

ASX ANNOUNCEMENT

ECS Botanics Holdings Ltd (ASX:ECS)

12 January 2022

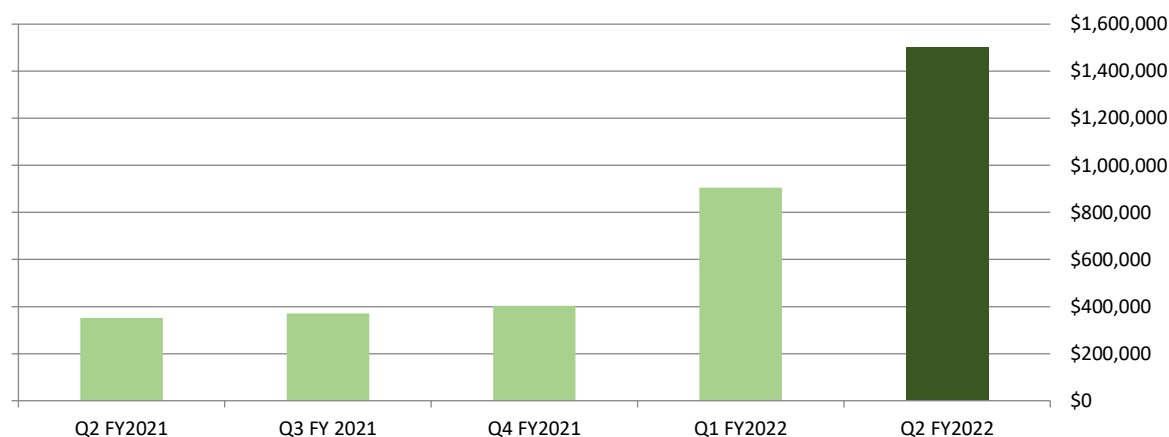


ECS to achieve another consecutive record quarter

- Revenue of approximately \$1.5m expected for Q2 FY2022 – quarterly revenue has increased 325% on the previous corresponding period and 65% on the last quarter
- Significant growth driven by increasing volumes from new and existing domestic customers
- European export orders being facilitated this month following ARTG (TGA export) listings for ECS oil and flower products
- Export Purchase Order exceeding \$400,000 currently being fulfilled
- New protected cropping enclosures in production with additional processing facilities being constructed in March – allows ECS to increase capacity to meet growing demand
- CBD cultivation commenced at Tasmanian facility with first harvest in February
- Key supply chain partnerships in place providing a strong foundation for future growth

ECS Botanics Holdings Ltd (ASX: ECS) (“ECS” or the “Company”), a leading medicinal cannabis and hemp company, is pleased to report expected record revenue of approximately ~\$1,500,000 for the quarter ended 31 December 2021. This marks another consecutive quarter of record growth for the Company.

The significant climb in revenue during the period highlights a 65% rise on the previous quarter (Q1 FY2022: \$906,000) and 4-fold increase on the previous corresponding period (Q2 FY2021: \$352,000). The upward trajectory was underpinned by the strong, ongoing demand for ECS’ GMP manufactured medicinal cannabis products and sales of hemp products.



Graph: Total revenue achieved on a quarter-by-quarter basis (Q2 FY2021 – Q2 FY2022)

The Company also secured a number of supply agreements with local and international medicinal cannabis companies during the period, most notably Sun Pharma and Cannvalate.

The Company continues to attract new customers, while providing a broader range of products to existing customers. The medicinal cannabis oil business produced 13,200 units of oil products for customers last quarter and is expecting in excess of 20,000 units this quarter. Growth in oils has been supported by local market demand for Australian grown and manufactured product at a competitive price point.



Image: ECS' newly erected protected cropping enclosures to be harvested this month –follows planting in November 2021

With competitive pricing and demonstrated quality, ECS continues to experience increasing demand for dry flower and oils for both the domestic and international markets, with preparations for first exports of both dry flower and oils underway. The Company will continue to update shareholders on growth initiatives over the coming months.

ECS's Appendix 4C and associated quarterly activities report will be lodged towards the end of this month.

Managing Director, Alex Keach said: *"The most recent climb in quarterly revenue is very pleasing and highlights another record for ECS. It builds on the Company's consistent track record of consecutive growth delivered over the last 18 months."*

"We remain very well positioned to further this trajectory, last year we signed a significant number of contracts domestically and overseas and it is now pleasing to see them convert into revenue."

"Our business model is proving to be exactly what the market desires as well as providing us with a larger addressable market than our competitors. This B2B strategy and being able to take a seed all the way through to a GMP product is why we continue to attract new customers and deliver quarter on quarter growth."

-ENDS-



About ECS Botanic Holdings Ltd

ECS Botanic Holdings Ltd is a leading medicinal cannabis and 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.

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Authorised on behalf of ECS by Alex Keach, Managing Director