



OCTOBER 2019 INVESTOR PRESENTATION

ASX:ECS

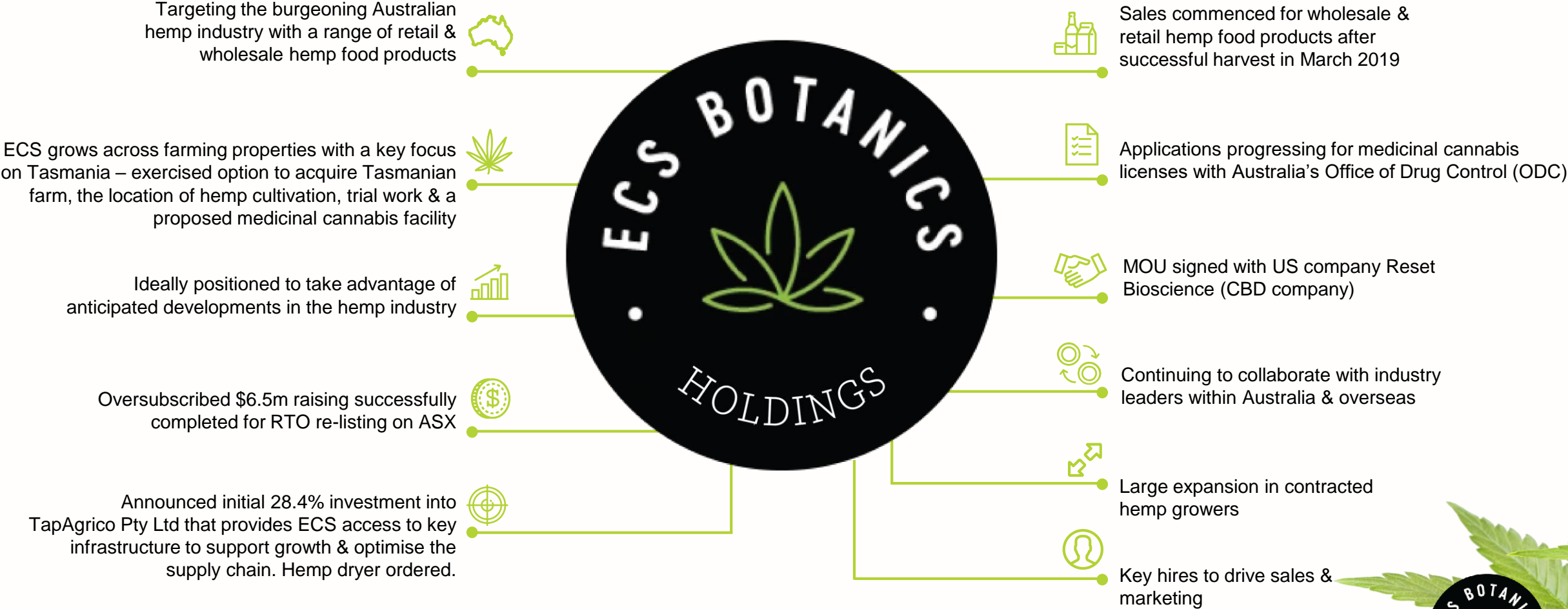
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ECS BOTANICS OVERVIEW



CAPITAL STRUCTURE & BOARD OF DIRECTORS

CORPORATE SNAPSHOT

Share on issue	507.59m
Options	20.38m
Performance Rights	131.25m
Market Capitalisation	\$22.33m
Share Price (4/10/2019)	\$0.044
Cash raised for RTO	\$6.5m

BOARD OF DIRECTORS

Alexander Keach	Managing Director
David McCredie	Non-Executive Chairman
Jeremy King	Non-Executive Director
Michael Nitsche	Non-Executive Director



HISTORY OF HEMP



Common staple (food, fibre, medicine) for thousands of years until the 1930s

In 1937, US Congress passed the Marihuana Tax Act which effectively began the era of hemp prohibition

Despite prohibition, in 1939 World War II demanded uniforms, cords, parachutes & durable materials the US lacked. By 1943 nearly 400,000 acres of hemp were cultivated for the war effort

In 1970, the industrial cultivation of hemp was banned under the USA Controlled Substances Act

“

Two of my favourite things are sitting on my front porch smoking a pipe of sweet hemp, and playing my Hohner harmonica. ”

Abraham Lincoln



2020 - New Zealand - referendum whether to legalise Recreational Cannabis

2019 – Thailand removes hemp & low-THC cannabis extracts from list of banned narcotics

USA 2018 – Farm Bill signed, removing hemp & its extracts, from the list of controlled substances, making it an ordinary agricultural commodity

2018 Canada – Recreational use legalised

Dec 2017 - World Health Organization (WHO) review support use of cannabidiol (CBD), an active, non-psychoactive compound in the cannabis plant

2017 Australia – hemp foods legalised for sale

HEMP VS MARIJUANA

Hemp

Low THC

Hemp has less than 1% THC

Uses

Thousands of uses including food, medicine, skin-care, clothing, fuel, paper, building material, bio-plastic etc

Growing conditions

Predominately outdoors, grows up to 20 feet tall



VS

Marijuana

High THC

Contains up to 30% THC & has strong psychoactive effects

Uses

Medical & recreational purposes

Growing conditions

Mostly in controlled environment indoors



WHY HEMP – MEGA TREND & HIGHLY DISRUPTIVE

“Why use up forests which were centuries in the making and the mines which required ages to lay down, if we can get the equivalent of forest and mineral products in the annual growth of the hemp fields?”

Henry Ford, c. 1940

CURRENT SOCIAL CLIMATE



VEGAN BOOM



OPIOID ADDICTION



CHANGING LAWS



ENVIRONMENTAL FOCUS



HEMP PLANT USES



ESSENTIAL OILS



MEDICINES



FOOD



ROPE



BODY CARE PRODUCTS



LIVESTOCK FEED



PAPER



TEXTILES



SUPPLEMENTS



CONSTRUCTION



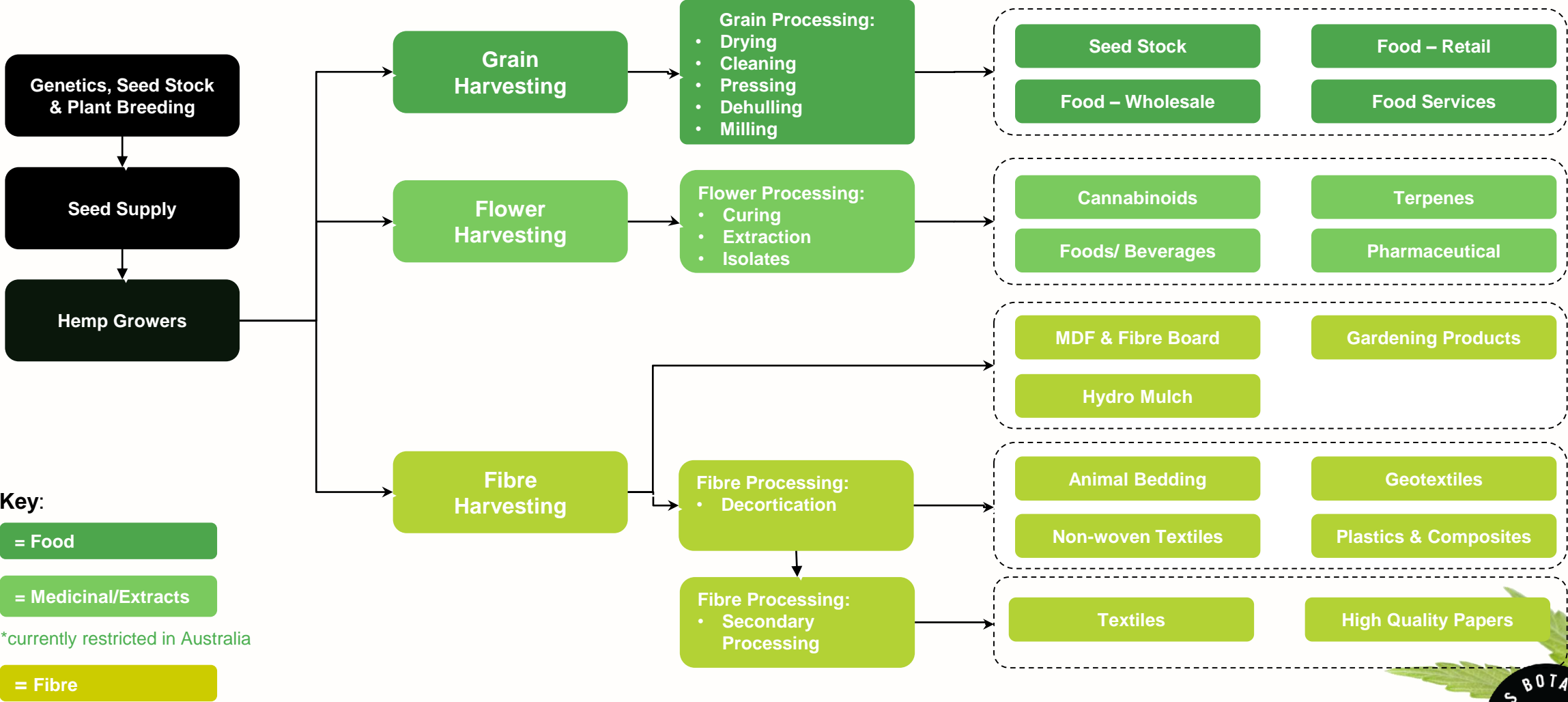
LIVESTOCK BEDDING



MOULDED PLASTIC



INDUSTRIAL HEMP – USES



MARKET OPPORTUNITY – GLOBAL STATS

"I don't know if hemp is going to save the world, but it's the only thing that can."

Activist Jack Herer "The Hemperor"

IT IS ESTIMATED THAT BY 2025:

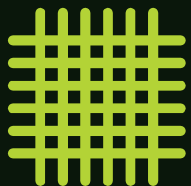


THE CBD MARKET
REACHES

**US\$20
BILLION**

HEMP FOOD
MARKET REACHES

**US\$4.6
BILLION**



FIBRE MARKET
REACHES

**US\$500
MILLION**

LEGAL CANNABIS
MARKET TO REACH

**US\$66.3
BILLION**



Hemp-based foods industry is expected to grow at a CAGR of ~24% in next three years¹

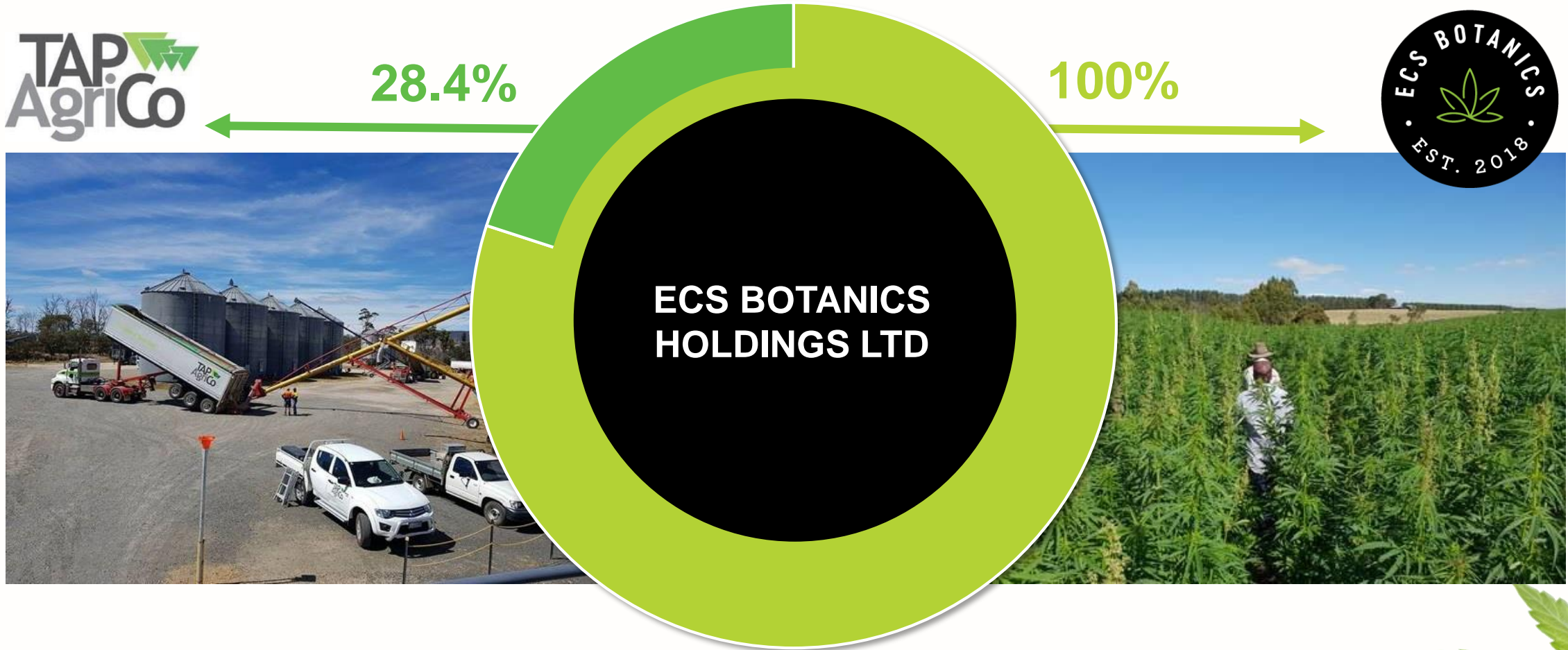
Plant based protein market forecasted to grow at a CAGR of 7% during next five years

Australia has the third fastest growing vegan market in the world, two million Australians are now meat free

Emergence of hemp as a superfood is a key demand growth driver, hemp is high in protein, rich in essential fatty & amino acids & is gluten free

¹ <https://www.technavio.com/report/global-food-global-hemp-based-foods-market-2016-2020>

ECS BOTANICS COMPANY STRUCTURE



WHY TASMANIA?



Based on its history of producing high quality food & plant-based pharmaceuticals, Tasmania is the perfect location to support a burgeoning & evolving hemp industry

Australia's premier hemp hub – largest by hectares grown & yield per hectare

Supportive local government

Strong established relationships

Non-GMO state

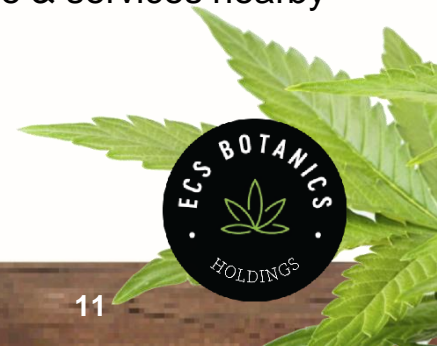


Farms in Tasmania produce approximately 50% of the world's licit poppy straw that is later refined into opiates (previous owners being GSK and Johnson & Johnson)

ECS is a Brand Tasmania partner

Clean green image (clean energy hydro generation, underpinned by the cleanest air & purest water)

Agricultural hub – key infrastructure & services nearby



BUSINESS MODEL

ECS Botanics is a vertically integrated hemp food business (insourcing & outsourcing along the supply chain) that is taking advantage of growth in the hemp industry, supplying retail & wholesale products in Australia, with its sights set on overseas opportunities. ECS has license application pending with the Office of Drug Control (ODC) to cultivate and manufacture medical cannabis. ECS is well positioned to take advantage of any favourable changes in legislation with respect to the cannabis industry (ie as seen overseas).



Strong relationships with farmers & the agricultural community. Expansion in contract farmers to deliver significant increase in 2019 hemp seed volumes. Continue & expand cultivation of existing supply of hemp & expand its level of hemp cultivation.



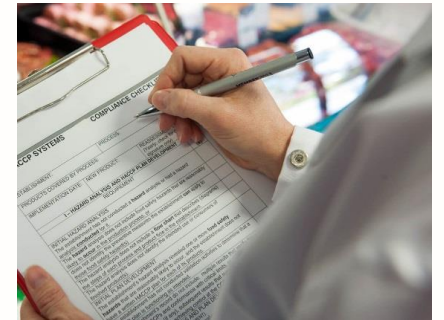
Manufacture & sell a suite of wholesale hemp products & innovative retail hemp food products to generate revenue.



Agile business activities to take advantage of the dynamics of the growing Australian hemp industry & industry fragmentation.



Positioned to (pending ODC approval) enter the medicinal cannabis sector with site secured in Tasmania.



Committed to obtaining & maintaining regulatory compliance & quality assurance.

Wholesale – bulk hemp hearts (dehulled hemp seed), bulk hemp seed oil, hemp protein powder & hemp flour

Retail – bottled hemp seed oil & oil capsules, hemp heart pouches, curry sauces & soups, protein & protein mix



LICENSES & LICENSE APPLICATIONS

“OVER THE NEXT 20 YEARS THE TASMANIAN GOVERNMENT HAS SET A TARGET TO INCREASE RURAL VALUE TO \$10BN. THIS SECTOR WILL NEED TO GROW AT MORE THAN DOUBLE THE GROWTH RATE EXPERIENCED OVER THE PAST 20 YEARS.”

GRANTED

Tasmania – Industrial Hemp License for Commercial Purposes – Cultivate, Supply & Manufacture	Queensland – Industrial Hemp License for Commercial Purposes - Grower	National – Export License
Tasmania – Industrial Hemp License for Research Purposes – Cultivate, Supply & Manufacture	National – Import License	

UNDER APPLICATION

National – Cultivation of Medicinal Cannabis
National – Manufacture of Medicinal Cannabis



RETAIL PRODUCTS



ECS RETAIL PRODUCT RANGE INCLUDES BOTTLED HEMP SEED OIL, OIL CAPSULES, HEMP HEART POUCHES, CURRY SAUCES, SOUPS, PROTEIN & PROTEIN MIX



WHOLESALE PRODUCTS

**ECS WHOLESALE
PRODUCT RANGE
INCLUDES HEMP
HEARTS, PROTEIN,
FLOUR & OIL**



KEY RELATIONSHIPS & INVESTMENT IN SUPPLY CHAIN



Agricultural
agreements

Supply
agreements

Manufacturing
agreements

Distribution
agreements



MACQUARIE CROPPING SERVICES



ECS FARM & MEDICAL CANNABIS



* Some pictures are for illustrative purposes only



Proposed site of 50,000ft²
Medical Cannabis Cultivation
and Manufacturing Facility



Licenses pending with
Australian Government Office
of Drug Control (ODC)



70 acres of irrigated land for
commercial hemp cultivation & trials



The location & attributes of ECS's Tasmanian
property lends itself to becoming a key asset
for the company & its future expansion



Option exercised to
purchase Tasmanian
property



KEY INFRASTRUCTURE INVESTMENT – TAP AGRICO



Strategic investment in order to handle & process ECS's harvest & expanding supply

Initial commitment of \$750,000 (28.4% of TAP). Funds used to purchase hemp seed dryer, aerated silos & handling equipment

Option to acquire further \$250,000 (6.2%)

Site includes weighbridge, grain handling equipment, storage, hemp dryer (ordered), AQIS export packing facility

ECS strategy of optimising supply chain

Scalability & building industry capacity

Majority financed using existing pre-IPO funds



CULTIVATION

“FARMING LOOKS MIGHTY EASY WHEN YOUR PLOW IS A PENCIL, AND YOU’RE A THOUSAND MILES FROM A FIELD”

-- US PRESIDENT DWIGHT D. EISENHOWER



The ECS team has the capability to deliver grassroots agriculture & scale accordingly



Expanding cultivation – ECS is forecasting a significant increase in its cultivation area in 2019



STRATEGIC COLLABORATIONS



- Significant shareholder in Food, Fibre & Land International
- Research & development, information sharing etc
- Plant varieties
- Leading edge agronomy in microbial bio-mineral science & fertilisers



- R&D & contract manufacturing lab
- THC free organic hemp nano-liposomal CBD product
- Potential for ECS to be US facing via white label arrangement



- Plant breeding
- Data sharing
- Sharing of any future plant breeder rights (PBR's) and seed bank

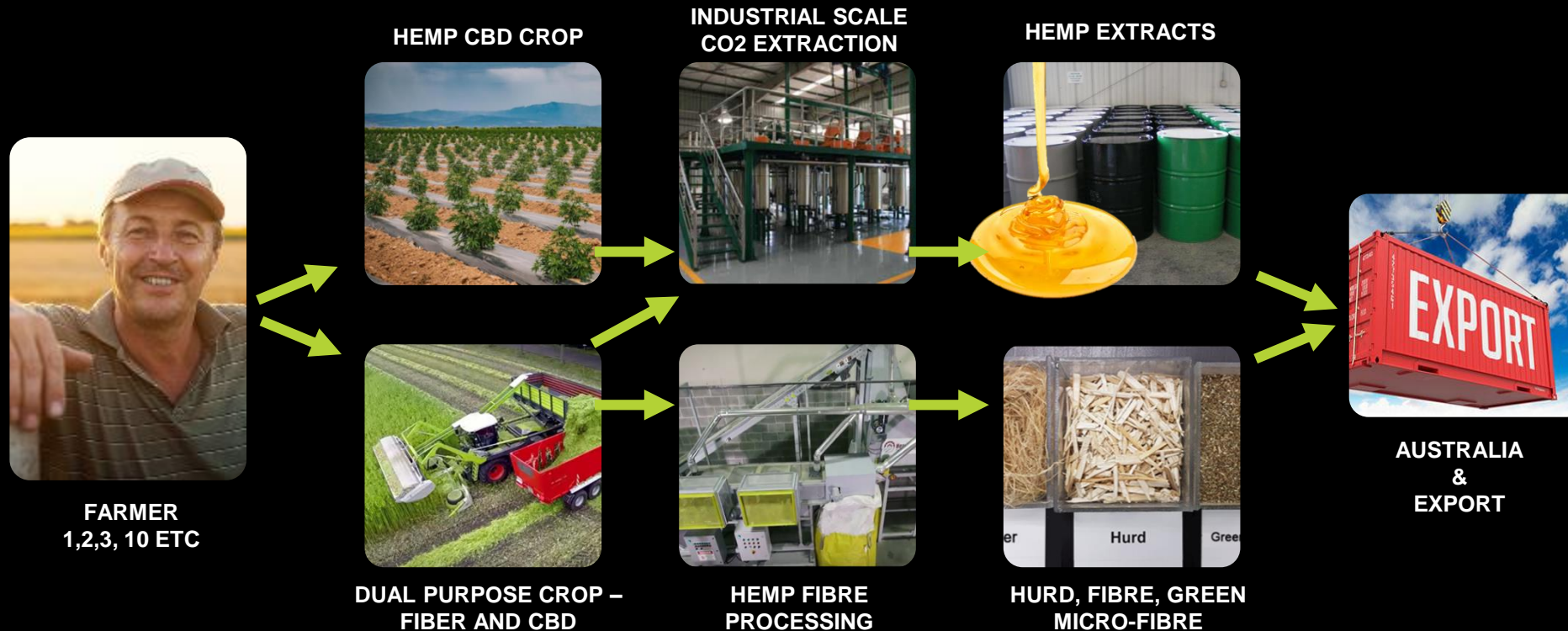


* Some pictures are for illustrative purposes only



FUTURE OPPORTUNITIES – Targeting full plant utilisation

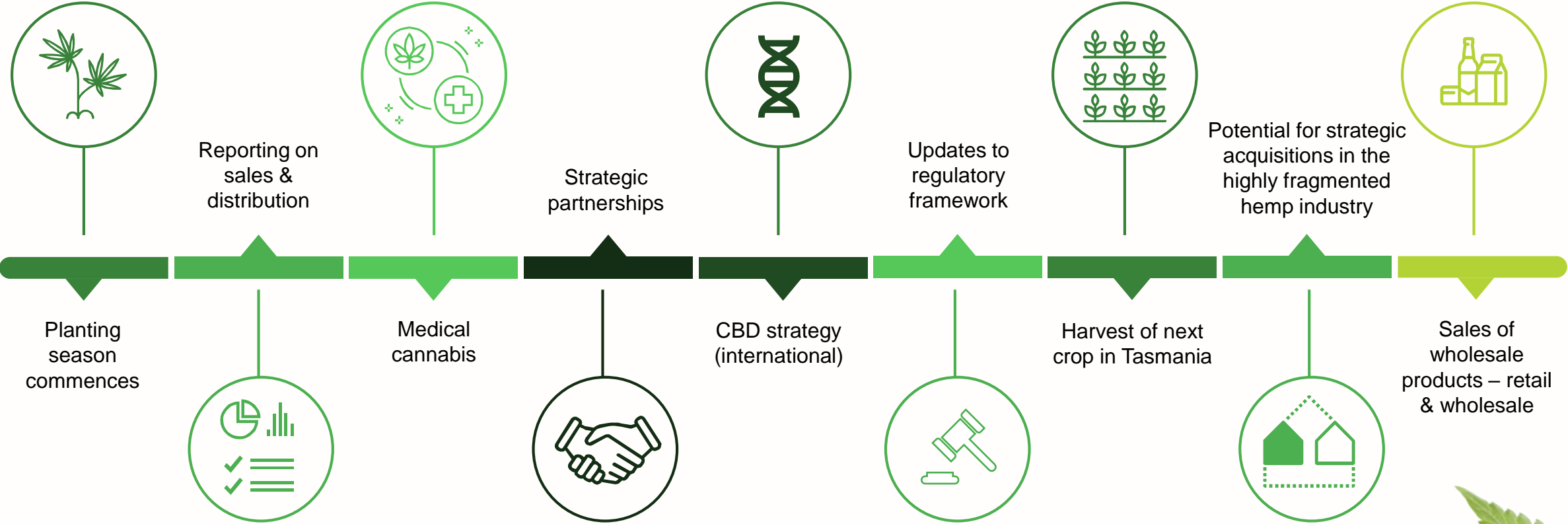
* PLEASE NOTE THIS IS FORWARD LOOKING & NOT ALL FACETS ARE CURRENTLY LEGAL IN AUSTRALIA



Future opportunities are reliant on industrial hemp being removed from the narcotics act &/or the United Nations changing its position on cannabis – this may have a flow on effect to federal & state based hemp legislation

“We welcome the review from Professor John McMillan AO of the Narcotics Drugs Act 1967. We see this as a step in the right direction for broadening the industrial hemp industry in Australia. Subject to regulatory change, ECS will aim to contract growers for large scale biomass (leaf & flowering heads) & processed by Licensed Manufactures only, much like the poppy industry.” – Alex Keach, ECS Founder & Managing Director

MILESTONES & NEWSFLOW



INVESTMENT SUMMARY



Participating in a rapidly growing market, ECS is becoming one of Australia's leading cannabis companies



Clear path to market – lower regulatory scrutiny than medicinal cannabis, lower capex to build revenue & shorter lead time to bring products to market



ECS management has a high degree of industrial hemp farming knowledge & proven capability, with a focus on Tasmania



Wholesale & retail product range targeting growing addressable market – sales commenced



Strategic collaborations strengthening ECS position across R&D, breeding, commercial opportunities & more



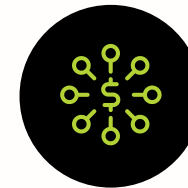
Oversubscribed \$6.5m raising successfully completed for RTO re-listing on ASX



Announced strategic 28.4% investment into TapAgrico Pty Ltd providing ECS key assets & capabilities



On the path to becoming a leading end to end diversified cannabis company



Ideally positioned to take advantage of anticipated developments in the hemp industry & its fragmented nature





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