



INVESTOR PRESENTATION

ECS Botanics Holdings Ltd

— A large-scale cultivator and
manufacturer of medicinal cannabis

ASX : ECS

JULY 2022

Corporate Overview And Key Metrics.



Share price

\$0.02⁽¹⁾



Area licensed for
cultivated / available

**15 acres/
179 acres**



Market cap

\$22.1m⁽¹⁾



Revenue growth

**5-fold Increase
on FY21⁽²⁾**



Gender diversity

48% Female

⁽¹⁾Share price of \$0.02 as at 5th July 2022

⁽²⁾ Unaudited FY22 financial results



Targeting Growth and Profit.

Strategic Initiatives



Focus Resources on THC medicinal cannabis flower and oils

Divest Hemp Food and Wellness and Tasmanian CBD Farm

Reduce Operating Costs by \$1.3m and **realise Capital** from farm sale

Secure additional **non-dilutive** funding for further expansion

Revenue and Profit Drivers

Export Market: substantial investment in stability testing and GMP audits undertaken to meet regulatory requirement for export to EU. UK and New Zealand dried flower sales already underway.

Extraction: SunPharma extraction costs will be 50% lower than current fees, improving profit and competitiveness. Forecast to come on line Q2/Q3.

Capacity: FY22 new tunnels completed mid-season. FY23 will benefit from a full year of production plus 6 new tunnels to be completed as part of stage 3 expansion. Each tunnel at full production will generate up \$700K per annum⁽¹⁾.

Maturity: business is maturing, processes are being optimised and employees becoming more expert.

(1) Based on current pricing

Demand Drivers

Market Projections.

Australia tightening Quality Standards



TGA announced that non-GMP active ingredients or final dose form products cannot be sold in Australia after July 2023. This will restrict imports from countries such as Canada.

European legalisation gaining momentum as medical and therapeutic benefits are being recognised.



The size of the Medicinal Cannabis Market in Europe is valued at USD\$4.96b and expected to reach \$13.37b by 2027 (CAGR 21.96%) between 2022 and 2027⁽¹⁾.



Germany is expected to legalise adult-use cannabis in early 2024.

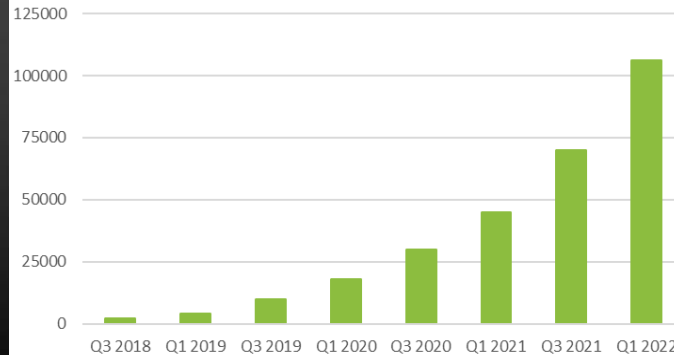
SEA countries starting to decriminalise



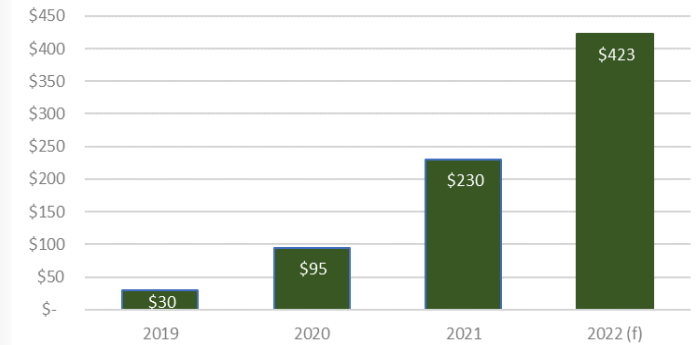
Thailand removed cannabis from the banned narcotics list in 2022.

⁽¹⁾ Market Data Forecast Jan 2022

Number of Australian Active Patients



Australian Medicinal Cannabis Market Revenue
AUD Million



FreshLeaf 2021 2H report

338k

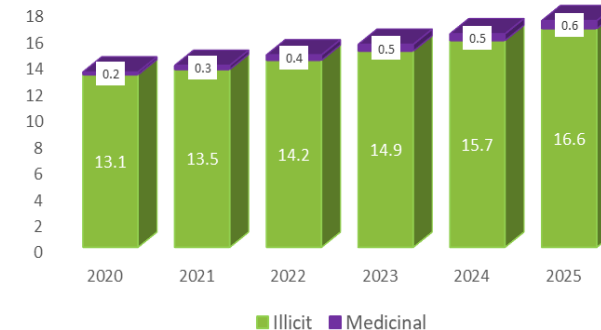
Forecasted medical cannabis users in the UK in 2024.

1.3bn USD

Forecasted revenue in the medical cannabis market in the UK in 2024.

Statista 2021

German Cannabis Market (USD Billion)



Cannabis sales in Germany 2020 to 2025 adult-use expected to be legalised early 2024

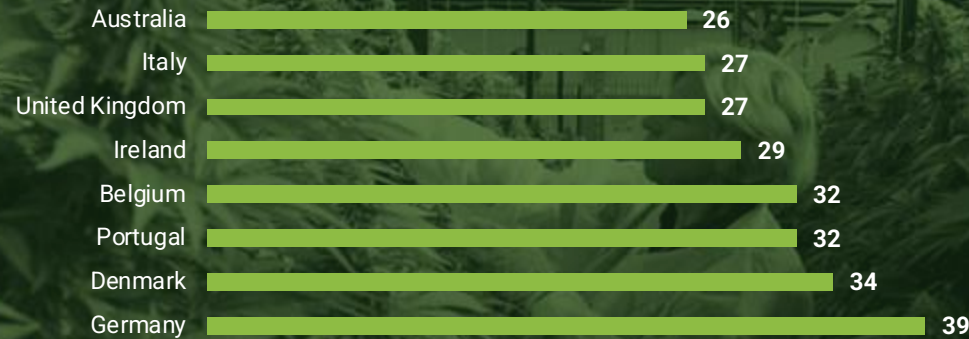
Statista 2022

Good, Better, Different!

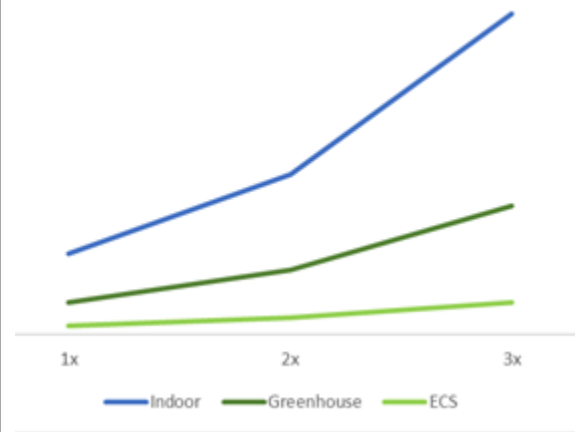


Avg Electricity Price (in U.S. cents per kWh)

Source
Global petrol price retail energy price data
<https://www.electricrate.com/data-center/electricity-prices-by-country/>



Schematic demonstrating Impact of Power Price Increases on Cultivation Methodologies



Proven established processes

Quality low-cost product
climate, soil, and genetics optimised
for grow conditions



ESG credentials

Cultural and gender diversity,
regenerative organic cultivation, solar
with low energy footprint



Low energy and fertiliser inputs

Buffers ECS against escalating prices
and supply outages



Exports growing rapidly

as regulatory approvals materialise



Balanced portfolio

Production of oils and flower
growing consistently

Low Cost Underpins Long Term Growth.



Low Cultivation Cost combined with euGMP
affords global and sustainable competitiveness.



Maturing
pharmaceutical
standards becoming
entrenched, GMP
licensed since 2020



Large outdoor
cultivation produces
flower and biomass
for oils production



Proven repeatable
process for
producing export
quality flower



Expansion provides
further economies
of scale



Cost effective
passive protected
cropping for
premium flower



Partnerships with large
Pharmaceutical
Companies locking in low
manufacturing costs

Sustainable Substantially Lower Energy Footprint.

ECS outdoor cultivation estimated to use 20 - 50 times less energy
when compared with greenhouse or indoor grows.

Reference (1); (2)



Regenerative, organic farming means lower fertiliser and soil amendments as soil regenerates and captures carbon.



Solar power used for the production facility.



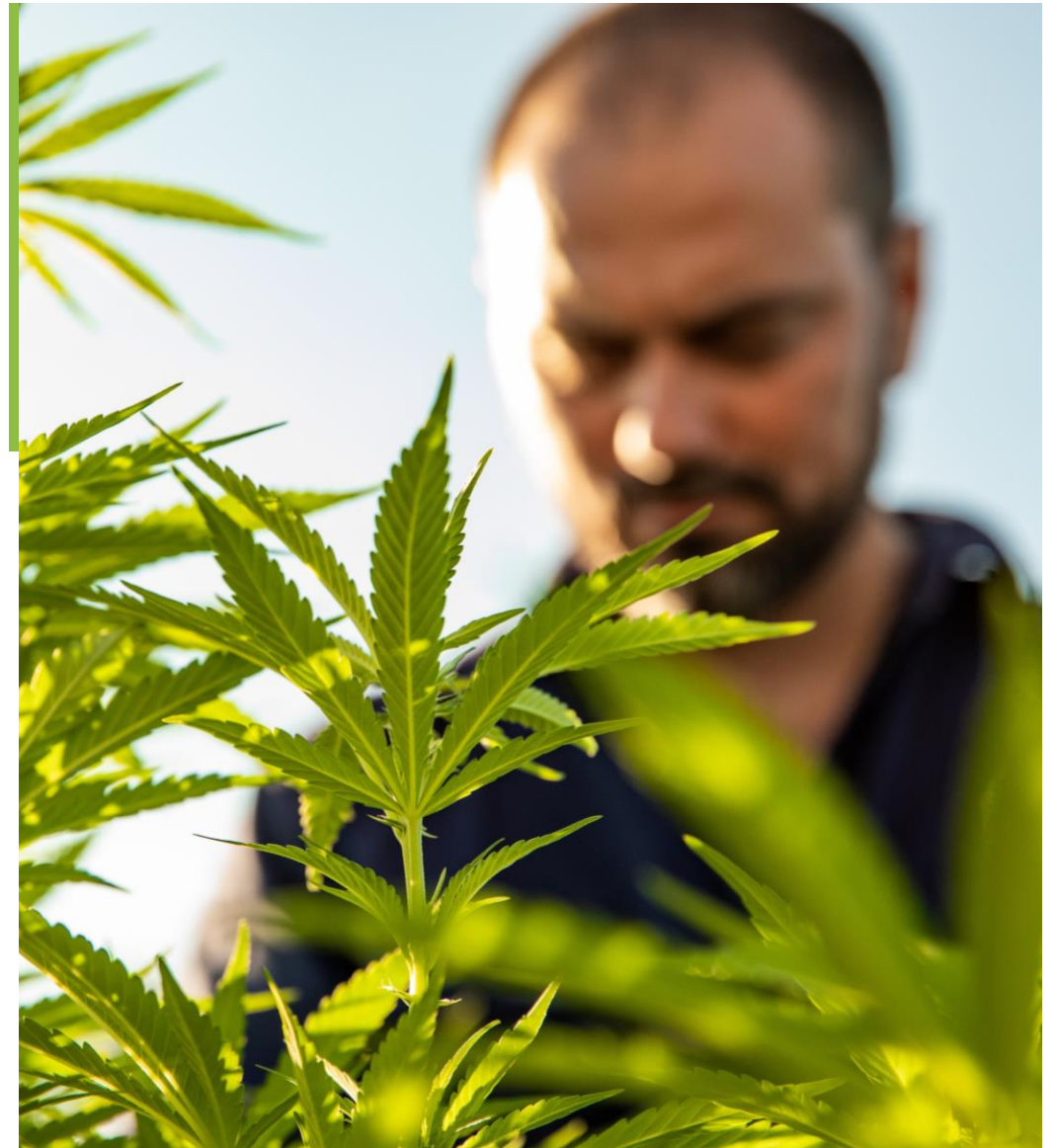
Location reduces energy required for Cannabis production due to high daylight intervals.



Buffered from rapidly increasing energy and fertiliser costs.

(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 and Scott Zeramby



Demand Drive

Demand Exceeds Current Capacity To Supply.

Demand for quality dry flower **exceeds ECS' current capacity to supply.**



Stage 3 – Expansion plan submitted to Office of Drug Control



New business development for flower restricted until new capacity is brought online.



Expansion of the cultivation site to include 15 new tunnels. Construction of first six is underway.

Based on current pricing each new tunnel is able to generate up to \$700k revenues/per annum



Current footprint 7 acres, expanding to 15 acres. Available land 170 acres.

Naturally Grown Cannabis Is A Herbal Medicine.

Entourage Effect

The therapeutic value of the flower comes from the whole plant and is much more than just THC and CBD.

By growing under the sun, organically in soil the flower benefits from the symbiotic relationship with the organisms in the soil.



More aromatics



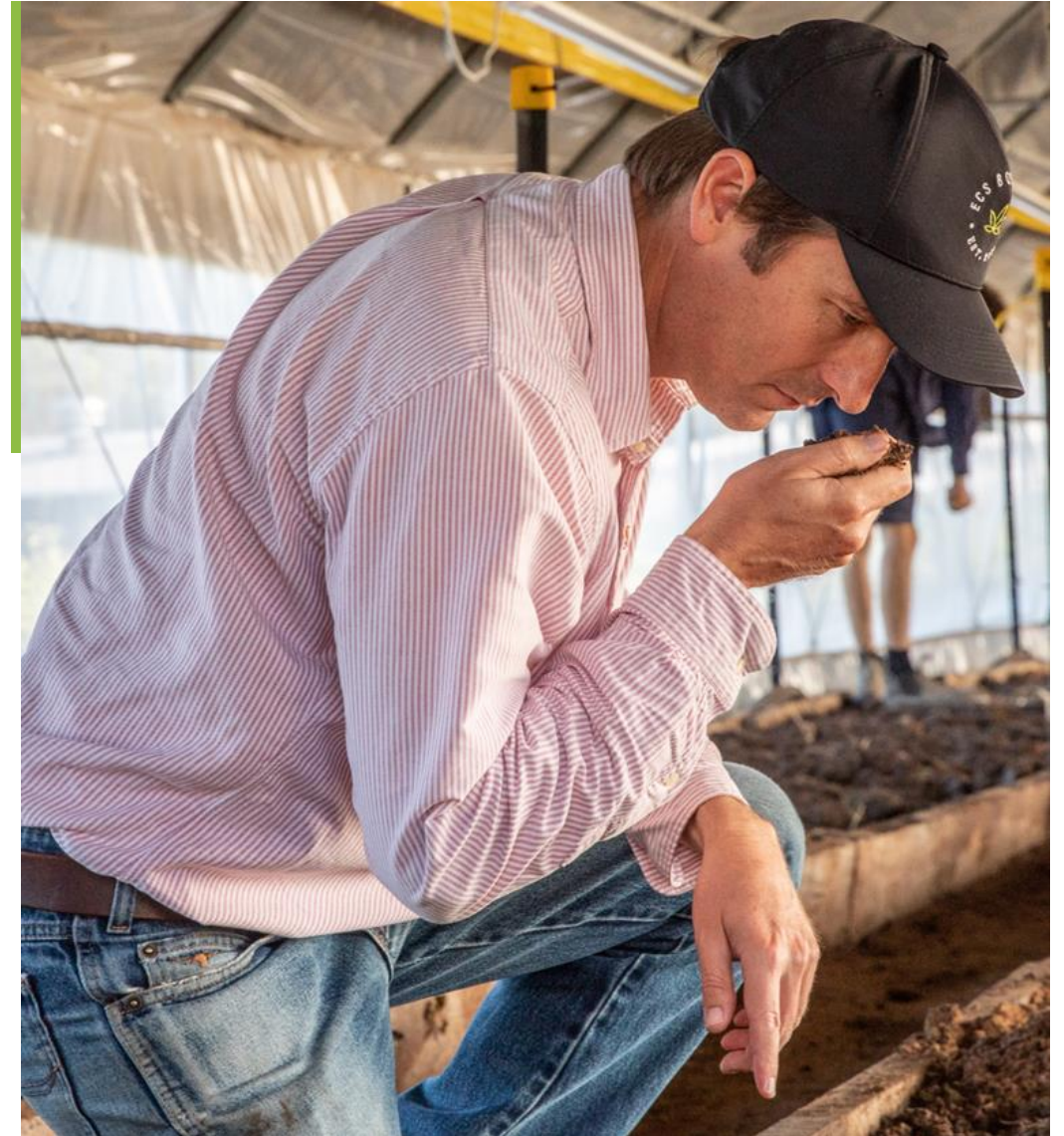
More secondary
metabolites



Lower microbiology bio
burden



Better defence against pests
and disease



Resilient B2B Customer Base Reduces Risk.

Multiple customers across multiple geographies

Australia/ New Zealand/ Europe

Over 20%

of flower sales are currently from export which is expected to grow to over 35% in FY23.



Product range includes flower and oils with new product development underway



Lowering cost base through expansion provides flexibility to absorb pricing pressure



Organic natural flower positions the company well to capture niche adult-use market locally and globally



Leadership Changes.



Board Of Directors



Jeremy King
Non-Executive
Chairman



Michael Nitsche
Non-Executive
Director



Nan-Maree Schoerie
Managing Director



Alexander Keach
Executive Director



Arthur Sun
Financial Controller

In Summary 5 Unique Value Propositions.

Simple.
Repeatable.
Expanding.

**Proven
low-cost model**
Sunlight, organic,
asset-light

01

Grown naturally
Terroir characteristics

04

Demand driven
Demand far exceeds
current capacity

03

Sustainable
20x lower energy costs
than greenhouse grow

02

Resilient
B2B domestic
and international

05

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