



INVESTOR PRESENTATION

# ECS BotaniCS Holdings Ltd

A large-scale organic cultivator and  
manufacturer of medicinal cannabis

ASX : ECS

SEPTEMBER 2023

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# Corporate Overview And Key Metrics.



Market Cap  
**\$28m<sup>(1)</sup>**



Trading Revenue  
**\$15.4m<sup>(2)</sup>**  
191% increase vs PY



EBITDA  
**\$1.6m<sup>(2)</sup>**  
100% increase vs PY



NPAT  
**\$0.5m<sup>(2)</sup>**  
150% increase vs PY



ESG  
Regenerative Ag  
Solar Powered  
43% Female

Issued Capital ECS	
Fully Paid Ordinary Shares	1,106,730,667
Listed Options	112,000,068
Performance Rights	107,250,000

Directors and management hold 18.35% collectively of the shares on issue.

<sup>(1)</sup> Market Cap at 18 September 2023.

<sup>(2)</sup> Audited FY23 financial results.



# ECS Botanics

## Our History.

- ✓ Established in 2018 as an ASX-listed company with a Tasmanian based Food and Wellness business
- ✓ Acquired Murray Meds in March 2021, licensed in 2020
- ✓ Initial focus on extraction but quality of flower led to GMP flower production, in addition to oils
- ✓ GMP licensed manufacturer since June 2021
- ✓ Three TGA audits all A+
- ✓ 2022 divested other interests to focus on Victorian operations
- ✓ Achieved Positive EBITDA in FY23



# Strong Foundations.

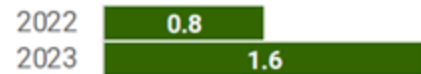
## Trading Revenue (\$m)

↑ **191%**



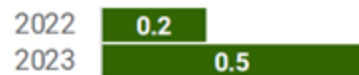
## EBITDA (\$m)

↑ **100%**



## NPBT (\$m)

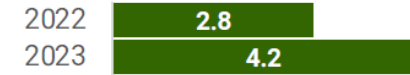
↑ **150%**



- Executed \$22m new off take agreements in Australia and Europe in FY23
- Secured 10-year license agreement for VESIsorb<sup>®</sup> creating a unique advantage for ECS oils
- Expanded GMP manufacturing facility to 800m<sup>2</sup> to accommodate additional production
- Licenced capacity expanded to 13 tonnes production

## Production (Tonnes)

↑ **51%**



## Licensed area (Acres)

↑ **114%**



## PCEs (Number)

↑ **55%**



# Medical Cannabis a Large and Growing Market.



Approximately 2.5% of Australians have already accessed medicinal cannabis

## Canada<sup>1</sup>

**\$20b**

Legal **Cannabis**  
Market Size

**38m**

Population

**\$526**

Spend  
per capita

**Mature**

Stage

## Australia<sup>2</sup>

**\$594m**

Legal **Med Cannabis**  
Market Size

**26m**

Population

**\$22**

Spend  
per capita

**Establishing**

Stage

## United States<sup>3</sup>

**\$28b**

Legal **Cannabis**  
Market Size

**330m**

Population

**\$84**

Spend  
per capita

**Establishing**

Stage

## Europe<sup>4</sup>

**\$8b**

Legal **Med Cannabis**  
Market Size

**743m**

Population

**\$11**

Spend  
per capita

**Emerging**

Stage

At \$100 per capita  
Australia would be

**\$2.6b**

Data in AUD from  
1. IBIS World (Canada) Sept 2023  
2. Statista Jul 2023  
3. Forbes Mar 2021  
4. Market Data Forecast Mar 2023

# Doctors Looking For Alternatives.

Opioids and Benzodiazepines not only cause deaths but also destroy lives.

6 Australians lose their life to overdose everyday

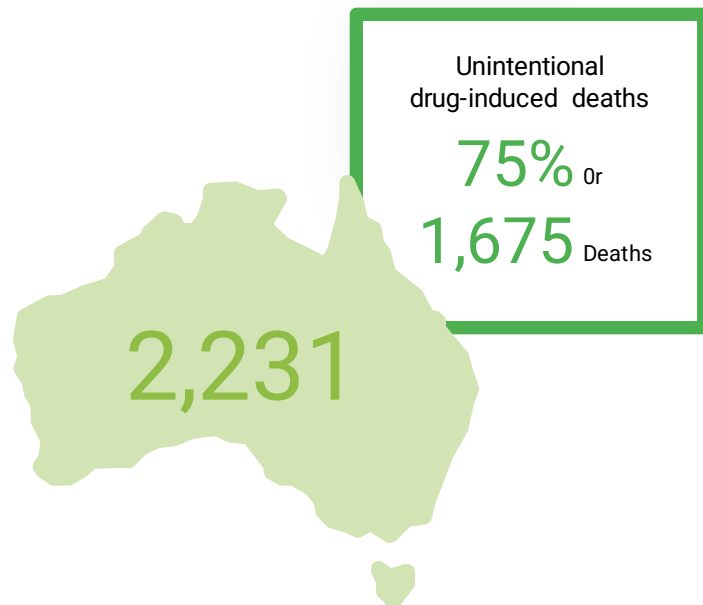
**THC and CBD is a safer option for treating pain and anxiety**

“ One of the world’s worst public health crises ”

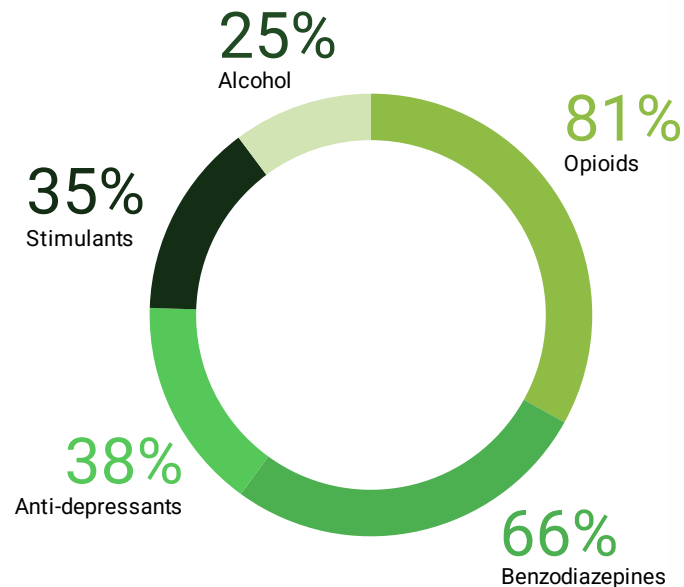
John Ryan Pennington  
Institute CEO

Extracted from Pennington Institute 2023  
Australia’s Annual Overdose Report

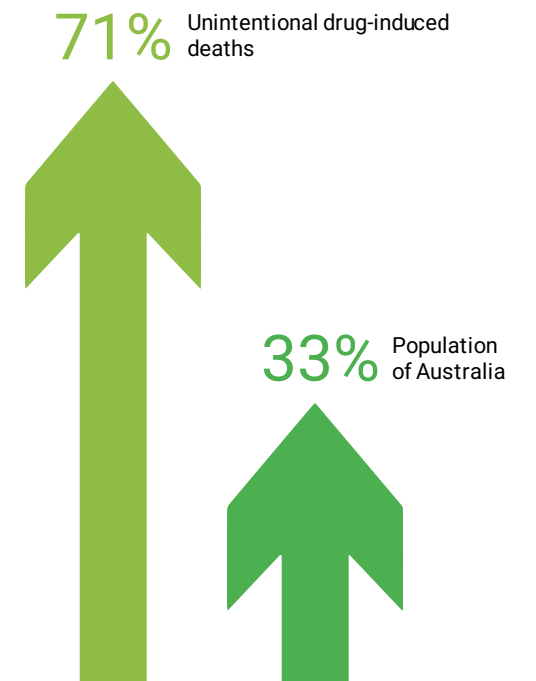
## Number of drug-induced deaths in Australia in 2021



## Drug types most commonly involved in poly-substance deaths from 2017–21



## Increase in unintentional drug-induced deaths compared with population growth from 2001–21



Extract from Pennington Institute Australia’s Annual Overdose Report 2023



# Strong Demand Outpaces Supply.



20% of Australian flower demand is supplied by local cultivation. Amendments effective July 2023 will make overseas supply more regulated.



Focus on yield and productivity before adding more Protective Cropping Enclosures (PCE).



In August 2022, the Office of Drug Control approved capacity expansion to ~13 tonnes.





# ECS model Profitable Operations.

## Ideal Location

Leveraging the sun and soil reducing energy and fertiliser costs

## Asset Lite

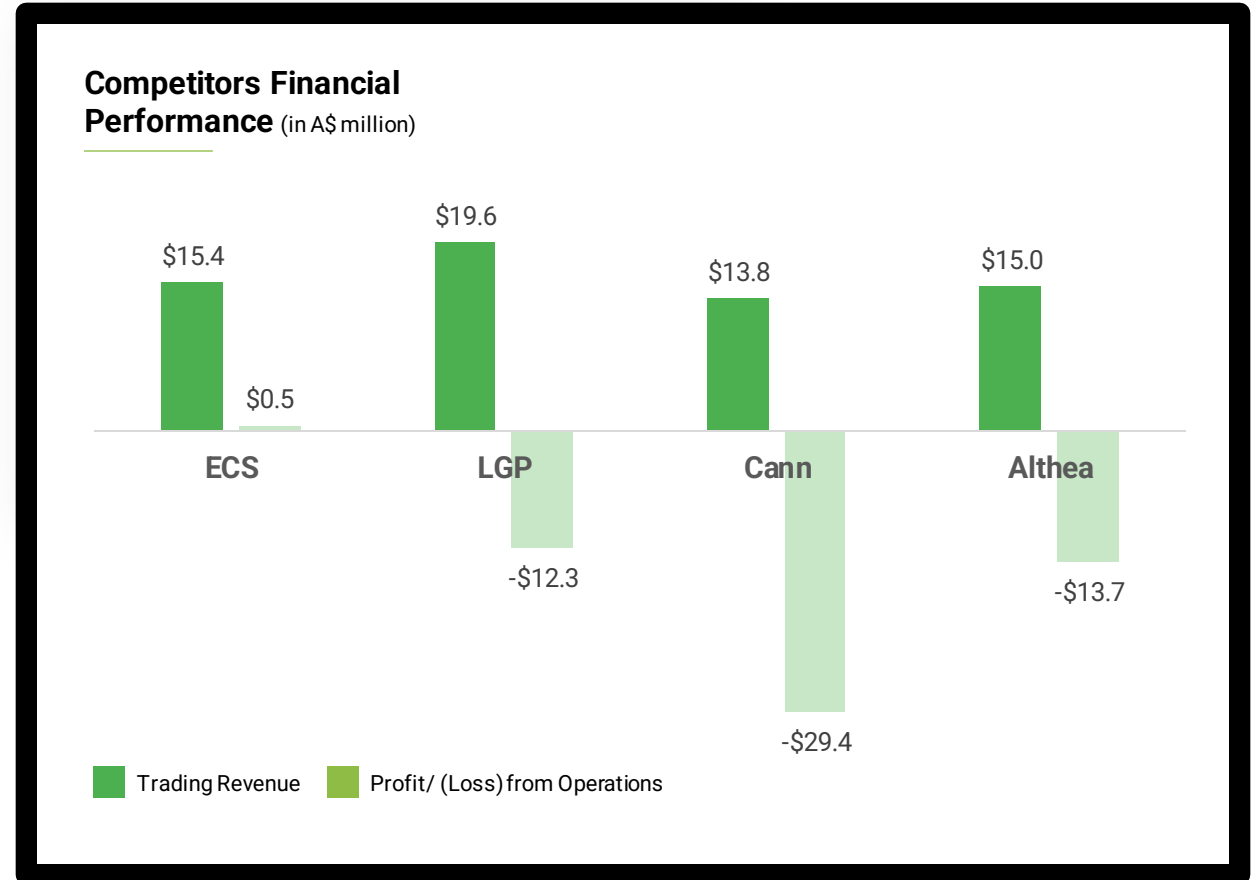
High Return on Capital Employed  
No debt to service

## Scale

Increased licenced area able to produce up to 13 tonnes and 800m<sup>2</sup> of GMP processing

## Low Overheads

ECS substantially lower than its peers



## Key FYE 23 Comparative Metrics

Althea Trading Revenue excludes AUD 9.87m adult use sales.

## Resilient B2B Customer Base Reduces Risk.

ECS supplies some of Australia's, New Zealand's and UK's largest cannabis clinic 'own brands'

New contracts commencing this calendar year:

### Koyi (Poland)

- ✓ Agreement for dried flower \$4.5m over 5 years

### Ilios Santé (Germany)

- ✓ Agreement minimum value of \$9.9m of GMP manufactured medicinal cannabis products over 3 years

### Entoura (Australia)

- ✓ Agreement to supply 3 strains valued \$10.2m over 3 years

### Precision Pharmaceuticals (Australia)

- ✓ Agreement to supply dried flower worth \$1.7m over 12 months

Australia | New Zealand | UK | Germany and Poland



# Creating Value Through Intellectual Property.



ECS Brand of AVANI VESIsorb® CBD Capsules Scheduled launch Q2 FY24

✓ VESIsorb® Oils

✓ Organic, Unirradiated Flower

✓ Genetics



German customers value organic unirradiated flower

In-house Genetics – more resilient, higher yields, unique



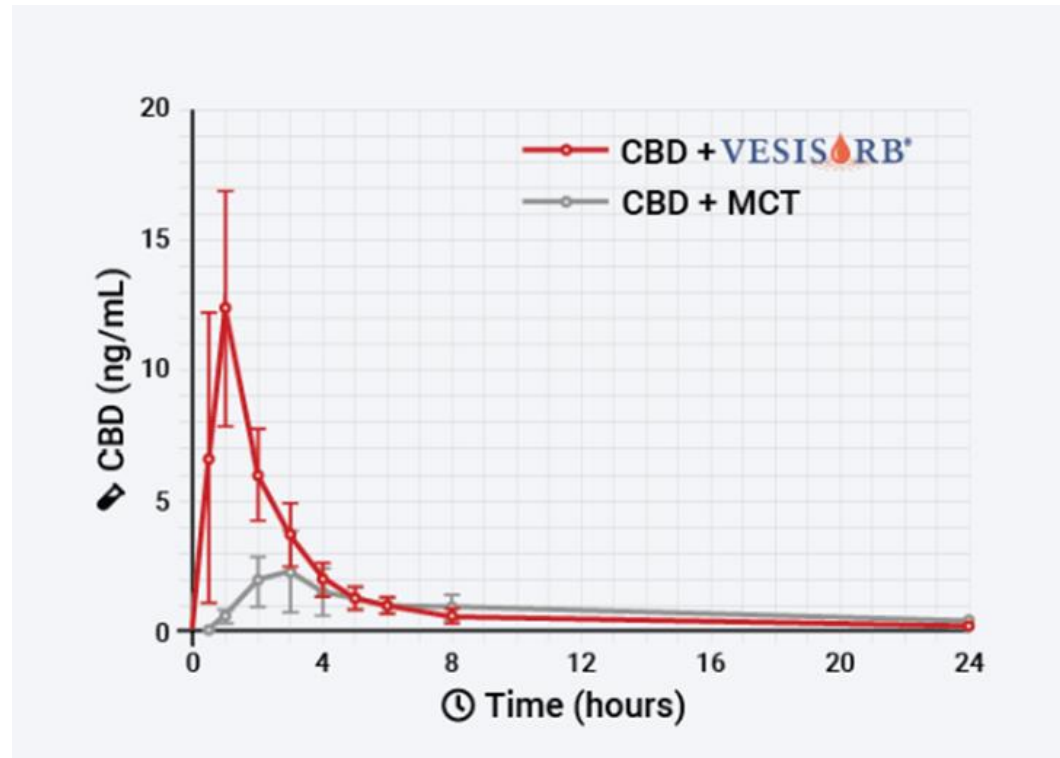
# The VESIsorb<sup>®</sup> Difference.

Scientific evaluation of VESIsorb<sup>®</sup> as a delivery system confirms the:

- ✓ Concentration-time profile is improved by almost two times;
- ✓ Absorption is over four times better; and
- ✓ Time to act is three times faster than current methods on the market.

ECS has 10-year licence agreement to use VESIsorb<sup>®</sup> in Cannabis exclusively in Aus, NZ, UK

- Q2 FY24 launch VESIsorb<sup>®</sup> CBD capsules
- Q3/4 FY24 launch VESIsorb<sup>®</sup> in oil formulations



Journal: Molecules, 2019 Volume: 24 Number: 2967

*“Natural products utilizing VESIsorb<sup>®</sup> sets the benchmark for delivering superior absorption and blood plasma levels.”*

Dr. Barry Ritz Nestlé Health Science



**CH**

Clinically Proven,  
Swiss Precision

# The Genetic Difference.



ECS has in-house expertise in Cannabis genetics.



Focus is on strain development best suited to ECS environment high yields, high terpenes, mould resistant.



Equipping facility to breed our own genetics.





# The Organic Difference.



NASAA Organic  
Certification Number  
30046



ECS has been recently certified as an Organic Producer



There are no other certified organic growers in Australia



Soil grown flower produces more minor metabolites such as terpenes and minor cannabinoids



# Low Cost Ongoing Margin Improvement.



SunPharma resin extraction will reduce extraction costs by 50%.



Partnership with Steritech to reduce packaging costs.



R&D trial demonstrating higher yields and longer season (sweating assets).



Introducing mechanical processes and processing IP to improve flower quality and reduce costs.



Expanded cultivation reduces cost/g.



Own brand RAP Med<sup>®</sup> and Avani VESIsorb<sup>®</sup> Capsules.





# ESG



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



Strong Community engagement. Sponsorship of local sports.  
RAP med veteran's brand



Discounted products for military veterans.



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



Solar power used for the production facility.



Gender, age and cultural diversity.



# Forward-Looking Building on Strong Momentum.

Clear strategy to  
differentiate through  
innovation and technology  
and build on contract wins

## Increase Revenue

\$22m in new  
contracts  
Organic Flower

01

## Improve Productivity

Heating and Lights  
Higher yields, more  
consistent flower

04

## Intellectual Property

VESIsorb® oils  
Technology  
Genetics

03

## Increase Margin

SunPharma extraction  
RAP Med veteran's  
brand  
Vesisorb®

02

## Low Cost

Increased scale and  
mechanisation  
Increased yields

05



# ECS Board.



**Jeremy King**

Non-Executive Chairman



**Michael Nitsche**

Non-Executive Director



**Nan-Maree Schoerie**

Managing Director



**Alexander Keach**

Non- Executive Director



**Arthur Sun**

Chief Financial Officer



ECS BOTANICS HOLDINGS LTD

# Contact Us



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