

## **EPSILON HEALTHCARE**

### **December 2023 Quarterly Activities Report and Appendix 4C**

#### **KEY POINTS**

- September 2023 Quarterly Report and 4C submitted by 2 Directors Messrs Cui and Cameron) required resubmission.
- Director, Alan Beasley lodges Notice of Extraordinary General Meeting (EGM) November 20.
- 2 Directors purported to terminate CEO November 21, with release to ASX.
- 2 Directors release to ASX inaccurate assessment of Notice of EGM
- Director Xiao (Josh) Cui announces terms of line of credit to ASX, some 11 months after execution.
- 2 Directors purport to appoint an additional director.
- Director Xiao (Josh) Cui admits he breached ASX rule 10.1 regarding related parties.
- The majority of the Board votes the company into Voluntary Administration.
- Computershare release proxy count for EGM.
- Voluntary Administrator cancels EGM.
- Manufacturing operations at Southport show continued positive growth during the quarter with increasing revenue and client activities.
- Epsilon Clinics shows strong performance.

#### **CORPORATE ACTIVITY**

- The September 4C submitted by directors Cameron and Cui, was queried by ASX and required resubmission due to lack of sufficient information.
- Director Alan Beasley lodges Notice of Meeting (NOM) for an EGM to seek removal of directors Cameron and Cui. The Explanatory Memorandum sets out concerns as to matters of governance, compliance, and disclosure.
- Directors Cameron and Cui announce to the ASX the purported termination of CEO without cause. This announcement was made the day after the NOM to remove Messrs Cameron and Cui was announced to market, and which stated Mr Giannopoulos as one of the proposed replacement directors.
- Directors Cameron and Cui announce to the ASX an inaccurate assessment of director Beasley's NOM for an EGM.
- Director Xiao (Josh) Cui announces the terms of a line of credit signed with Mr Cui's personal financial advisor, Mr George Karantzias on December 30, 2022, however not disclosed to the ASX till November 27, 2023 after ASX queried the terms.
- Directors Cui and Cameron hold an apparently inquorate directors meeting on November 30, 2023 and purport to appoint an additional director, John Few. The Administrator removed Mr Few on February 14, 2024 noting, "...to the extent that he had been appointed...."
- Director Xiao (Josh) Cui, releases an announcement to the ASX admitting he breached ASX listing rule 10.1 by not disclosing an agreement with Australia Oracles Holdings Pty

Ltd, (AOH), a company of which Mr Cui's father-in-law was the sole director, sole shareholder and sole company secretary. This agreement granted security over EPN's largest asset, the property at Southport.

- Mr Cui did not disclose the relationship until queried by ASX. Such an agreement requires shareholder approval which was not sought.
- The majority of the Board (including Directors Cameron and Cui) vote the company into voluntary administration.
- Computershare release proxy count for EGM resolutions, showing that 98.5% of those shareholders voting, voted to remove directors Xiao (Josh) Cui and Stuart Cameron. A total of 101 million shares were voted across some 357 separate shareholders.
- Voluntary Administrator cancels EGM, 2 days prior to the meeting.

## **OPERATIONS**

- The company made the strategic decision to exit the cultivation activities at the Bundaberg cultivation site. The company cited increasing imported starting materials and cost rationalisation as primary drivers for the exit from the Bundaberg site. The cost reductions will also allow the company to continue to invest in manufacturing activities at Southport as well as clinical services through its online telehealth practice, Epsilon Clinics (formerly Tetra Health).
- Demand for GMP manufactured medicinal cannabis finished formulation product contributed to growth at the Contract Development and Manufacturing operations at Southport. This was demonstrated during this quarter with record quarterly revenue of \$2.111 million.
- Epsilon Clinics demonstrated strong performance during the quarter with patient activity continuing to increase through new patient engagements and return patient consultations.

Authorised by the board

31 January 2025