



ASX RELEASE (2 MAY 2022)

Epsilon Secures Capital Raising

Key Points:

- Strategic placement facility agreed of up to \$2.1 million;
- \$600,000 to be settled on Wednesday, 4 May 2022;
- Further tranches to be subject to agreement between the investor and Epsilon and meeting of various conditions;

Epsilon Healthcare Limited (ASX:EPN) (Epsilon or the Company) advises that the Company has secured a capital raising of two tranches – the first being a \$600,000 placement to settle on Wednesday, 4 May 2022, and the second being of up to \$1,500,000 subject to the meeting of certain conditions (noted below) within 45 days following completion of the first tranche. The Issue Price of the first tranche is \$0.034 per Share, and the Company expects the second tranche to be on similar terms.

The first tranche of the placement is being conducted under the Company's available capacity per ASX Listing Rule 7.1, resulting in the issue of 17,647,059 Shares. The second tranche will be of up to \$1.5 million on terms to be finalised over 45 days following the first tranche between the Company and the Investor, and will be subject to the Company having either sufficient placement capacity under ASX Listing Rule 7.1 or 7.1A, or shareholder approval being received for the conduct of this placement.

The funds raised will be applied towards working capital to support the continued ramp up of operations at the Southport Facility. The Company continues to expect that on the basis of the Company's partnership with The Valens Company (NASDAQ:VLNS) continuing as previously announced, the Southport Facility should become EBITDA positive to the group on a go forward run rate basis.

The issue price of the first tranche of the placement reflects a 9.2% discount to the 5 trading day VWAP and a 5.5% discount to the last traded price.

ENDS

ASX release authorised by the EPN Board of Directors.

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Epsilon Healthcare Limited (ASX: EPN) – epsilonhealthcare.com.au

Epsilon Healthcare (ASX:EPN) is a diversified global healthcare and pharmaceuticals company. EPN owns a number of medicinal cannabis assets including the largest GMP cannabis manufacturing facility in the Southern Hemisphere (the Southport Facility) and the Tetra Health clinic group. EPN has a strategic partnership with The Valens Company (NASDAQ: VLNS), a leading cannabis consumer products company with significant expertise in manufacturing cannabinoid based products, for operation and management of its Southport Facility.