

SHAREHOLDER UPDATE - 16 DECEMBER 2024

On behalf of the board of directors of Epsilon Healthcare Limited (**Company**), I am delighted to provide an update regarding the Company's recent activities.

Most people are aware, the Company emerged from voluntary administration on 24 June 2024.

The Company is now on a solid path to recovery and future growth.

As is known in the public domain, the placement of the Company into voluntary administration by two former directors of the Company forced the cancellation of the extraordinary general meeting scheduled for late last year. At the time of cancellation the proxy voting recorded by Computershare was 98.5% in favour of removal of both Xiao (Josh) Cui and Stuart Cameron.

Given the great uncertainty regarding the Company's future at the time, the period between December 2023 and June 2024 was very challenging for everyone involved, not least the Company's clients, staff and shareholders.

Messrs Cui and Cameron purported to terminate the employment of Chief Executive Officer Peter Giannopoulos in late November 2023. Notwithstanding this, Peter remained committed and loyal to the Company. Peter and I have since worked tirelessly to achieve creditors voting in favour of the Deed of Company Arrangement (**DOCA**) that we proposed and advocated for at the final creditors meeting on 31 May 2024.

The crucial support of the Company's funders allowed the DOCA to ultimately proceed. The result of this was the return of control of the Company to the new board of directors of the Company from 24 June 2024.

Before retiring from its position, the voluntary administrator appointed Peter Giannopoulos and Zoe Hutchings as new directors of the Company, and maintaining my existing directorship. Messrs Cameron and Cui were removed from the board of directors of the Company.

To prevent the Company being placed into liquidation, Zoe, Peter and myself had no option but to put up personal assets as security for the funding required to satisfy the DOCA. None of us contemplated this, but in order to preserve the Company and protect its loyal shareholders and their investments, we have committed personal assets to the funding facility.

Over the past five months since control of the Company was returned to the new board of directors, the Company has worked extremely hard to re-engage with existing clients who, as would be expected, had reservations about continuing their relationship with the Company.

The Company has also worked tirelessly to grow its business through engaging new clients. I am pleased to report that this is looking favourable, with increased activity through the Company's Southport site and a streamlining of the Company's processes across both Clinics and Pharma, which I hope will deliver improved financial stability.

Thanks to these efforts, the Company has successfully re-established its foundation, and is now better positioned for long-term success.

The Company is in a much stronger position than before, with a renewed focus on delivering value to its customers, shareholders, and employees alike.

Significant improvements have been made in several key areas, including:

- **Financial Health:** The Company has a clear roadmap for sustainable profitability and is committed to prudent fiscal management moving forward. A full review of financials for prior periods is also being undertaken with a view to requesting the lifting by ASX of the Company's current trading suspension. The Company's accountants, Ure Lynam & Co, have undertaken a full review and identified a number of areas requiring remediation which they are currently undertaking.

It must be noted, however, that the administration substantially burdened the Company through administration and opportunity costs, time, reputation and debt facility financing. These costs will be identified when the Company releases its financial reports in the coming months (and subsequent announcements).

- **Operational Efficiency:** New strategies have been implemented to increase efficiencies across the Company's business operations, ensuring that the Company can deliver even greater value while maintaining its commitment to the principles of GMP and quality clinical care.
- **Strategic Growth:** The Company is focused on expanding its market share and innovating its product offerings.

The Company announced the new Epsilon Pharmacy subsidiary which will commence service in January 2025, which will be a new business to consumer vertical. The Company is also looking to expand its service offering across both Clinics and Pharma manufacturing, with new product and service lines.

I am optimistic about the opportunities ahead, with exciting plans to grow the Company's presence both locally and internationally.

The Company has remained committed to transparency with its stakeholders and will work on improved and ongoing communication in the new year and beyond as the Company continues to resolve outstanding legacy matters.

I would like to take this opportunity to thank all shareholders, clients and staff for their patience and continued support and trust.

Your patience during this challenging time has been invaluable, and I thank you sincerely for your continuing interest and support which I hope will see us all realise the potential of Epsilon.

With sincere thanks,



Alan Beasley
Chairman