



ASX RELEASE (21 OCTOBER 2021)

## Epsilon signs long term manufacturing agreement for Cannim's Jamaican cannabis products

### Key Points:

- Cannim, a cultivator in Jamaica and Australia, engages Epsilon as Australian GMP manufacturing partner at the Southport Facility in two-year agreement
- First products already delivered and released for patient access by Epsilon under Cannim's 'HummingBud' brand
- Binding Term Sheet executed between the parties sets out framework for future collaboration and manufacture over next two years

Epsilon Healthcare Limited (ASX:EPN) (Epsilon or the Company) is pleased to advise that the Company has executed a binding term sheet and manufacturing agreement with privately owned Cannim Australia Pty Ltd (Cannim). Additionally, the Company has packaged and released for supply the first batch of Cannim's 'HummingBud' dried flower products.

### **Two Year Collaboration and Manufacturing Agreement Signed**

As a global cannabis company primarily cultivating in Jamaica on a 500-acre farm under Good Agricultural and Collection Practice (GACP), Cannim have significant supply agreements for flower and oils into Germany, the United Kingdom and Australia.

Under the manufacturing agreement, Epsilon's world class EU GMP compliant Southport Facility will produce medicinal cannabis products from Cannim raw material at scale for supply into the Australian market as well as for global export. Cannim will pay Epsilon for these manufacturing services on a per-order basis.

Over the next two years Epsilon's manufacturing arm, THC Pharma, will receive bulk imports of dried flower for the packaging and release of Australian GMP dried flower. This agreement is terminable at any time by either party.

THC Pharma will also work on contract manufacturing opportunities for global third parties using Cannim's cannabis material as an API, including supplying to parties referred to the Company by Cannim.

## First Products Now Released

Following receipt of Cannim's Jamaican grown cannabis material in September, the Company has now packaged, tested, and released for supply dried flower products under Cannim's HummingBud brand. These products are available for prescription now, and can be prescribed by Tetra Health – Epsilon's wholly owned clinic network. This production was completed following completion of supply chain audits, implementation of quality agreements and prior to the final formalisation of the Epsilon-Cannim commercial agreement.

To date, Epsilon has received 3 imports of Cannim's cannabis starting material, with further imports on track for the balance of 2021 to be released as final product during the balance of Q4 2021 and into 2022.

Although there are no minimum order commitments, the Company expects to continue to see ongoing purchase orders from Cannim and its partners over the course of the collaboration with Cannim. Epsilon is not currently able to disclose the exact revenue to be earned under this collaboration, however the Company is of the view that such revenue inflows will be material to the Company.

Lachlan Cameron, Chief Operating Officer of Cannim, commented:

"Following on from our release of Jamaican flower into Germany, our manufacturing agreement with Epsilon has allowed us to bring our Jamaican cannabis flower to Australia. Their high quality, GMP certified production facility will ensure that we provide the best possible expression of our product to patients in need throughout Australia and further afield."

Jarrold White, Chief Executive Officer of Epsilon Healthcare, commented:

"We're pleased to announce this partnership with Cannim, who are leaders in the cannabis cultivation market. Matching our high-volume EU GMP compliant Southport Facility with Cannim's high volume GACP Jamaican medicinal cannabis places both companies in a strong position to deliver significant volumes of high-quality medicines for both the Australian and global export markets.

"The partnership contemplates all areas of the Epsilon value chain, from local import and handling of dried product expertise, to export, and assisting in the logistics and distribution of the final product. This is reflective of the significant progress and capability improvements at our Southport facility in the preceding 12 months."

ENDS

ASX release authorised by the EPN Board of Directors.

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**Epsilon Healthcare Limited (ASX: EPN) – [epsilonhealthcare.com.au](http://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 Tetra Health clinic group, and the Medimar Platform. EPN additionally operates a turn-key cannabis cultivation solutions provider based in Vancouver, Canada.

**About Cannim**

Established in 2017, Cannim was founded on the vision of bringing the benefits of medicinal cannabis to the world, moving the trade *from the darkness into the light*®. This long-term vision is integral to Cannim's approach to improving its consumers' health and wellness – delivering 'Better Balanced Bodies' © – and establishing world-leading medicinal and wellness cannabis brands.

Cannim has invested in farms, EU-GMP (Good Manufacturing Practice)-compliant production facilities, and research programs in Jamaica and Australia, utilising expertise in major global markets including Israel, Jamaica, the USA, the UK and Australia. It operates alongside an international network of EU GMP manufacturers and channels to market.

Cannim's circular integrated business is built on the three key pillars of Safety, Science and Scale, and is focused on consistently and reliably delivering premium products to patients around the world.