

Level 5, 52 Philip Street
Sydney NSW 2000
December 12, 2023

NOTICE REGARDING RESOLUTIONS TO BE PUT AT THE EXTRAORDINARY GENERAL MEETING OF 22 DECEMBER 2023 AND UPDATE ON DEVELOPMENTS

Dear Fellow Shareholders,

I write to you at this very important time in the Company's journey to encourage you to support the resolutions which I have raised in the Notice of Meeting, to be put forward to the Extraordinary General Meeting (EGM) of Epsilon Healthcare Limited on Friday, 22 December 2023.

I confirm that the EGM will be proceeding as planned.

If you intend to vote at the EGM by proxy, your proxy must be received **no later than 9.00am (Sydney time) on Wednesday, 20 December 2023**. Another proxy form has been attached for your convenience. If you have already completed a proxy form, you do not need to do anything else.

Variation of Resolutions 2, 4 and 6

Notice is given that Resolutions 2 and 4 to be put to shareholders at the EGM, are varied to remove the words: "*section 203D of the Corporations Act 2001 (Cth) and*" in each of those resolutions and that Resolution 6 to be put to shareholders at the EGM, is varied to add the words: "*, pursuant to clause 20.8 of the Company's Constitution,*", so that the resolutions will read as follows:

RESOLUTION 2 - Removal of Director - Mr Xiao (Josh) Cui

To consider and, if thought fit, to pass, the following resolution as an ordinary resolution:

"That, pursuant to ~~section 203D of the Corporations Act 2001 (Cth) and~~ clause 20.8 of the Company's Constitution, Mr Xiao (Josh) Cui be removed as a Director of the Company with immediate effect."

RESOLUTION 4 - Removal of Director – Mr Stuart Cameron

To consider and, if thought fit, to pass, the following resolution as an ordinary resolution:

"That, pursuant to ~~section 203D of the Corporations Act 2001 (Cth) and~~ clause 20.8 of the Company's Constitution, Mr Stuart Cameron be removed as a Director of the Company with immediate effect."

RESOLUTION 6 – Removal of Director – any new appointees

To consider and, if thought fit, to pass, the following resolution as an ordinary resolution:

"That, pursuant to clause 20.8 of the Company's Constitution, any other director of the Company appointed after the date of this notice and before the date of the Meeting (other than a person proposed to be elected at this general meeting) be removed as a Director of the Company with immediate effect."

The reason for the amendment is to clarify that the directors proposed to be removed under Resolutions 2, 4 and 6 will be removed in accordance with the relevant right under the Company's Constitution (and will not rely on the same right in section 203D of the Corporations Act). Relevantly, the amendment does not change the effect of the resolutions – it is merely confirming which power

the resolution seeks to remove the director under, which in turn will address the procedural complaints described in the Company's announcement of 22 November 2023 (to the effect that Mr Beasley had not given two months' notice of his intention to remove the relevant directors, which is required if the removal is to occur under the power in section 203D of the Corporations Act.

In addition, on 1 December 2023, EPN announced the appointment of Mr John Few as a director of EPN (along with the appointment of Mr Cui in an executive capacity).

I was not at the meeting appointing Mr Few (or employing Mr Cui), therefore I do not believe there was a quorum of the board of EPN and, as a result, I believe the resolutions were invalid. Regardless, I will seek the removal of Mr Few pursuant to Resolution 6.

FURTHER DEVELOPMENTS SINCE ISSUE OF THE NOTICE OF MEETING

The Notice of Meeting (NOM) and Explanatory Memorandum (EM) set out the serious matters of which I am deeply concerned with including non-disclosed substantial company payments to Mr Cui and certain related parties which do not align with the principles of Compliance, Disclosure and Governance and show distinct conflict issues within the Board of EPN.

Sadly, since I released the NOM, matters have become significantly worse in that, proposed Board meetings are called on 48 hours' notice, with contentious and complex agenda items, and without any supporting Board papers, indicating an absence of proper consideration of the issues. In particular, Mr Cui has convened meetings of the board to approve the sale and leaseback of the EPN's manufacturing facility to an entity controlled by Mr Karantzas. This resolution was proposed without providing copies of proposed sale documents, without any analysis of alternative proposals and without clear advice to the board on the value of EPN's facility. I am deeply concerned that these matters have been undertaken with a focus more on personal interest than what is in the best interests of the Company.

You may recall from the notice of EGM on 20 November 2023, the deep concerns I held about the payments Mr Cui has made to himself, without board approval and without shareholder disclosure. At that time, I had identified payments of \$28,000 per month. I have since received a more complete set of bank statements for EPN and I am shocked that the payments to Mr Cui and his related entities total over \$428,000 in the period from his appointment as a director last year to 30 November 2023. There is also evidence of significant expenditure that would appear more personal than business related, including restaurant payments of over \$16,000 and other personal payments of over \$5,000 [I have sought clarification of these expenses, which are significant for a small company like EPN, and none has been provided.]

Shareholders may recall the ASX announcement of 22 August 2023 disclosing the refinance of the loan facility with Mitchell Asset Management (MAM) with a facility from Australian Oracles Holding (AOH). The refinance came as a shock to me as the facility with MAM was not due for repayment until 31 October 2023 and we received a package of documents on Friday, 18 August 2023 for execution on Monday, 21 August 2023. Mr Cui provided no assessment of the loan terms, no explanation of why the refinance was necessary and, despite repeated requests from me, no information on who 'Australian Oracles Holding' is. Following further analysis of the corporate records of AOH and Mr Cui's own companies, it appears that there is a family relationship between AOH and Mr Cui which was never disclosed to the board. I grow increasingly concerned that AOH's sudden appearance as a lender is connected with the proposed sale of the EPN's manufacturing facility (over which AOH has security). These are serious questions that I would encourage shareholders to take up with Mr Cui.

You may have seen that Mr. Cui announced the termination of our CEO, 2 days prior to the notional end of his 6 months probation period and less than two hours after my notice of EGM (which identified our CEO as a proposed director) was released on ASX. This ASX announcement was made after a decision by Mr Cui and Mr Cameron in a 'purported' Board meeting, when I was not in attendance. I say 'purported' because I believe that resolution is invalid because I was not in attendance at the meeting and, accordingly, the meeting lacked the required quorum of directors to pass any resolution.

During board meetings and operational update meetings which were held during September, October and the first week of November, there was agreement among all directors that the CEO be appointed a director of the company. The delay in that appointment was due to an amendment required to the CEO's employment contract which required employment law advice. Clearly, I was shocked that Mr Cui and Mr Cameron purported to terminate Mr. Giannopoulos. Mr Giannopoulos' conduct has been exemplary, his deep management experience, work ethic and leadership are exactly what EPN need at the moment. If the board of EPN is re-comprised at the meeting of 22 December 2023, it is my intention to immediately reinstate Mr Giannopolous to the role of CEO.

There have been several ASX enquiries made of the company over the past month or so, going to EPN's issues of governance and disclosure – I don't propose to summarise those here, but I do encourage any shareholders who are confused by what action they should take to read these questions and answers carefully and form their own view on whether the current board of EPN is operating in an effective manner.

OPERATING RESULTS OF EPSILON

On a more pleasing note, the underlying subsidiary business activities are performing well. The two Co General Managers and their team in Southport manufacturing team are delivering expanded manufacturing volumes and our Epsilon Clinics operation is moving ahead as well. Both streams of revenue growth are due mainly to the enormous efforts of Peter Giannopoulos who brought vision, strategic alignment and strong leadership to EPN since his commencement on 23 May 2023.

EPN subsidiary operations are achieving very good results and we look forward to continued growth in 2024. As a shareholder, I consider the re-composition of the board of EPN critical.

YOUR VOTE IS IMPORTANT

I urge you to vote in favour of all the resolutions at the EGM to ensure that EPN has the greatest chance of success in the future. EPN will have a sustainable & prosperous future under the executive leadership of Peter Giannopoulos who will join the Board as Managing Director and will be supported by the two new non executive directors and me.

As I stated in the NOM, if the resolutions to remove Mr. Cui and to appoint at least two of the proposed new Directors fail, I will resign from the Board.

It is also my understanding from Mr. Giannopoulos that he will not serve the company if Mr. Cui and Mr. Cameron are not removed from the Board given his assessment of the role that both these Directors have played in relation to the company since his commencement to the role of CEO.

My commitment to fellow shareholders is that if the resolutions are passed, the company will proceed to a review of all expenditure which has been incurred by EPN since the appointment of Messrs Cui, Cameron and myself to the Board of EPN and to pursue the recovery of any funds found to have been inappropriately expended, by all legal means if necessary.

I am happy to discuss at any time, and I will continue to share information that I am able to, that is in the public domain. I am committed to the success of EPN and I am committed to the shareholders who believe in the organisation.

Yours faithfully

Alan Beasley

Alan Beasley
Deputy Chairman

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