Announcement Summary

Entity name

EPSILON HEALTHCARE LIMITED

Announcement Type

New announcement

Date of this announcement

9/12/2021

The Proposed issue is:

☑ A placement or other type of issue

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +security code	+Security description	Maximum Number of +securities to be issued
New class-code to be confirmed	Options exercisable at $0.15 each expiring three years from the date of issue	32,222,222
EPN	ORDINARY FULLY PAID	32,222,222

Proposed +issue date

16/12/2021

Refer to next page for full details of the announcement

Part 1 - Entity and announcement details

1.1 Name of +Entity

EPSILON HEALTHCARE LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.
If the +securities are being offered under a +disclosure document or +PDS and are intended to be quoted on ASX, we also apply for quotation of all of the +securities that may be issued under the +disclosure document or +PDS on the terms set out in Appendix 2A of the ASX Listing Rules (on the understanding that once the final number of +securities issued under the +disclosure document or +PDS is known, in accordance with Listing Rule 3.10.3C, we will complete and lodge with ASX an Appendix 2A online form notifying ASX of their issue and applying for their quotation).

1.2 Registered Number Type	**Registration Number**
ABN	33614508039

1.3 ASX issuer code

EPN

1.4 The announcement is
☑ New announcement

1.5 Date of this announcement

9/12/2021

1.6 The Proposed issue is:
☑ A placement or other type of issue

Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 Do any external approvals need to be obtained or other conditions satisfied before the placement or other type of issue can proceed on an unconditional basis?
Yes

7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	31/3/2022	Estimated	No

Comments

Issue of all Options is subject to shareholder approval to be sought at the earlier of the 2022 Annual General Meeting or an extraordinary general meeting convened by the Company prior.

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?
Existing class

Will the proposed issue of this +security include an offer of attaching +securities?
Yes

Details of +securities proposed to be issued

ASX +security code and description

EPN : ORDINARY FULLY PAID

Number of +securities proposed to be issued

32,222,222

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?
Yes

In what currency is the cash

What is the issue price per

consideration being paid?	+security?
AUD - Australian Dollar	AUD 0.09000

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?
Yes

Attaching +Security

Is the proposed attaching security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional +securities in a class that is already quoted or recorded by ASX)?
New class

Attaching +Security - New class (+securities in a class that is not yet quoted or recorded by ASX)

Details of attaching +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?
No

Will the entity be seeking quotation of the 'new' class of +securities on ASX?
No

ASX +security code
New class-code to be confirmed

+Security description
Options exercisable at $0.15 each expiring three years from the date of issue

+Security type
Options

Number of +securities proposed to be issued
32,222,222

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?
No

Please describe the consideration being provided for the +securities
Securities issued as attaching options and broker options in conjunction with Placement being conducted. Placement participants receive an Option on a 1:2 basis, and the Lead Manager receives an Option on a 1:2 basis for all securities issued pursuant to the Placement.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

0.000001

Will all the +securities issued in this class rank equally in all respects from their issue date?
☑ Yes

Options details

+Security currency

AUD - Australian Dollar

Exercise price	**Expiry date**
AUD 0.1500	

Details of the type of +security that will be issued if the option is exercised

EPN : ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised

One fully paid ordinary share (ASX:EPN)

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

Refer to Completion of Capital Raising announcement to be lodged 8 December 2021. The Company will provide further details of the material terms of these securities again at the time of seeking shareholder approval for their issue. The Option expiry date will be three years from the date of their issue.

Part 7C - Timetable

7C.1 Proposed +issue date

16/12/2021

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?
☑ No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?
☑ Yes

7D.1b (i) How many +securities are proposed to be issued without security holder approval using the entity's 15%

placement capacity under listing rule 7.1?

12,951,528 Fully Paid Ordinary Shares

7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?
Yes

7D.1c (i) How many +securities are proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A?

19,270,694 Fully Paid Ordinary Shares

7D.1c (ii) Please explain why the entity has chosen to do a placement rather than a +pro rata issue or an offer under a +security purchase plan in which existing ordinary +security holders would have been eligible to participate

The Company has elected to conduct an equity placement having considered (a) the Company's capital position; (b) current equity markets and general market sentiment; (c) the timing of this placement being at the end of the year and the impending holiday period likely requiring a longer offer period on any pro-rata issue or SPP.

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?
No

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?
No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?
No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?
Yes

7E.1a Who is the lead manager/broker?

CPS Capital Group Pty Ltd

7E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

CPS Capital are entitled to: (a) a fee paid in cash totalling 6% (up to 4% of which may be paid out to third party AFSL holders who participated in the Placement); (b) Options exercisable at $0.15 expiring three years from the date of issue on a 1:2 to all shares issued in the placement (subject to shareholder approval); and (c) a monthly fee of $5,500 per month for at least six months from December 2021 for corporate advisory services.

7E.2 Is the proposed issue to be underwritten?
No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

No other material fees or costs.

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

Additional working capital.

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

☑ No

7F.2 Any other information the entity wishes to provide about the proposed issue

As per the announcement "Completion of Capital Raising" and the disclosures above, the issue of all Options under the Placement (including the options to be issued to CPS Capital) are subject to shareholder approval to be sought at the earlier of the 2022 Annual General Meeting or an extraordinary general meeting convened by the Company prior.

7F.3 Any on-sale of the +securities proposed to be issued within 12 months of their date of issue will comply with the secondary sale provisions in sections 707(3) and 1012C(6) of the Corporations Act by virtue of:

☑ The publication of a cleansing notice under section 708A(5), 708AA(2)(f), 1012DA(5) or 1012DAA(2)(f)