

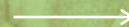
INVESTOR PRESENTATION

# ECS Botanics Holdings Ltd



Australia's fastest growing medicinal  
cannabis & hemp business

ASX : ECS



ECS is a large scale cultivator and manufacturer  
of white label medicinal cannabis products and  
own brand hemp wellness and food products

SEPTEMBER 2021

# ECS Botanics Value Proposition.

**Largest producer of  
Medicinal Cannabis in  
Australia.**



**13 acres**  
licensed production area



**290 acres**  
wholly owned facilities in  
Tasmania and Victoria



**Asset light**  
methodology

## 01 From Farm to Pharma

One of only two ASX listed GMP licensed producing Medicinal Cannabis Cultivators. 600m<sup>2</sup> pharmaceutical facility

## 02 Strictly B2B Business Model for Medicinal Cannabis

Provides multiple pathways to local and export markets driving strong sales growth

## 03 Specialist Cultivator

Producer of a range of strains of premium dried flower and biomass

## 04 Diversification

Markets, Product Lines and Cultivation Sites

## 05 Low cost

Outdoor cultivation at >50% lower production and capital costs. Customers can compete with sizeable black market

## 06 Sustainable

Organic and regenerative farming practices with substantially lower carbon footprint than peer group

## 07 Shareholder Value

ECS is significantly undervalued versus other industry players

## 08 Bench Strength

High calibre leadership team with 50% gender diversity across the business.





## Our 5 Year Journey.

Success achieved  
over last

**2 years**



What will success look  
like in next

**3 years?**

**Largest Cultivator** of Medicinal Cannabis  
in Australia across two sites

**Lowest Cost producer** of Medicinal  
Cannabis in Australia

**Most sustainably produced** Medicinal  
Cannabis in Australia

**One of a handful of GMP** certified  
Medicinal Cannabis manufacturing  
facilities in Australia

**Producing >10,000kg** of Medicinal Cannabis annually

**Recognised for best** Australian dried flower

**Brand leader** in hemp wellness

**In house genetics** providing best results for patient and grower

**Revenues >\$35M p.a.**

**Materially profitable**

**Producing CBD** isolate at scale

**Carbon neutral**

# Corporate Overview And Key Metrics.



Shares on issue

**862.98m<sup>(\*)</sup>**



Share price

**\$0.036<sup>(1)</sup>**



Area licensed for  
cultivation

**13 acres**



Customers

**20+**



Market cap

**\$32.07m<sup>(1)</sup>**



FY21 Revenue

**\$1.26m**



Gender Diversity

**50%**

# ECS Botanics is a Green Investment Opportunity.



ECS's sun grown cannabis is green

**96x**

less energy than indoor grows<sup>1</sup>

**54x**

less energy than Greenhouse grown product<sup>1</sup>

**18x**

less water than an indoor grow<sup>2</sup>

## Solar Energy

Focussed on sustainability ECS uses Solar Energy for processing

## Additional Crop Cycles

ECS uses protective cropping and blackout to achieve Additional Crop Cycles achieved by greenhouses

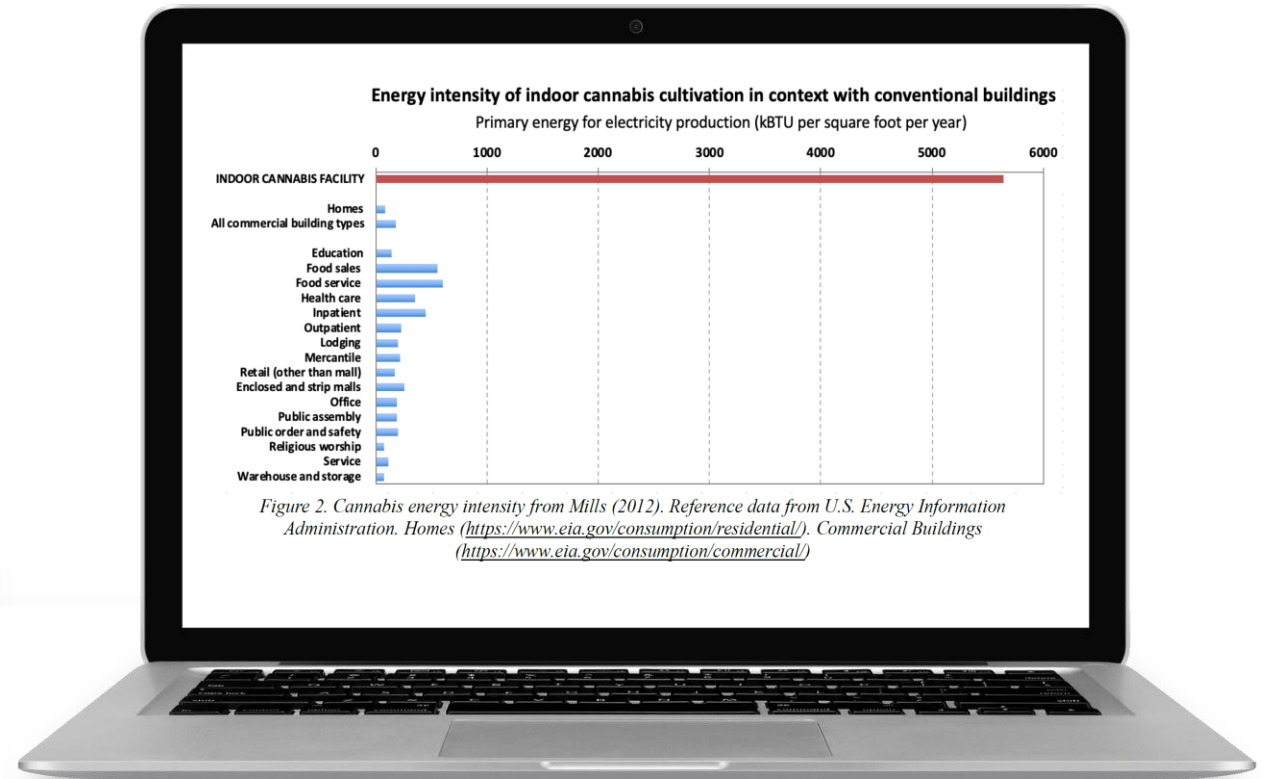


Figure 2. Cannabis energy intensity from Mills (2012). Reference data from U.S. Energy Information Administration. Homes (<https://www.eia.gov/consumption/residential/>). Commercial Buildings (<https://www.eia.gov/consumption/commercial/>)

Black Market heritage has led to Cannabis being grown indoors

Most Australian producers currently grow indoors

Indoor and Greenhouse grown cannabis is extraordinarily energy intensive.

Outdoor grown cannabis meets the same medicinal quality standards as indoor or greenhouse grown product

1. A New Frontier Data energy report in 2018  
 2. Energy Use by the Indoor Cannabis Industry Inconvenient Truths for Producers, Consumers, and Policymakers :Evan Mills, Ph.D.andScott Zeramby

# Medicinal Cannabis – Strong Demand In Our Key Markets.



## Australasia

Medicinal Cannabis Expenditure predicted to rise from \$100 million in 2020 to \$2.1b by 2028<sup>(1)</sup>



## The legal European cannabis market

is forecast to grow with a compound annual growth rate (CAGR) of 67.4% to reach AUD\$5.9bn by 2025 <sup>(3)</sup>

By 2024, the UK medicinal cannabis market is predicted to be worth nearly US\$1.3 billion, servicing nearly 340,000 active patients.<sup>(2)</sup>

“

**UK CBD market the worlds second largest behind the US, now spending more on CBD than Vitamin B & C combined<sup>(5)</sup>**

<sup>(1)</sup>Prohibition Partners, The Oceania Cannabis Report & Fresh Leaf Analytics Q3 2021 report

<sup>(2)</sup>Prohibition Partners, The UK Cannabis Report

<sup>(3)</sup>The European Cannabis Report: 6th Edition)

<sup>(4)</sup>Association of Cannabinoid Industry (ACI) – UK

<sup>(5)</sup>Paul Birch, co-founder ACI

# Established Facilities Underpinning Operations.

Two complimentary sites operating synergistically



Low cost GACP  
Cannabis material sent for GMP Manufacturing





# Established Facilities Underpinning Operations.

**Multiple licences** from Office of Drug Control and Therapeutic Goods Administration



Cultivation & Manufacturing Site (GMP)



7 acres of high security facility on 170 acres farm



R&D in progress to identify best chemovars



Located on Murray River



Protected cropping and outdoor grow



Victoria >



# Established Facilities Underpinning Operations.

**Semi protected cropping and outdoor grow operations – significant capacity to scale**



Large scale cultivation & processing Hub (GACP)



Low security requirement



6 acre secure area on 120 acre farm



ODC Licenced facility

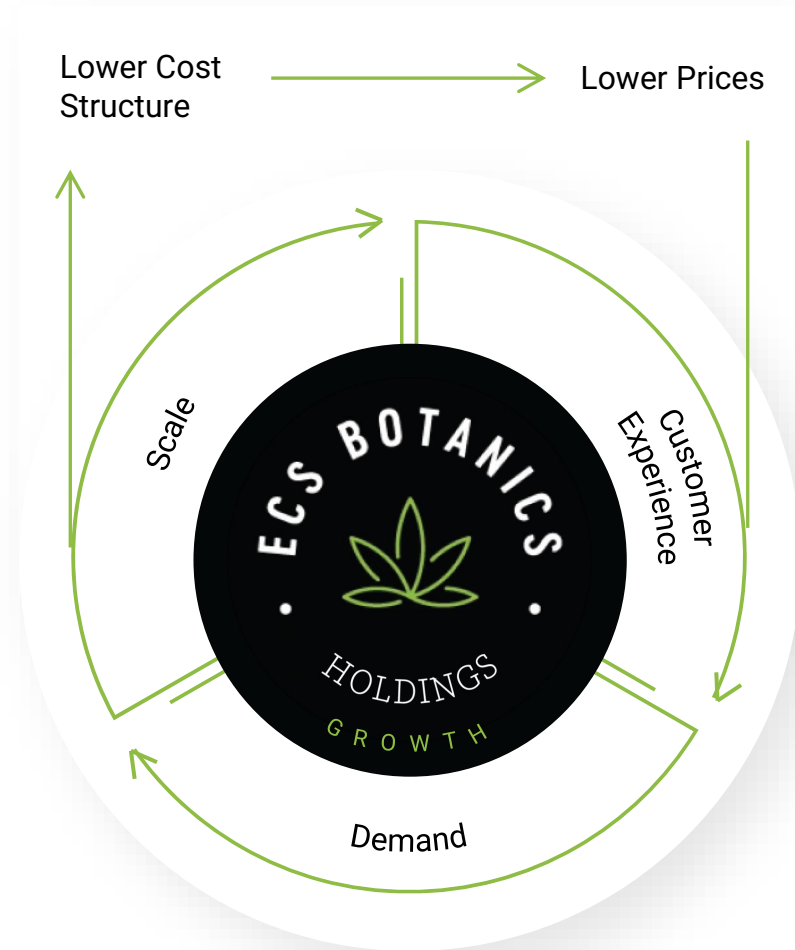


CBD and hemp focus



Tasmania >

# Medicinal Cannabis - The Flywheel Effect.



## Momentum building

### Foundation

All required licenses in place, followed by GMP certification and successful first harvest.

### Customer Focus

Successfully transitioned from biomass to dried flower to meet shift in market demand and introduced terpene wellness range

### Drives Demand

Demand being accelerated by recently appointed sales leaders in Australia and Europe capturing and converting leads. Overlap in wellness and pharmaceutical in EU provides larger offering

### Building Scale

Expand operations with new enclosures and Tasmania coming on-line meet growing dried flower and CBD demand.

### Low Cost

Further reduce cost through genetic research and economies of scale allowing Australian customers to compete with sizeable black market

### Market Centric

Support large global customer demand through long term annuity contracts driven by over-the-counter CBD, innovative new final dose forms and patient led genetic development

### Further Expansion

Use available land on both sites for additional cultivation and construction of more protective cropping enclosures

“ Many saying the best flower they have used. These are patients who have tried many of the competitors as well. **Well done.** ”

Doctor Jim's feedback on ECS first batch of flower



# ECS Food & Wellness.



## Opportunity

The overlap in wellness and pharmaceutical in EU provides larger offering

## Quality

Product range is manufactured from 100% Tasmanian cannabis sativa hemp seed oil

## Omega 3's

Hemp seed oil an environmentally friendly and ecologically sustainable source

## Presence

Coles and Woolworths  
Four distribution agreements for wellness range

## Value

Transitioning and simplifying the business to focus on higher value wellness products



# CBD Wellness – Growing Through Deregulation.

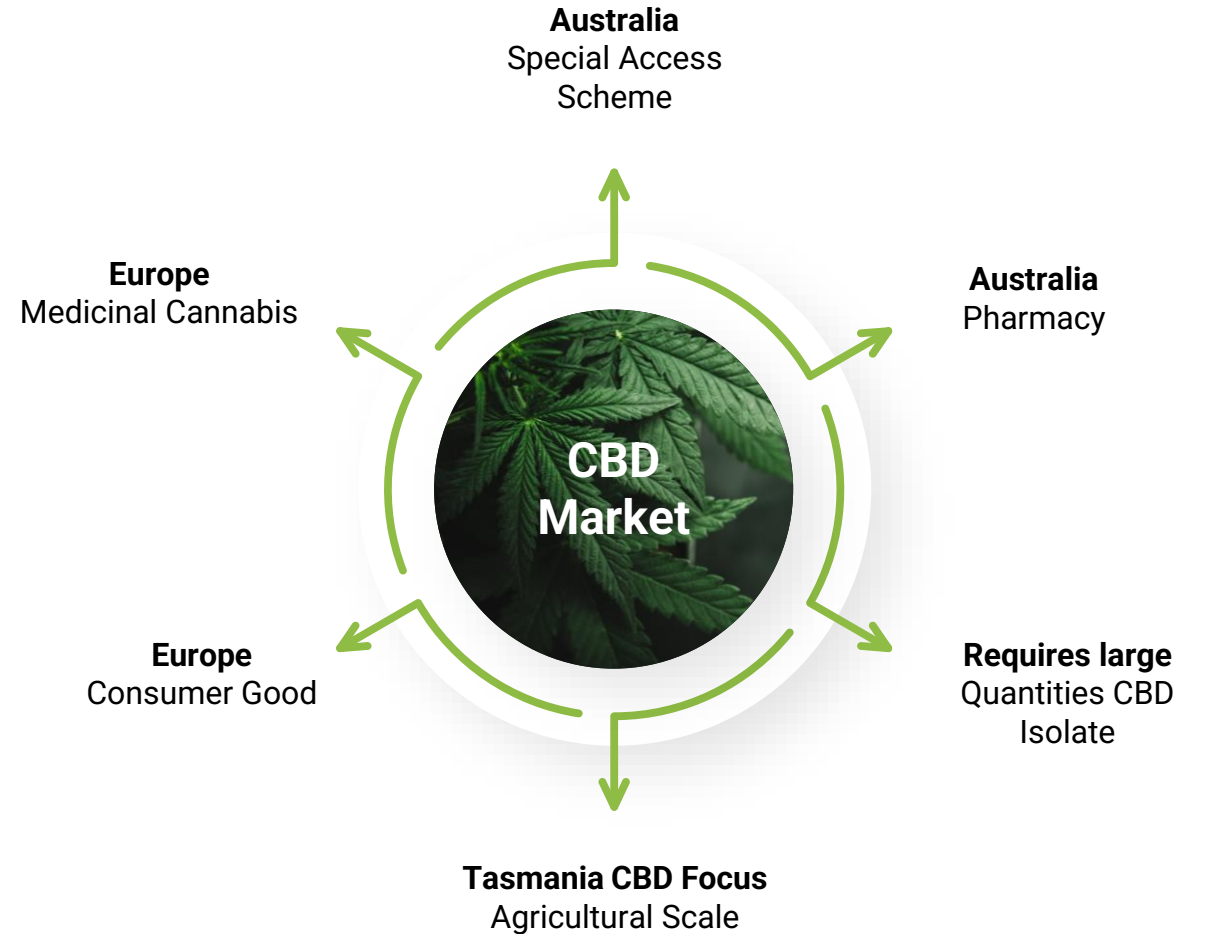


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Market to be majority supplied by CBD isolate. Tasmanian project forecasted to be major raw material production hub to meet growing demand



- CBD used in**
- Medicinal Cannabis
  - Consumer Goods
  - Cosmetics
  - Food and Beverage

# Outlook – Building Upon Local Sales And Strong Pathway Internationally.

First customers ordering in excess of initial forecasts

International contracts signed

### Customers spot buying

Order book for dried flower exceeding current capacity

Meeting demand through specialised cultivation strategy  
– premium dry flower for inhalation and low cost biomass for extraction into oil products

Projecting >4T harvest FY 2022 (over next 10 months)

## Contracts >



## Supported by >

- 01**  
New markets
- 02**  
Deregulation
- 03**  
Production capacity and advanced plant genetics
- 04**  
New product supply opportunities ie isolates
- 05**  
Demand for white labelled products

# Rapid Growth Since Listing.

## Sept – Dec 2021

- Large annuity contracts converted
- Commissioning 6 new protected cropping enclosures
- Maiden Tasmanian planting

## Jul 2021

- Industry leaders appointed to support growth
- First shipments of dried flower and oils
- \$4.5m European supply agreement

## Apr 2021

- Maiden commercial medicinal cannabis shipment dispatched
- Major Tasmanian expansion plans announced

## Feb 2021

- \$500,000 European supply agreement

## Dec 2020

- TGA announce over the counter CBD

## May 2020

- GMP (Release for supply)

## Dec 2019

- Cultivation licence granted for medicinal cannabis facility
- Hemp seed oil on shelf in Woolworths

## 2018

- ECS Botanics and Murray Meds incorporated



## Aug 2021

- Hemp seed to be ranged in Coles nationwide
- \$1.75m New Zealand supply agreement

## May 2021

- GMP (primary packaging)
- Terpene Blends range launched

## Mar 2021

- First sales
- 2 X \$750,000 supply agreements executed

## Jan 2021

- First harvest
- Murray Meds acquisition announced

## Aug 2020

- Tasmanian expansion plans

## Jan 2020

- Murray Meds facility licenced

## Jan 2019

- Murray Meds land purchased



# Defined Plan To Scale Up Operations To Meet Demand.

ECS quality exceeds expectations and is comparable to high cost indoor grow

ECS have received predominantly “buy” enquiries from Europe. EU leader will drive further demand through active selling

Australian sales will increase as pending regulatory changes requiring GMP manufactured medicinal cannabis

CBD sales expected to generate exponential growth as OTC product trials complete

Large addressable market as B2B model ensures multiple channels to market

Australia is becoming the pathway to Europe for high quality and regulated cannabis pharmaceuticals

Strategic investment and foundation allows annual capacity increase to meet demand – scalable model

## Horizon 1 (actual)

- Largest harvest of Medicinal Cannabis in Australia
- GMP certification
- Key contracts executed
- Producing oils for local and European clients
- Attracted market leading talent from competitors
- Australian companies spot buying

## Horizon 2

- Expanded harvest Victoria
- First planting and harvest Tasmania
- Increased customer base
- European strategy implemented
- 200% increase dry flower production
- Accelerating Revenue and moving to profitability
- GMP for formulation, new final dose forms and bespoke genetics to meet patient needs
- Chemovar and Phenotype development delivering higher yields

## Horizon 3

- Economies of Scale growth through industrial scale cultivation, margin growth, and in house manufacturing
- Profits
- Strong market share in Europe and Australia
- Large scale isolate production for Australian OTC Pharmacy and Europe (medicinal, food & beverage)
- Global leadership position with long term off takes with key global pharmaceutical and wellness companies
- 100% in house research and development into plant genetics and breeding program

PROFIT

TIME

# Building Partnerships.

## Medicinal Cannabis



## Food & Wellness



# Board Of Directors

Board Of Directors >



**Alexander Keach**  
Managing Director



**David McCredie OBE**  
Non-Executive Chairman



**Michael Nitsche**  
Non-Executive Director



**Jeremy King**  
Non-Executive Director



**Nan-Maree Schoerie**  
Executive Director



# Highly Skilled Executive Management Team.



**Blaise Bratter**  
Business Development  
Manager, Oceania



**Michael Clark**  
Head of EU Operations



**Nicola Cranley**  
Finance Manager



**Alexander Keach**  
Managing Director



**Paul Hanrahan**  
Farm Manager (TAS)



**Jason Hine**  
GM, Wellness &  
Commercial Operations



**Angela Macquire**  
GM, Medicinal Cannabis  
Operations



**Nan-Maree Schoerie**  
EGM Medicinal Cannabis



**Nikita Soukhov**  
Farm Manager (VIC)



# Our Values.



## Patient Outcomes

Our aim is to provide the very best Australian grown medicinal cannabis products to end users. We take enormous pride in our quality, affordable and naturally grown products



## Sustainability

We operate with a low carbon footprint . We practice organic and regenerative farming practices and use renewable energy sources



## Diversity

Our best-in-class team are committed to the inclusion of all. Our approach is to bring in people with a diverse range of skills, values, backgrounds and experiences

# Disclaimer

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