

26 March 2021



Dear Shareholder

ENTITLEMENT OFFER BOOKLET LETTER TO SHAREHOLDERS

On 18 March 2021, ECS Botanics Holdings Ltd (ASX: ECS or Company) announced a 1 for 17 non-renounceable pro rata entitlement offer of new shares ("**New Shares**") at an issue price of \$0.05 per New Share ("**Offer Price**") to raise up to \$2,279,071 (before expenses) ("**Entitlement Offer**").

Under the Entitlement Offer, Shareholders will be guaranteed an allocation of 1 New Share for every 17 shares held at the record date of 5pm (AWST) on Tuesday, 23 March 2021 ("**Record Date**") if (and only if) application monies are received prior to the closing date of the Entitlement Offer, being 5pm (AWST) on Monday, 19 April 2021, in accordance with the Entitlement Offer Booklet and the personalised entitlement and acceptance form.

Eligible Shareholders who take up their entitlement in full may, in addition to their entitlement, apply for shortfall shares regardless of the size of their present holding, by completing the accompanying entitlement and acceptance form in accordance with the instructions set out on that form.

Xcel Capital Pty Ltd and Sanlam Private Wealth ("**Joint Lead Manager**" or "**JLM**") have been appointed as joint lead managers to the Entitlement Offer and shortfall offer.

The Directors (in consultation with the Joint Lead Managers) reserve the right to issue shortfall shares at their absolute discretion including issuing to an applicant a lesser number of shortfall shares than the number for which the applicant applies for on their entitlement and acceptance form, or to reject an application, or to not proceed with placing the shortfall.

How to Access the Entitlement Offer

This letter serves as notice about the Entitlement Offer and you will not receive a physical mail pack unless you request it.

Shareholders have the option to access the Entitlement Offer Booklet and the BPAY® payment details via the following website:

<https://ecsrightsoffer.thereachagency.com>

Alternatively, Shareholders may request a paper copy of the Entitlement Offer Booklet, personalized entitlement and acceptance forms from Computershare by calling 1300 850 505 (within Australia) and +61 3 9415 4000 (outside Australia).

Eligibility to Participate in the Entitlement Offer

To qualify for the Entitlement Offer under the Offer Booklet, a Shareholder must:

- a) be registered as a Shareholder at 5pm (AWST) on the Record Date; and
- b) have a registered address in Australia, New Zealand or the Peoples Republic of China.

Use of Funds

The proceeds of the Entitlement Offer will be use primary for:

- a) Acquisition of Murray Meds Pty Ltd (as approved by Shareholders at the Company's general meeting held on 2 March 2021);
- b) purchase of plant and equipment to further upgrade the value of the Company's cannabis material;
- c) accelerate multi-market penetration;
- d) augment working capital; and
- e) expenses associated with the Entitlement Offer.

Your Sincerely,

A handwritten signature in black ink that reads "Mauro Piccini".

Mauro Piccini
Company Secretary

About ECS Botanics

ECS Botanics is a vertically integrated medicinal cannabis and industrial hemp business. The company owns farms and medicinal cannabis facilities in Tasmania and Victoria for the cultivation, processing, and manufacturing of medicinal cannabis. ECS manufacturers to EU GMP standards and also has the necessary licenses to cultivate and manufacture medicinal cannabis for the wholesale extract, final dose and premium dry flower market. ECS cultivates hemp for the wholesale market and its retail food and wellness brand, while having obtained all the necessary licenses to grow, supply and manufacture. ECS's core focus is scale and low cost production, without compromising quality.

Key Dates for the Entitlement Offer

EVENT	DATE
Announcement of Offer and lodgement of Appendix 3B with ASX	18 March 2021
Lodgement of Prospectus with ASIC and ASX	18 March 2021
Ex date (date from which Shares trade without entitlements to participate in the Offer)	22 March 2021
Record Date for determining Entitlements	23 March 2021
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders, and Company announces that this has occurred	26 March 2021
Opening date of the Offer	26 March 2021
Last day to extend Closing Date of the Offer	14 April 2021
Closing Date (5.00pm WST)	19 April 2021
New Shares quoted on a deferred settlement basis	20 April 2021
Announcement of results of the Offer	22 April 2021
Last day for the Company to issue the New Shares under the Offer and lodge an Appendix 2A	26 April 2021