

## **Chairman's Address**

Good morning all and welcome.

Firstly, I would like to acknowledge the shareholders and stakeholders that have joined us today for the first AGM of ECS Botanics.

I am delighted to be able to join you today as the Chairman of ECS Botanics.

I am privileged to be involved with an incredible team of people who are so dedicated and passionate about leveraging the benefits of hemp for the health of the people and the planet. Our people are at the core of our business, building a team that will drive this business forward in this exciting industry.

The industrial hemp plant has multiple benefits, and as such will be able to provide a variety of outcomes for a healthier society, including for the medicinal purposes for which we have recently been granted a licence to manufacture, as well as being a well-recognised plant for the capture of carbon in the atmosphere and sequestering it in the soil.

Globally regulatory environments are becoming more acceptive of cannabis, and industrial hemp is becoming increasingly recognised for its food, medicinal, industrial fibre opportunities and environmental qualities.

There is an immense opportunity in Australia for Industrial hemp, although we are currently limited by regulation as to what we can do with the plant. This is why we welcome the recent narcotics drug act review and also the upcoming March 2020 United Nations Vote on the scheduling of cannabis and cannabinoids, following recommendations by the World Health Organisation.

The team has been busy on delivering on our IPO commitments to shareholders. In the few months since listing, we are already successfully delivering on these commitments. Our hemp food products have all been manufactured and are making their way to the market via various channels.

To this end, and most importantly the company signed distribution agreements with Eden Foods for Tasmanian distribution and Just Foods Australia for the Australian mainland distribution. The latter of these has already brought a distribution opportunity with Woolworths to stock our oil in 850 stores which we were delighted to announce to the market on the 7<sup>th</sup> of November.

We have strong ability to scale production, both with our own farm and a number of contract growers. Also, our stake in TapAgrico, where the hemp seed dryer is now being built, enables ECS and other industry participants to manage hemp supply in the form of weighing trucks, drying, storing, cleaning and dispatching. This is part of ECS's strategy of building capability and capacity in the industry and continuing our focus on operating at low cost.

We have also announced to the market on the 12<sup>th</sup> of November our licence to Manufacture Medicinal Cannabis. This is a major milestone for ECS Botanics. While we still await our Cultivation licence, we look forward progressing this project in a capital light manner which maximises returns for shareholders.

ECS's culture is strong, there is an immense amount of passion and purpose within every team member and the company is embracing the rapid growth and opportunities that stem from being a listed company and leader in this space.

I wish to thank my fellow board members, all team members, particularly our Managing Director Alex Keech, the growers, our partners and our shareholders. Thank you for your ongoing support.

We look forward to continuing on this exciting journey with you.

Yours Sincerely,

David McCredie  
**Chairman**