

ASX ANNOUNCEMENT
ECS Botanics Holdings Ltd (ASX:ECS)
21 June 2023



Business Update: Growth in Production and Sales

- **51% increase in 22/23 season production versus prior year**
- **Continued high volume sales growth with record sales of \$2.8m in May**
- **Commenced R&D trial to improve yields**
- **\$2m debt funding approved by National Australia Bank**
- **Multiple awards at the 2023 Cannabiz Awards**

ECS Botanics Holdings Ltd (ASX: ECS) ("ECS" or the "Company"), a leading medicinal cannabis company, is pleased to update the market on recent activities.

2022/2023 Season Update

Over the past 12 months ECS produced 4.25 tons of dried cannabis flower, all of which are scheduled to be sold into the medicinal market in Australia or overseas. This represents an increase of 51.5% when compared with the prior year.

This significant increase in production can be attributed to the successful implementation of six additional protective cropping enclosures (**PCE**), which are now fully effective. The Company now operates a total of 17 PCEs. Additionally, the existing outdoor fields also increased production, even allowing for a prolonged, wet spring which has affected outdoor yields.



Photo 1: The Company's new protective cropping enclosures in the foreground



Sales and Marketing

High Demand: ECS continues to experience sustained high demand for its medicinal cannabis oils and dried flower products. Sales for these products in May comprised a record \$2.8m (unaudited), 18% higher than any prior month in the Company's history.

In-house Brands: The RAP Med medicinal product range developed by the Company has been launched across various channels, and the Company is beginning to witness encouraging progress within the military veteran sector.

R&D Yield Trial

ECS are conducting a trial within one of its newly established PCEs to extend the growing season and production capacity utilising recently installed additional 75kW of solar photovoltaic light and heat.

This trial aims to assess the commercial and quality implications of incorporating supplemental lighting and heating, thereby enabling the addition of more crop cycles. If successful, this initiative will enhance labour and post-harvest processing asset utilisation, as well as increasing the flower supply for our valued customers. The trial will assist the Company in assessing the best use of capital as the business moves forward.

NAB Funding

The National Australia Bank (NAB) has approved expanding the Company's loan facility to \$2 million. In addition to the loan facility, NAB also provides asset financing services. The loan facility with NAB remains undrawn and has been established for the Company's financial flexibility.

Cannabiz Awards

At the inaugural Cannabiz Awards held on 8 June 2023, ECS secured multiple accolades, including the highly coveted titles of Best Place to Work, Cultivator or Manufacturer of the Year, and Business Leader of the Year.



Photo 2: Part of the ECS team at the Cannabiz Awards

Managing Director Nan-Maree Schoerie commented:

"As a business leader, there is no greater reward than being acknowledged as the Best Place to Work. At ECS, we have been fortunate enough to assemble an exceptional team of talented and passionate individuals. The fact that they genuinely enjoy working for ECS gives ECS a strong advantage as we strive to sustain our remarkable growth."

-ENDS-

About ECS Botanics Holdings Ltd

ECS Botanics Holdings Ltd is an Australian medicinal cannabis cultivator and manufacturer located in Northwest Victoria. ECS utilises progressive and innovative cultivation methodologies to produce quality medicine in a sustainable way, adopting regenerative and organic horticultural practices and renewable energy sources. Licenced by the Australian Therapeutic Goods Administration to manufacture GMP (equivalent to PIC/S, EU agencies are all PIC/S members) certified products, ECS has become a leading provider of high quality, affordable medicinal cannabis.

Authorised on behalf of ECS Botanics Holding Ltd by Nan-Maree Schoerie, Managing Director

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