

ASX Release 07 November 2025

Quarterly Activities Report and Appendix 4C for the Quarter Ended 31 March 2025

Key Highlights

Category	Highlight
Strategic Growth	Pharmacy commences operations in late February 2025
Capital Management	Extension of \$4.8M loan facility to June 2025
Corporate Recovery	Epsilon Clinics Deed of Company Arrangement Effectuated

Epsilon Healthcare Ltd ('EPN', the '**Company**' or the '**Group**') (**ASX: EPN**), an Australian-based, globally active healthcare organisation with a diversified and vertically integrated portfolio spanning pharmaceutical contract development and manufacturing, healthcare delivery and pharmacy services, today releases its Appendix 4C cash flow report for the quarter ended 31 March 2025 (Q1 FY25).

Managing Director Commentary

Peter Giannopoulos, Managing Director and CEO of Epsilon Healthcare, commented:

"The March quarter saw the company continuing to strengthen the foundations for a new era of growth & sustainable success following one of the most challenging chapters in the Company's history.

Our teams continue to demonstrate exceptional resilience, professionalism, and commitment throughout this period of renewal. Their dedication, combined with the continued support of our investors and partners, has allowed us to restore operational strength and position the Company for long-term value creation. We are proud that Epsilon Pharmacy commenced operations in late February 2025 and we look forward to the team working as part of the multi-disciplinary healthcare team to make a meaningful contribution to patients and clients and support the quality use of medicines.

The path forward is one of optimism, growth, and confidence, as we begin to see early signs of improvement across our operations and financial performance".

Operational and Commercial Update

During the March quarter, Epsilon continued to stabilise and strengthen operations across all core divisions. With a renewed commercial focus, the Company advanced client re-engagement within its Contract Development and Manufacturing Organisation (CDMO) business, Epsilon Pharma, with several promising discussions underway that are expected to contribute to revenue growth in the upcoming periods.

Epsilon Clinics delivered strong performance, maintaining steady patient activity through its integrated telehealth model. A continued emphasis on clinical excellence, patient care, and education has reinforced the business's leadership position within the sector.

Initiatives which have been implemented since June 2024 when the Company was returned to the new Board, are already starting to deliver improvements across operations, client relationships, and future period revenue generation.

At our Southport manufacturing facility, the team concentrated on scaling production capacity, driving automation, and pursuing high-margin innovation opportunities. Progress was achieved in several key strategic areas, including:

- Scaling production to meet rising domestic and international demand
- Advancing automation and efficiency programs to enhance batch turnaround
- Establishing innovation partnerships to develop novel formulations and delivery systems
- Rebuilding the brand and reputation through a focus on regulatory excellence, reliability, and transparency
- Evaluating targeted capital investments to strengthen accelerated expiry date testing, extraction and testing capabilities

Epsilon Pharmacy: Expanding Our Integrated Healthcare Platform

Consistent with prior announcements regarding the new Epsilon Pharmacy subsidiary, we are proud that the Epsilon Pharmacy operations commenced in late February 2025. Epsilon Pharmacy will play an important role in enhanced medicine accessibility through direct dispensing and a strong focus on the quality use of medicines (QUM).

The introduction of Epsilon Pharmacy represents a major step forward in our strategy to build an integrated healthcare ecosystem, one which blends strong competencies across manufacturing, dispensing, and patient care into a seamless, patient-centred experience.

Looking Forward

Epsilon has emerged from a period of restructuring with renewed strength, clarity, and purpose. The operational reset we have undertaken has positioned us to capture growth opportunities across our clinics, manufacturing, and the new pharmacy division.

The Company remains confident that the steps taken this quarter mark the beginning of a sustained improvement in financial performance and shareholder value.

Summary of recent announcements up to this date

- Epsilon Clinics Deed of Company Arrangement Effectuated
- Epsilon Pharmacy commences operations in late February 2025

Other components of cash flow

- Cash on hand at the end of the quarter to 31 March 2025 was \$885,000 compared to \$1,565,000 in the preceding quarter
- Receipts from customers were \$1,234,000 compared to \$1,477,000 in the preceding quarter
- Product manufacturing cost of goods (COGS) and operating costs were \$539,000 compared to \$568,000 in the preceding quarter
- Interest and other costs of finance were nil in the March 2025 quarter compared to preceding quarter of \$194,000
- Labour payments were \$641,000 in the March 2025 quarter compared to \$569,000 in the preceding quarter
- Administration and corporate costs were \$836,000 in the March 2025 quarter compared to \$601,000 in the preceding quarter reflecting the high cost of administrative and accounting

services, a direct result of the voluntary administration and the remediation work being undertaken by Ure Lynam & Co and payments made to the administrator, SV Partners

- Related party payments of \$271,000 in the quarter to March 2025 compared to \$185,000 in the preceding quarter and comprised employment related payments to the Managing Director of \$145,000 and SV Partners administration services \$126,000

- ENDS -

This ASX announcement has been authorised for release by the Board of Epsilon Healthcare Limited (ASX: EPN).

For further information contact us via corporate@epsilonhealthcare.com.au.



About Epsilon Healthcare

Epsilon Healthcare Limited (**ASX: EPN**) is an Australian based, globally active healthcare organisation. EPN operates a diversified and vertically integrated portfolio of assets, including healthcare and clinics operation, pharmaceutical contract development and manufacture & pharmacy dispensing and information services. Visit epsilonhealthcare.com.au for more information.



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 2025

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		1,234	1,234
1.2 Payments for			
(a) research and development		-	-
(b) product manufacturing and operating costs		(539)	(539)
(c) advertising and marketing		(16)	(16)
(d) leased assets		-	-
(e) staff costs		(641)	(641)
(f) administration and corporate costs		(836)	(836)
1.3 Dividends received		-	-
1.4 Interest received		2	2
1.5 Interest and other costs of finance paid		-	-
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		-	-
1.8 Other (provide details if material)		(2)	(2)
1.9 Net cash from / (used in) operating activities		(798)	(798)

2. Cash flows from investing activities			
2.1 Payments to acquire or for:			
(a) entities		-	-
(b) businesses		-	-
(c) property, plant and equipment		(2)	(2)
(d) investments		-	-
(e) intellectual property		-	-
(f) other non-current assets		-	-

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

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	(2)	(2)

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	160	160
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(40)	(40)
3.10	Net cash from / (used in) financing activities	120	120

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,565	1,565
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(798)	(798)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(2)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	120	120

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	885	885

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	885	1,565
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other – monies held in solicitor trust account	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	885	1,565

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	271
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>		

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

7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	7,400,000	7,400,000
7.2	Credit standby arrangements	-	-
7.3	Other	-	-
7.4	Total financing facilities	7,400,000	7,400,000
7.5	Unused financing facilities available at quarter end		-
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.		
	A secured loan facility of \$4,800,000 in total (including establishment fee of \$200,000) that commenced on 20 December 2024, with the termination date of 20 March 2025 and an interest rate of 18% p.a. This loan was subsequently extended with a termination date of 20 June 2025.		
	An additional \$2,600,000 secured facility was provided by investors at 18% p.a. with a maturity date of 12 months from 24 June 2024.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(798)
8.2	Cash and cash equivalents at quarter end (item 4.6)	885
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	885
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.1
	<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?	
	The Company expects improvements to operating cashflows since successfully exiting voluntary administration on 24 June 2024 and the costs associated during that period. In July 2025, the Company announced it had sold land and buildings for \$6.7 million with a long-term exclusive leaseback arrangement using these proceeds to pay down liabilities and to provide additional working capital.	
	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?	
	Yes, through a sale and lease back of the property as announced in July 2025 and through the issue of loan notes of up to \$1,000,000.	

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

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?

Yes, the Company expects operating cashflows to improve through the initiatives identified above and improving sales outlook in its existing operations and new Pharmacy business unit which commenced operations in late February 2025.

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.

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: 07 November 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.