

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")

30 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,489	2,606
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(558)	(743)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(450)	(921)
(f) administration and corporate costs	(851)	(1,391)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(995)	(1,001)
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	(1,365)	(1,450)
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 (6 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	7,349	7,563
3.6	Repayment of borrowings	(2,924)	(3,072)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(24)	(61)
3.10	Net cash from / (used in) financing activities	4,401	4,430

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	287	343
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,365)	(1,450)
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 (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,401	4,430
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,323	3,323

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	2,773	287
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other – monies held in solicitor trust account	550	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,323	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	803
	SV Partners (NSW) Pty Ltd - Administration services	395
	Australia Oracles Holdings Pty Ltd – Interest expense – entity associated Mr. Xiao Cui	402
	K S Black – Accounting and tax services- Mr. Stuart Cameron is principal.	6
	Total	803
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

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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	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		0
7.6	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.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,365)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,873
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	3,873
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.8
	<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 (3 April 2025)

Q2 2024 Activities Report & Appendix 4C

Key Points

- The second meeting of the Company's creditors was held on 27 March 2024. The Voluntary Administrators adjourned each of the meetings for up to 45 business days (held on 31 May 2024).
- At the reconvened second meeting of the Company's creditors held on 31 May 2024, the creditors resolved, to execute a deed of company arrangement, (the DOCA).
- The creditors in Epsilon Pharma and Epsilon Clinics also resolved to execute DOCAs.
- Following the execution of the DOCA (on 24 June 2024), control and stewardship of the Company reverted to the Company's directors.
- On 11 June 2024, the Voluntary Administrators removed Xiao (Josh) Cui and Stuart Hamilton Cameron as directors of the Company appointed Mr Giannopoulos and Ms Hutchings as directors of the Company.
- Manufacturing Operations at Southport continued still at a subdued level due to the ongoing Administration.
- Activity in Epsilon Clinics was also subdued.

CORPORATE ACTIVITY

- The second meeting of the Company's creditors was held on 27 March 2024. Meetings of creditors of Pharma and Epsilon were also held on the same day.
- On 27 March 2024, the Voluntary Administrators adjourned each of the meetings for up to 45 business days in order for the Voluntary Administrators to, inter alia, review and consider the terms of proposed deeds of company arrangement (for each of the entities being, the Company, Pharma and Clinics).
- At the adjourned second meeting of the Company's creditors held on 31 May 2024 pursuant to section 439A of the Corporations Act, the creditors of the Company resolved, inter alia, that the Company execute a deed of company arrangement, propounded by Messrs Beasley and Giannopoulos (the DOCA).
- The creditors in Pharma and Clinics also passed resolutions to execute deeds of company arrangement proposed by Messrs Beasley and Giannopoulos, which proposals were interdependent.
- Following the execution of the DOCA (on 24 June 2024), control and stewardship of the Company reverted to the Company's then directors.
- On 11 June 2024, the Voluntary Administrators exercised their powers under sections 442A(a) and 442A(b) of the Corporations Act to remove Xiao (Josh) Cui and Stuart Hamilton Cameron as directors of the Company and to appoint Mr Giannopoulos and Ms Hutchings as directors of the Company.

PAYMENTS TO RELATED PARTY AND ASSOCIATES

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

Payments to related parties of the entity and their associates	Current quarter \$A'000
Aggregate amount of payments to related parties and their associates included in item 1	803
SV Partners (NSW) Pty Ltd - Administration services	395
Australia Oracles Holdings Pty Ltd – Interest expense – entity associated Mr. Xiao Cui via his father in law	402
K S Black – Accounting and tax services- Mr. Stuart Cameron is principal.	6
Total	803

OPERATIONS

- Client, supplier and vendor confidence continued to be negatively impacted by the Company being in Voluntary Administration. New client work was compromised, despite market forces generating an increasing demand for GMP manufactured medicinal cannabis finished formulation products.
- Epsilon Clinics to provide clinical support to patients through the practice, but uncertainty caused by the Voluntary Administration resulted in compromised revenues for the quarter.

EXPENDITURE ON OPERATIONS DURING THE QUARTER

The following expenditure was incurred on operational activities

Product manufacturing cost of good (COGS) and operating costs	558,000	743,000
Labour Costs	450,000	921,000
Administration and Corporate Costs	851,000	1,391,000
Interest and other costs of finance paid	995,000	1,001,000
Total	2,854,00	4,056,000