



ASX RELEASE (2 SEPTEMBER 2022)

Capital Raising

Epsilon Healthcare Limited (ASX:EPN) (Epsilon or the Company) is pleased to advise that the Company has secured firm commitments for a \$1.65 million placement (the Placement), providing key working capital as the Company looks to further expand activity at its domestic medicinal cannabis operations.

The Placement is being completed at \$0.0275 per share, representing a 16% discount to the last close, and a 23.5% discount to the 15 day volume weighted average price. Additionally, and subject to shareholder and regulatory approval, the Company will issue to placement participants quoted options on a 3 Options for every 4 Shares issued basis at an exercise price of \$0.05 expiring three years from their date of issue.

The Placement was supported by management with the Group COO, Sonny Didugu and the former Group CEO of the Company, Jarrod White, both participating.

Executive Chairman, Steven Xu commented:

"We are pleased to have secured this additional capital in tough market and economic conditions with support from both new and existing investors.

"This additional working capital will assist the Company in further advancing its domestic medicinal cannabis operations building further on the significant progress made in 1H2022".

Additional Disclosure

The Company will issue a total of 60 million fully paid ordinary shares under the Placement utilising both ASX Listing Rule 7.1 (35,964,600 FPO) and 7.1A (24,035,400 FPO) capacity, with all participants being parties to whom offer document disclosure is not required pursuant to section 708 of the *Corporations Act 2001* (Cth).

The Placement was allocated at the Company's discretion with priority for early applicants, which was considered important to encourage speedy completion of the Placement in volatile markets, and with a view to having a range of both existing investors as well as introducing new investors to the Company – noting also that this assists in meeting ASX spread requirements for the proposed new class of quoted options.

The Company intends to apply these funds primarily to its Southport Facility to fund the working capital and inventory ramp up aligned with its expanding operations and customer base.

ENDS

ASX release authorised by the EPN Board of Directors.

For further information, please contact:



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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.