional working capital.</p>	
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?	
<p>Yes, through a sale and lease back of the property as announced in July 2025. The Company has also raised \$555,000 through a convertible note issue to July 2025.</p>	

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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?

Yes, the Company expects operating cashflows to improve through the initiatives identified above and improving sales outlook in its existing operations and new Pharmacy business unit.

*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: 07 November 2025

Authorised by: By the Board

## 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.