

ASX ANNOUNCEMENT

ECS Botanics Holdings Ltd (ASX:ECS)

30 August 2021



ECS to supply New Zealand with medicinal cannabis products

- **Four-year agreement to supply \$1.75m worth of GMP manufactured medicinal cannabis products**
- **Marks entry into New Zealand and builds on ECS' international expansion initiatives**
- **Strong sales pipeline for Australia and international markets continues to build**

ECS Botanics Holdings Ltd (ASX: ECS) ("ECS" or the "Company") is pleased to advise that it has secured a four year agreement with MW Pharma Limited, one of New Zealand's largest cannabis distribution companies for the supply of ECS' medicinal cannabis products. The agreement will generate a minimum of \$1.75m in revenue and adds to the Company's growing revenue profile.

Managing Director, Alex Keach said: *"We are very excited to partner with MW Pharma Limited, an innovative group with significant reach across New Zealand. There is strong underlying demand for medicinal cannabis across the country and a favourable competitive landscape for our product suite, so we anticipate our high quality products will be well received. Discussions regarding additional opportunities are ongoing and we look forward to building on this valuable relationship."*

Under the agreement and through ECS' Murray Meds licence, the Company will supply a minimum of \$1.75m in GMP manufactured medicinal cannabis products which will be white-labelled across existing brands and sold through MW Pharma's established relationships with New Zealand's pharmacy networks. In the first year, the minimum order value will be \$250,000, with a minimum \$500,000 over the following three years. First supply will commence following the successful registration of the products, anticipated to be early 2022.

Both parties may terminate the agreement upon any material breach of this agreement that cannot be remedied within 20 business days of notice of that breach being given or upon insolvency or liquidation of either party. Under the agreement yearly minimum order quantities



applies to the 12 months following the successful registration of three products. Furthermore individual purchases order must be a minimum of \$30,000.

As previously advised, ECS continues to build a strong sales pipeline and as a result, it will aim to significantly increase the scale of cannabis production this coming season. Several additional contracts are in final stages and ECS will provide further updates as these materialise.

Executive Director, Nan-Maree Schoerie added: *"This agreement highlights the value our B2B strategy creates for our customers, as well as the high quality and growing demand for our medicinal cannabis products. As the coming season approaches, we look forward to scaling our supply to meet our customer needs across Australia and international markets. We see New Zealand as a key growth market, and given its long history of medicinal cannabis use dating back to GP's in the country prescribing cannabis tinctures for migraines up until 1955, we expect additional opportunities to arise in the jurisdiction."*

-ENDS-

About ECS Botanic Holdings Ltd

ECS Botanic Holdings Ltd 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 manufactures to EU GMP standards and also has the necessary licences 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 licences to grow, supply and manufacture. ECS' core focus is scale and low-cost production, without compromising quality.

For further information, please contact:

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Authorised on behalf of ECS by Alex Keach, Managing Director