



ASX RELEASE (4 JULY 2022)

The Valens Company Exclusive Partnership Update

Epsilon Healthcare Limited (ASX:EPN) (Epsilon or the Company) is pleased to provide an update on its exclusive partnership with The Valens Company (NASDAQ: VLNS) (Valens), a Canadian based leading manufacturer of cannabis products.

As announced on 3 March 2022, Epsilon and Valens commenced their exclusive partnership. During the period since, Valens and Epsilon collaborated on the activities of Epsilon's Southport Facility and both have been pleased with those outcomes – including a significant ramp up of production activities which saw material production volumes and revenues through the Facility.

The Company and Valens have continued to operate under the terms of the relevant agreements as announced, and have agreed in-principle to an informal extension of the existing agreements through to at least 1 August 2022.

The Company continues to have had strong demand through to 30 June 2022 and beyond with demand being sourced from both Valens and non-Valens sales pipelines. On an annualised run rate basis, the Company has seen revenues exceeding \$5 million from medicinal cannabis manufacturing activities alone.

Jeff Fallows, President of Valens commented:

"We have been very pleased with the success of our partnership with Epsilon, and can see the value in continuing to work with Epsilon and THC Pharma at what is a world-class medicinal cannabis extraction and processing facility. Combining Epsilon's production capabilities with our brand and expertise has been highly successful and we look forward to continuing our partnership into the long term".

Steven Xu, Chairman of Epsilon, commented:

"Working with The Valens Company over the past few months we have been able to continue to ramp up production volumes through the Southport Facility. I'm very pleased to see our partnership with Valens continue to flourish, and look forward to what's to come for Epsilon".

The Company expects to be in position to provide a further update on the Epsilon Valens Exclusive Partnership over the course of July 2022, with both parties expecting that formal agreements will be entered into to secure the longer term relationship as previously announced.

ENDS

ASX release authorised by the EPN Board of Directors.

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Epsilon Healthcare Limited (ASX: EPN) – epsilonhealthcare.com.au

Epsilon Healthcare (ASX:EPN) is a diversified global healthcare and pharmaceuticals company. EPN owns a number of medicinal cannabis assets including the largest GMP cannabis manufacturing facility in the Southern Hemisphere (the Southport Facility) and the Tetra Health clinic group. EPN has a strategic partnership with The Valens Company (NASDAQ: VLNS), a leading cannabis consumer products company with significant expertise in manufacturing cannabinoid based products, for operation and management of its Southport Facility.

The Valens Company (NASDAQ, TSX: VLNS) – thevalenscompany.com

The Valens Company is a leading manufacturer of cannabis products with a mission to bring the benefits of cannabis to the world. The Company provides proprietary cannabis processing services, in addition to best-in-class product development, manufacturing, and commercialization of cannabis consumer packaged goods. The Valens Company's high-quality products are formulated for the medical, health and wellness, and recreational consumer segments, and are offered across all cannabis product categories with a focus on quality and innovation. The Company also manufactures, distributes, and sells a wide range of CBD products in the United States through its subsidiary Green Roads, and distributes medicinal cannabis products in Australia. In partnership with brand houses, consumer packaged goods companies and licensed cannabis producers around the globe, the Company continues to grow its diverse product portfolio in alignment with evolving cannabis consumer preferences in key markets. Through Valens Labs, the Company is setting the standard in cannabis testing and research and development with Canada's only ISO17025 accredited analytical services lab, named The Centre of Excellence in Plant-Based Science by partner and scientific world leader Thermo Fisher Scientific.