

ECS Botanics Holdings Ltd (ASX:ECS)



ASX Announcement

1 February 2024

ECS Botanics secures \$9 million offtake agreement with UK-based Rokshaw Ltd for supply of medicinal cannabis

- **Binding agreement secured with Rokshaw Ltd to supply \$9.3 million of medicinal cannabis dried flower over three years**
- **Supply will commence this financial year with a minimum order volume of 600kg per annum**
- **ECS grants Rokshaw UK market exclusivity of three strains of GMP medicinal cannabis dried flower**
- **Highlights strong demand for ECS' premium dried flower, showcasing benefits of recent capacity upgrades**
- **Initial shipment of Australia's first GMP-certified, tetrahydrocannabinol (THC) pastilles or "gummies" nears full allocation, following launch last November**

ECS Botanics Holdings Ltd (ASX: ECS) ("ECS" or the "Company"), a leading medicinal cannabis company, advises that it has entered into a binding offtake agreement to supply medicinal cannabis dried flower over the next three years to Rokshaw Limited ("Rokshaw"). Under the three-year agreement, ECS will supply minimum 600kg of pharmaceutical-grade cannabis dried flower each year, which is expected to generate \$9.3 million in revenue for ECS, beginning during this growing season.

The agreement follows recent offtake agreements with MediCann Health in October 2023 (3 October, 2023) and Entoura and Precision Pharmaceuticals (26 June 2023), highlighting the positive outcomes stemming from recent capacity and production enhancements. The recent expansion of cultivation areas, increase in licensed production by the Office of Drug Control and discoveries from ECS' latest R&D projects have all enabled ECS to continue to win substantial offtake contracts such as this agreement.

Rokshaw are part of New York headquartered and Canadian listed Curaleaf International, the biggest cannabis company in the world, and are a leading distributor of a range of flower and oils in the United Kingdom.

As well as providing a range of medical cannabis products, Rokshaw works with a number of high-quality partners who share the same vision of widening access to patients in the UK.

Commenting on the agreement, ECS Managing Director, Nan-Maree Schoerie said:

"We are excited to begin our commercial relationship with Rokshaw, which will see ECS deliver at least 600kg annually and achieve \$9.3 million in revenue, marking another substantial milestone with a new international customer."



"This new contract builds upon our UK business and our existing international customer base, showcasing the export demand of our competitively priced EU-GMP certified, pharmaceutical-grade cannabis. We have executed offtake agreements worth \$60 million in the past 18 months reaffirming the quality and reliability of our products, positioning us as a trusted supplier in the global medicinal cannabis market.

We are well positioned to meet the increasing demand and fulfill orders efficiently. This is attributed to the recent expansion of our cultivation areas and yield improvements from our R&D initiatives, both playing a key role in enabling us to significantly boost production."

Rokshaw Managing Director, Richard Hodgson, also commented:

"We are delighted to announce our partnership with ECS Botanic, to continue providing their high-quality EU-GMP product in the UK market and expand our total range available for private prescription.

This partnership with a premium producer of EU-GMP medical cannabis again shows our commitment towards widening access in the UK, with competitively priced products with a variety of strain profiles and dosage forms. Our best-in-class distribution service ensures that specialist prescribers can prescribe with confidence to ensure a sustainable treatment plan for their patients. ECS stood-out as a producer that we really wanted to work with, so we are extremely excited that we have been able to make this happen, and we look forward to seeing how our partnership develops."

Additional terms of the Offtake Agreement

Should Rokshaw not purchase agreed minimum volumes, it will be liable for 80% of such volumes not purchased in any calendar year. Termination of, or changes to, the offtake agreement requires mutual agreement.

White labelled pastilles trading update

ECS has experienced strong customer demand for its GMP-certified, tetrahydrocannabinol (THC) pastilles through client Entoura, following the launch of pastilles announced in November 2023.

The THC based pastilles are the first GMP manufactured pastilles available to Australian medicinal cannabis consumers, with the swift allocation of the initial shipment demonstrating high demand for additional dosage forms.

ECS' pastilles are sugar-free and plant-based, using pectin rather than gelatine, which is better suited to the hot Australian climate and caters to a larger portion of Australian consumers.

Entoura Managing Director, Daniel Brighthope commented:

"The pastilles are an example of Entoura's commitment to understanding and fulfilling our patients' needs. We are appreciative of our relationship with ECS, who help deliver timely and relevant solutions to the Australian market."

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



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About ECS Botanic Holdings Ltd

ECS Botanic 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.

For further information, please contact: info@ecs-botanics.com