

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Epsilon Healthcare Limited

ABN

33 614 508 039

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,117	1,117
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(185)	(185)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(471)	(471)
(f) administration and corporate costs	(540)	(540)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(6)	(6)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(85)	(85)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	214	214
3.6	Repayment of borrowings	(148)	(148)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(37)	(37)
3.10	Net cash from / (used in) financing activities	29	29
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	343	343
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(85)	(85)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	29	29
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	287	287

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	287	343
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	287	343

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	265
	SV Partners (NSW) Pty Ltd - Administration services	265
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments</i>		

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7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other – insurance premium funding	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		0
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>The company was placed under administration on 17 December 2023. Consequently, the above loan facility was in default and no unused facility was available as at 31 December 2023.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(85)
8.2	Cash and cash equivalents at quarter end (item 4.6)	287
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	287
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	3.4
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

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Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 2 April 2025

Authorised by: By the Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

ASX Release (2 April 2025)

Q1 2024 Activities Report & Appendix 4C

Key Points

- The quarter commenced with the Company being placed into Voluntary Administration which was brought about by majority resolution of the Epsilon Board on December 17, 2023.
- Director, Alan Beasley strongly opposed the action to place the Company in Administration. Mr Beasley made requests to be provided with information that directors would require to make such a decision but was not provided information to support such an action.
- Administrator, Ian Purchas maintained operations at Southport manufacturing facility
- Final Creditors meeting period extended
- On 13 February 2024, the Voluntary Administrators exercised their powers under section 442A(a) of the Corporations Act to remove Messrs John Few and Gaohua (Wilson) Min as directors of the Company (to the extent they had been validly appointed).
- Operations at Southport although continued, under the Administrator at a more subdued level than the 4th quarter 2023, due to the uncertainty created by the administration.

CORPORATE ACTIVITY

The March quarter 2024 commenced with the company in Voluntary Administration brought about by a resolution passed by the majority of the Board, after being proposed by Xiao (Josh) Cui and seconded by Stuart Hamilton Cameron at a Board meeting on Sunday December 17, 2023. Mr Beasley strongly opposed the decision on the basis he was not provided with information to support such a decision.

The Voluntary Administrators maintained manufacturing operations at Southport, and continued to operate Epsilon Clinics, however due to the uncertainty created by the Administration, activity was at much more subdued level than 4th quarter 2023. The results delivered through the Southport facility represented some degree of carry-over from the previous quarter.

Administrator extends the period for the final creditors meetings for up to 45 days from March 27, 2024.

The Voluntary Administrators released the following statement to the ASX

“On 13 February 2024, the Voluntary Administrators exercised their powers under section 442A(a) of the Corporations Act to remove Messrs John Few and Gaohua (Wilson) Min as directors of the Company (to the extent they had been validly appointed).”

PAYMENTS TO RELATED PARTY AND ASSOCIATES

As per the 4C statement the following payments were made to related parties and associates during the quarter

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	265
	SV Partners (NSW) Pty Ltd - Administration services	265
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

OPERATIONS

- Client, supplier and vendor confidence was adversely impacted by the Company being placed into Voluntary Administration. Orders placed in Q4 2023 prior to the Company going into Administration continued to generate activity, but new client work was compromised, despite market forces generating an increasing demand for GMP manufactured medicinal cannabis finished formulation products.
- Epsilon Clinics demonstrated solid patient activities during the quarter with patients seeking clinical support through the practice.

EXPENDITURE ON OPERATIONS DURING THE QUARTER	Current quarter	Year to date
	\$A'000	(3 months) \$A'000

The following expenditure was incurred on operational activities

Product manufacturing cost of good (COGS) and operating costs	(185)	(185)
Labour Costs	(471)	(471)
Administration and corporate Costs	(540)	(540)
Interest and other costs of finance paid	(6)	(6)
Total	(1,196)	(1,196)