



C O R P O R A T E P R E S E N T A T I O N

ECS Botany Holdings Ltd

A leading organic cultivator and
manufacturer of medicinal cannabis

ASX : ECS

ASX Small – Mid Cap Conference
25 September 2024

Capital Structure

Market capitalisation

A\$20.6m

As at 18 Sep 2024

Share price

\$0.018

As at 18 Sep 2024
52 week high \$0.031, low \$0.013

Board & Management ownership

9.2%

As at 18 Sep 2024

Top 20 ownership

35.9%

As at 18 Sep 2024

Shares on issue

1.29b

As at 18 Sep 2024

Listed options (ECSO)

40m

As at 18 Sep 2024



ASX Share price performance (\$A) YTD as at 18 Sep 2024



Corporate History

Rapidly Growing, Profitable Medicinal Cannabis Cultivator.

- ✓ 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 good manufacturing practice (GMP) flower production, in addition to oils
- ✓ GMP licensed manufacturer since June 2021
- ✓ 2022 divested other interests to focus on Victorian operations
- ✓ Asset light low-cost production model able to produce quality medicinal cannabis products and also cater for budget brands
- ✓ 2024 –Certified Organic by The National Association for Sustainable Agriculture Australia (NASAA)
- ✓ Recently launched Avani premium Australian flower brand and Terphogz



Corporate Highlights

Expanding Production

- Ideally located in NW Victoria
- Licensed to produce 13 tonnes
- TGA/GMP Pharmaceutical Grade Manufacturing facilities
- Ability to expand

Production in tonnes



Diversified Sales

- Diversified white label and own brand
- Export forecast to be 32% of sales in FY25
- Flower, oils, vapes and gummies
- New products planned

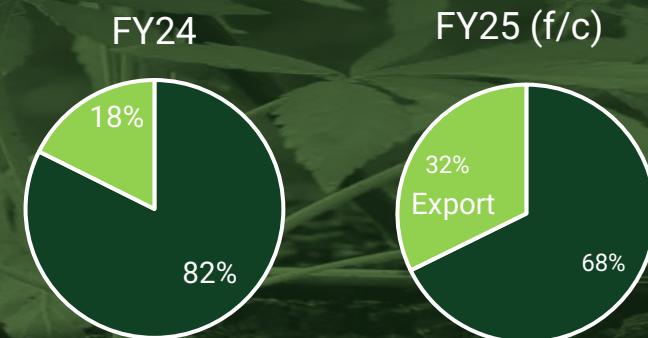
Revenue and COGS



Strong Financials

- Revenue up 31% on pcp to \$20.5m
- Gross Margin up 17 pts to 35%
- EBITDA up 140% on pcp to \$3.3m
- \$3.2 million cash as at 30 June 2024, with access to debt funding

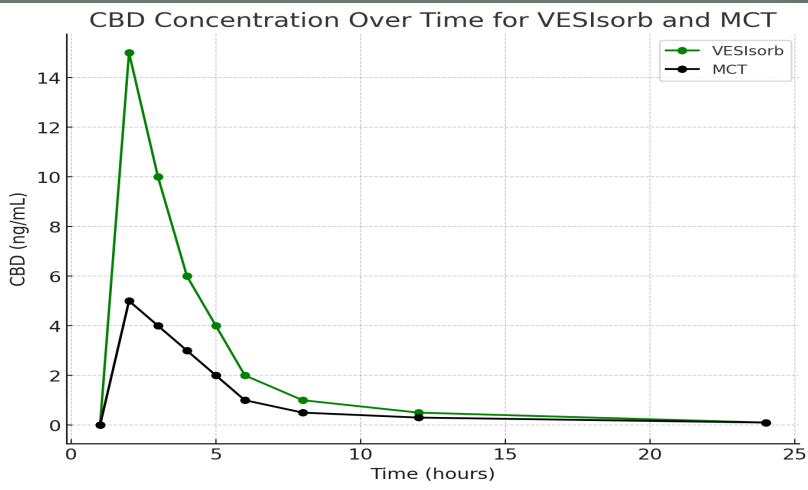
Export vs Domestic Sales



Corporate Highlights

Innovative

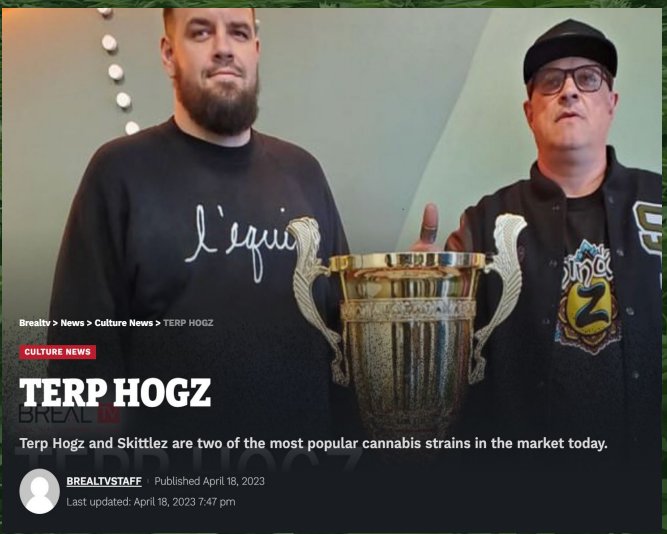
- VESIsorb high bioavailability excipient licensed for 10 years launching in Q2 FY25
- Terphogz licensed for 8 years launching in January 2025
- In house genetics development



Journal: Molecules, 2019 Volume: 24 Number: 2967

Sustainability and Governance

- Certified Organic
- Sun and Soil grown
- Renewable energy
- 43% female
- Awarded ESG Award at 2024 Cannabiz Awards



Low-cost production leadership

- Harnessing both protective cropping and outdoor production
- Regenerative & organic horticultural practices
- Renewable energy sources
- Industry-leading leadership team



The Addressable Market

Cannabis market globally is still in an emerging phase with strong growth potential.

Australia²

\$594m	26m	\$22	Establishing
Legal Med Cannabis Market Size	Population	Spend per capita	Stage

Canada¹

\$20b	38m	\$526	Mature
Legal Cannabis Market Size	Population	Spend per capita	Stage

United States³

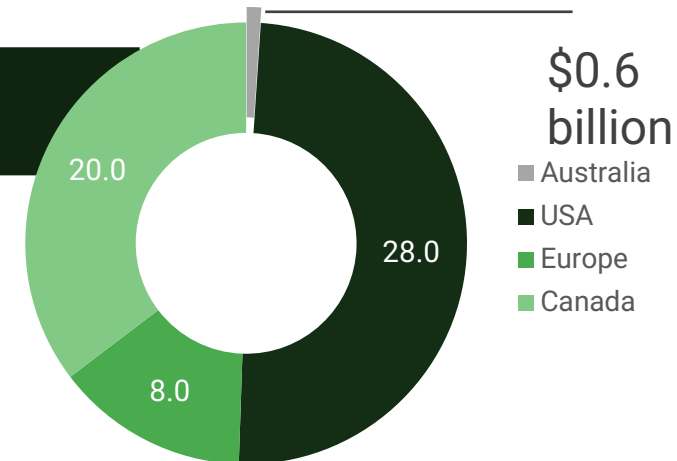
\$28b	330m	\$84	Establishing
Legal Cannabis Market Size	Population	Spend per capita	Stage

Europe⁴

\$8b	743m	\$11	Emerging
Legal Med Cannabis Market Size	Population	Spend per capita	Stage

2023 MEDICAL CANNABIS MARKET

(\$USD Billions)



FORECASTS

2030

MEDICAL CANNABIS MARKET

\$65.9B

(CAGR 22%)
Estimated global medical cannabis market growth rate

- Australian Medical Cannabis market is anticipated to reach **A\$696 million in 2024** with an annual growth of **20.4%** → **A\$1.2 billion by 2028**.
- ECS' target market is Medical ANZ and Europe, estimated to be **\$8-10b**
- US market projected to be **US\$39 billion in 2041**

Data in AUD from

1. IBIS World (Canada) Sept 2023
3. Forbes Mar 2021

2. Statista Jul 2023
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 ”

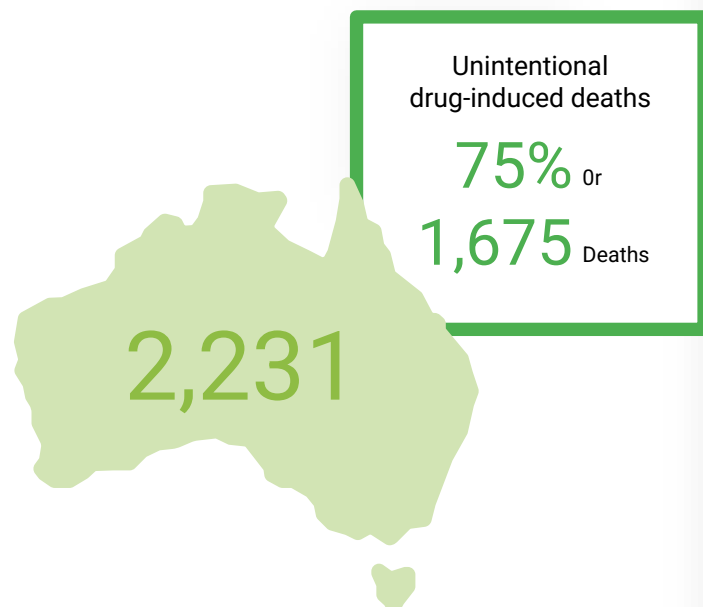
John Ryan Pennington

Institute CEO

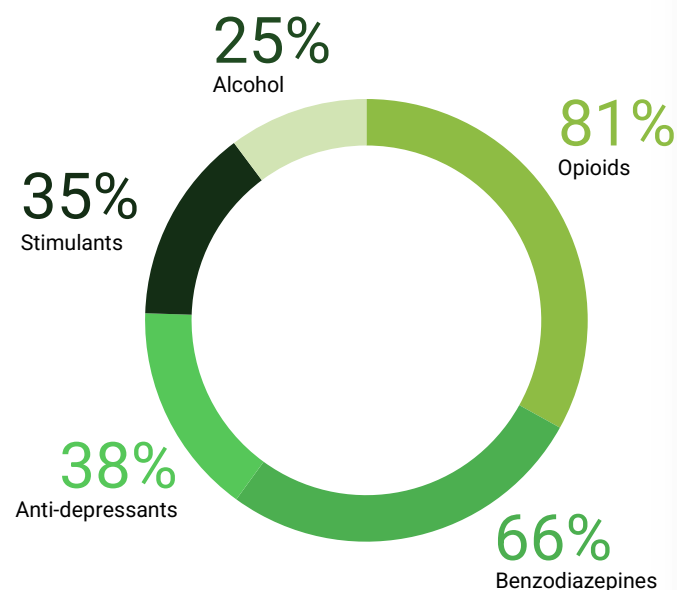
Extracted from Penington Institute 2023

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



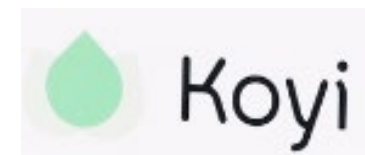
Increase in unintentional drug-induced deaths compared with population growth from 2001–21



Partnering with the Best

Successful expansion into exports.

- Agreements in place with customers across the globe
- Customers include global brands like Ilios Santé (Germany), Curaleaf (UK), Koyi (Poland), and Nubu (NZ)
- European customers typically take bulk unpacked flower, lower price but higher margins
- Opportunity with Terphogz to substantially increase exports further



Partnering with the Best Terphogz™.

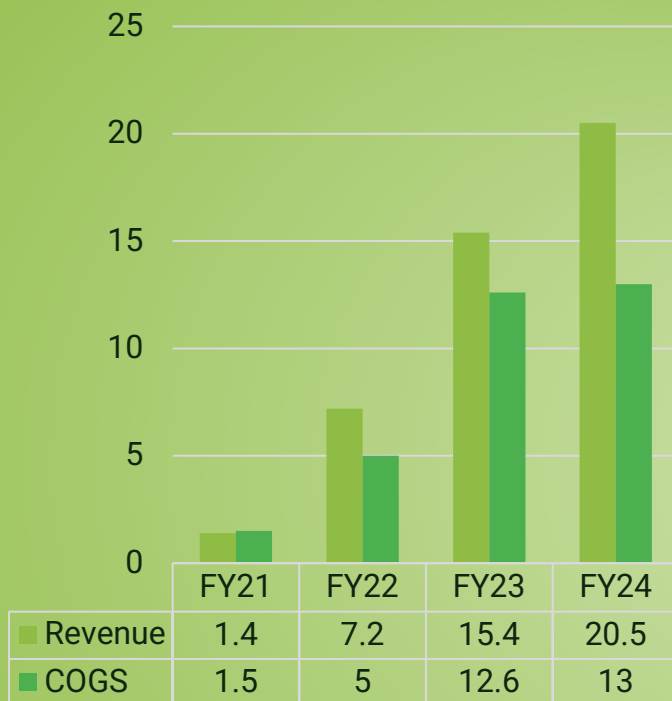
- ECS will manufacture and supply under exclusive eight-year license, a range of Terphogz products for distribution in Germany, Australia and New Zealand
- Terphogz range - including Zkittlez™ (The Original Z) to launch in Germany under a B2B model and in Australia through a B2C model
- Terphogz products are marketed as a premium product
- Agreement provides for Terphogz to undertake product marketing



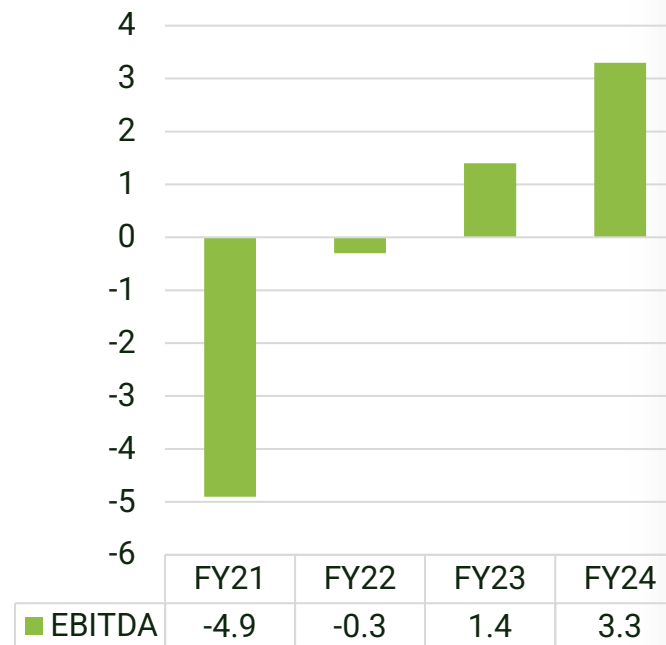
Track Record of Financial Performance

Scaling revenue and earnings. Strong balance sheet.

Revenue vs COGS



EBITDA



BALANCE SHEET

	30-Jun-24	30-Jun-23
Cash	3.2	2.5
Total Assets	32.9	26.1
Current financial liabilities	(3.9)	(3.7)
Total liabilities	(4.7)	(3.9)
Net assets	28.2	22.2

\$3.2m | Cash as at 30 June 24

Figures in AUD in millions (\$) unless stated otherwise.

ECS Model

Profitable Operations.

Ideal Location

Leveraging the sun and soil reducing energy and fertiliser costs

Asset Lite

High return on capital employed

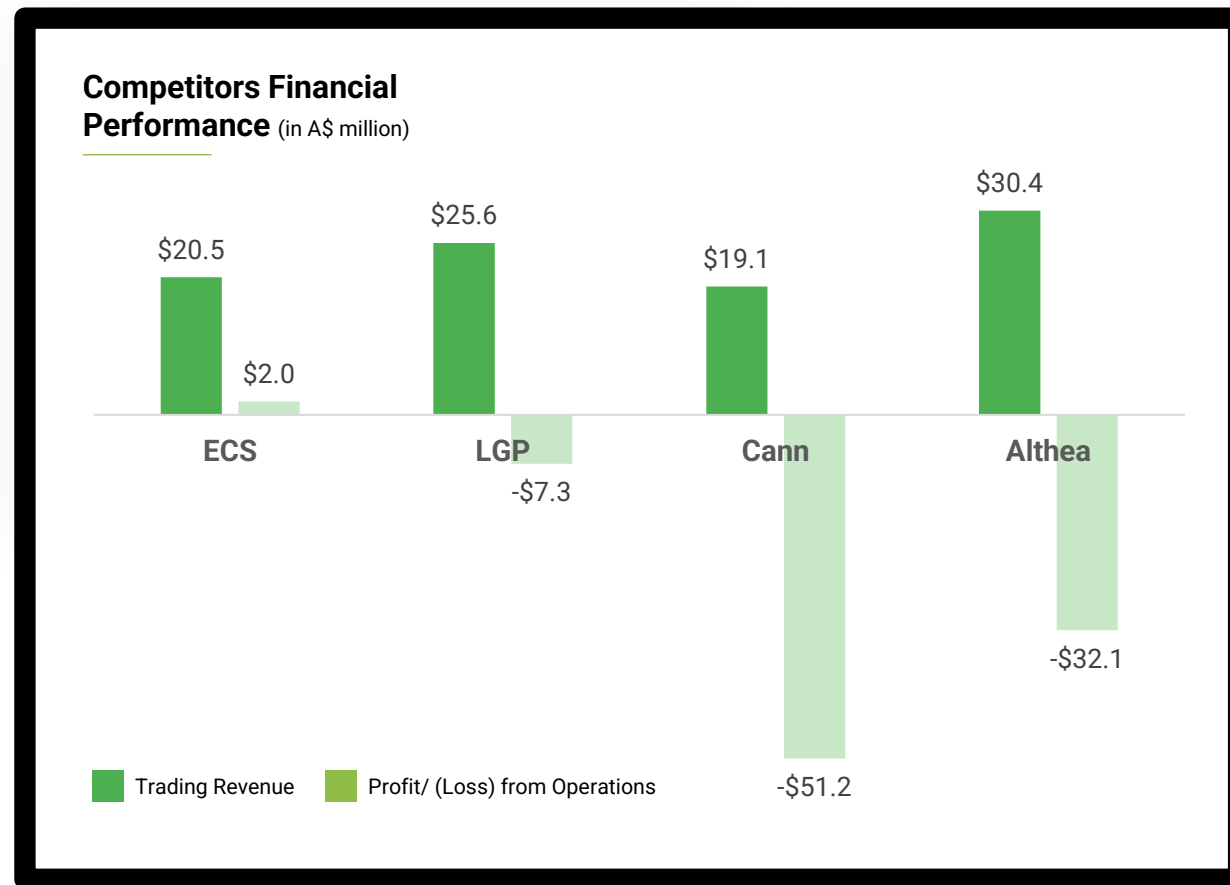
Scale

Increased licenced area able to produce up to 13 tonnes and 800m² of GMP processing

Financial Discipline

Track record of cost control and minimising corporate overheads

Key FY24 Comparative Metrics



Strategic Roadmap

Delivering on a Clear Strategy to Drive Value.

2018-2020 → 2021-2023 → 2024-2026 → 2027-2029

Developing Capability and Confidence

- ✓ Established in 2018
- ✓ ODC Licenced in 2019
- ✓ TGA Licenced in 2020
- ✓ First Cultivation 2020

Focused, Expanding and Growing Revenue

- ✓ Acquired Murray Meds
- ✓ Exporting to NZ and UK
- ✓ Focussed Victoria operations
- ✓ Organic certification
- ✓ Added 12 Greenhouses
- ✓ Positive EBITDA
- ✓ >A\$50m in sales contracts
- ✓ Established an expert team
- ✓ >4 tonnes production

Drive Profitability, Innovation and Expansion

- Add 9 more greenhouses and light/heating for all year growing capability
- Scale to >13 tonnes production in line with licensed capacity
- Scale exports into existing and new markets to be >30% of Revenue
- Launch and build Avani B2C brand
- Leverage IP with VESIsorb® and Genetics through Avani brand
- Largest Australian exporter of flower
- Partner with leading US Cannabis Company to get global scale alongside ECS b2B model

Leading Australian Medicinal Cannabis Company and largest exporter

- Exporting to Asia and North America
- Exports >60% of Revenues
- Avani recognised as the leading brand in multiple markets
- ARTG listing for Avani Rapid medicinal cannabis capsules
- Carbon Neutral
- Organic Investment in expansion
- Most profitable Australian Cannabis Company

The Cultivation Advantage

Location and Assets



- Situated on the Murray River, in Northwest Victoria
- Abundant sunshine and water, adopting regenerative and Certified Organic horticultural practices and renewable energy sources
- Enclosures (PCE's) with relatively low energy costs
- 17 PCEs in place as at 30 June 2024 with 15 acres of licensed growing area

Production Profile

- 9 New PCEs being constructed, increasing production capacity by 3.6T
- Additional heating and lighting in 6 existing PCE's will produce a further 1.2T
- Improvements in genetics will increase yields by 20%
- Record harvest of 6.6T for FY24, up 57% on pcp due to expanded outdoor grow

Production (tonnes)¹



1. FY25 and FY26 is forecast data

Building out B2C offering Quality Team & Product Range.

- B2C model based on selling the advantages of ECS products to prescribers/general practitioners
- ECS Botany product range now includes Oils, Dried Flower, Vapes, Gummies, Soft Gel Capsules, VESISORB®
- ECS secured its first B2C medicinal cannabis contract under the 'RAP' brand in May 2024 with a minimum annual value of \$380,000
- Appointed Medical Advisory Board
- Additional 4 headcount including new GM Commercial and GM Supply Chain & Customer Service



VESISORB®

"Natural products utilizing VESISORB® sets the benchmark for delivering superior absorption and blood plasma levels"

Dr. Barry Ritz - Nestlé Health Science

Investment Highlights

Scaling revenue

- Contracted ~ A\$60m in 24 months, with further expansion required to meet market demand
- Expand GMP manufacturing facility to process volumes
- Constructing 9 new PCE's to meet licensed production capacity (bringing total PCEs to 26)
- On track to expand production to 13 tonnes by FY26

Improving productivity

- Heating and Lighting for year-round growth
- Recent successful R&D project leads to investment in additional heating and lighting in 4 PCEs
- First stage will increase yield by 100% in these PCE's as a result of year-round cultivation
- Infrastructure to increase production by over 200%

Profitable operations

- Proven business that is generating cash and profit
- Low-cost operating model
- Increased scale and yields will drive profits
- Vertical integration and 'own brand' to expand margins
- Supply chain expansion via formulating and bottling facility to further enhance margins

Developing unique IP

- Successful launch of B2C brand (AVANI) - Key to building brand equity
- Launch of VESIsorb® oils technology; Scientific of VESIsorb® confirms over four times faster and better absorption than that currently available on the market under 10 year licence agreement
- Dedicated in-house breeding facility focused on developing high-yield, high-terpene strains suited to ECS' environment
- Launching Terphogz premium range of products under an 8- year license agreement

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APPENDICES



ESG

Credentials.



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



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



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



Solar power used for the production facility.



Discounted products for military veterans.



Gender, age and cultural diversity.



ECS Board and Leadership.



Jeremy King

Non-Executive Chairman

Mr. King is a seasoned corporate lawyer and adviser with over 20 years of experience in legal, financial, and corporate matters globally. He leads a boutique advisory and compliance firm, specializing in strategic advice and legal issue management. He has also held directorships in C29 Metals Ltd, Smart Parking Ltd, Redcastle Resources Ltd, and Sultan Resources Ltd.



Nan-Maree Schoerie

Managing Director

Nan has held Australian business leader positions of large organisations such as GE, ThermoFisher and Ventia, where she delivered strong bottom- and top-line growth across different geographies and industries. Nan founded Murray Meds prior to being acquired by ECS in March 2021. When acquired, Murray Meds was one of the largest and most advanced EU GMP compliant medicinal cannabis companies in Australia.



Michael Nitsche

Non-Executive Director

Michael is the founder and Executive Director of ARQ Capital, a boutique corporate advisory firm based in Perth. He has extensive experience in equity capital markets, particularly advising on deal structuring for IPO's, equity capital raisings, mergers, and acquisitions. Michael has held directorships that span public and private boards across multiple market sectors.



Dr Rachel Swift

Non-Executive Director

With nearly 20 years of experience in healthcare, Dr Swift brings a proven track record in leading strategic transformation and driving innovation across public health, digital health, and medical research. She has held senior roles at The Boston Consulting Group and serves on several boards, including the University of Melbourne's Innovation & Enterprise Advisory Board and GPEx. Dr Swift is also a Fellow of the Royal Society of Public Health and a Certified Health Executive.



Arthur Sun

Chief Financial Officer

Arthur is a full member of the CPA with over 20 years of progressive experience in accounting, finance, corporate governance, and risk management. Arthur has worked extensively within the manufacturing, fabrication, engineering services, mining services, agriculture & dairy, import and export industries.



Nicholas Thomas

Chief Operating Officer

Nicholas Thomas has 25 years of operational leadership experience in the Australian agricultural and horticultural sectors. He has worked with leading organisations such as Costa Group and Perfection Fresh, where he focused on farm management, supply chain optimisation, and sustainability.

ECS Medical Advisory Board.



Dr Charlotte Middleton

Dr. Middleton is an integrative GP with 25 years of experience, specialising in women's health, autoimmune diseases, mental health, and preventive medicine. She combines complementary therapies with conventional care to enhance patient outcomes. With nine years of leadership in health tech, she has overseen digital health products. A recognised speaker and educator, she recently launched Nexus Integrative Medicine, focusing on the benefits of integrative care.



Dr Natasha Feingold

Dr. Feingold is a GP at Her Medical in Southport and consults via telehealth for Bourke Street Clinic in Sydney. She specialises in mental health, women's health, chronic disease, and sexual health, while also lecturing at the University of Notre Dame. An RACGP fellowship examiner and advocate for junior doctors, she facilitates GP webinars, holds postgraduate degrees from the University of Sydney, and conducts research and advisory work in general practice and for pharmaceutical companies.



Dr Chris Schneider

Dr. Schneider is a gastroenterologist and hepatologist, currently a Gastroenterology Consultant at Eastern Health. He has integrated medicinal cannabis into his practice for over eight years and is leading the CALM-GUT trial, the world's largest IBS study. He completed his MD at the University of Ottawa and trained at the Royal Melbourne Hospital. Formerly an Associate Professor at the University of Manitoba, he introduced Manitoba's first fecal transplant and continues to drive innovation in gastrointestinal care.



Dr Rupert Backhouse

Dr. Backhouse is a GP in Mandurah, WA, with over 30 years of experience, specialising in complex mental, physical, and social issues. A cannabis prescriber for over five years, he has witnessed its benefits for patients struggling with symptom relief. He also has a strong background in addiction treatment and is aware of the potential harms of cannabis. Rupert advocates for the safe and sensible use of cannabis as medicine, emphasising a balanced approach to patient care.



Dr Justin Welsh

Dr. Welsh is a medical practitioner and advocate for disease prevention through health promotion and lifestyle strategies. After overcoming a severe head injury from a 1994 car accident, he graduated from Monash University in 1998. In 2017, he became one of Australia's first doctors authorised to prescribe medicinal cannabis. His business, DrJustinWelsh.com.au, launched in 2023, quickly became a leading medicinal cannabis prescriber, issuing over 4,000 prescriptions in the first half of 2024.



Dr Phil Burrell

Dr. Burrell is a founding partner at The Lockyer Doctors, with 40 years of experience treating multiple generations of families. He specialises in geriatric medicine, pediatrics, and minor surgery, and now focuses on the benefits of medicinal cannabis for his diverse patient demographic. His career as a Specialist GP allows him to assess management regimes and explore alternative pathways for patient care.

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