

ASX APPENDIX 4E

ECS BOTANICS HOLDINGS LIMITED

ABN: 98 009 805 298

RESULTS FOR ANNOUNCEMENT TO THE MARKET FOR THE YEAR ENDED 30 JUNE 2020

(Previous corresponding period is the year ended 30 June 2019)

KEY INFORMATION	30-Jun-20 \$	30-Jun-19 \$	% Change
Revenue from ordinary activities	919,128	26,552	3362%
Loss from ordinary activities after tax attributable to members	(4,569,470)	(846,764)	440%
Net loss attributable to members	(4,569,470)	(846,764)	440%

DIVIDEND INFORMATION

No dividend has been proposed or declared.

NET TANGIBLE ASSETS PER SECURITY	30-Jun-20	30-Jun-19
Net tangible assets per security	0.99	14.37

EARNINGS PER SHARE	30-Jun-20 Cents	30-Jun-19 Cents
Basic earnings per share	(1.37)	(0.562)
Diluted earnings per share	(1.37)	(0.562)

CONTROL GAINED OR LOST OVER ENTITIES IN THE PERIOD

On 11 July 2019, ECS Botanics Holdings Limited, the legal parents and legal acquirer completed the acquisition of 100% of ECS Botanics Pty Ltd.

This report is based on, and should be read in conjunction with, the attached financial report for the year ended 30 June 2020 for ECS Botanics Holdings Limited, which has been audited by BDO.



ABN 98 009 805 298

**Annual Report for the
Year Ended 30 June 2020**

Annual Report

For the year ended 30 June 2020

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Corporate Directory

Board of Directors

Mr Alexander Keach	(Managing Director) (appointed 11 July 2019)
Mr David McCredie	(Non-Executive chair) (appointed 11 July 2019)
Mr Jeremy King	(Non-Executive Director) (appointed 11 January 2017)
Mr Michael Nitsche	(Non-Executive Director) (appointed 26 March 2019)
Mr Justyn Stedwell	(Non-Executive Director) (appointed 30 March 2016, resigned 15 July 2019)

Secretary

Mr Mauro Piccini

Registered Office

Suite 2, Level 1
1 Altona Street
West Perth WA 6005

Telephone: 08 6559 1792
Website: <https://ecsbotanics.com.au/>

Stock Exchange Listing

Listed on the Australian Securities Exchange (ASX Code: ECS)

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Bankers

Westpac Banking Corporation
Level 13, 109 St Georges Terrace
Perth WA 6000

Solicitors

Nova Legal
Level 2, 50 Kings Park Road
West Perth WA 6005

Share Registry

Computershare Investor Services Pty Ltd
Level 11
172 St Georges Terrace
Perth WA 6000

Telephone: 1300 787 272

Directors' Report

The Directors of ECS Botanics Holdings Ltd (“ECS” or “the Company”) present their report, together with the financial statements of the Company and controlled entities for the year ended 30 June 2020.

DIRECTORS

The names and particulars of the Company's directors in office during the financial year and at the date of this report are as follows. Directors held office for this entire year unless otherwise stated.

Alexander Keach | Managing Director
(Appointed 11 July 2019)

Alex has a degree in Rural Business Management and is a graduate of the Australian Institute of Company Directors (GAICD). Alex was born in Tasmania, has farming interests in Tasmania, and brings with him significant industry experience and stakeholder relationships. Alex is a board member of the Hemp Association of Tasmania (HAT) and director of Tap Agrico. In addition to his industry experience, Alex also has corporate experience and ASX board experience.

Alex has a diverse background with 14 years' experience working in financial markets as a senior manager, investor, adviser and fund manager. Alex has also acted as a corporate advisor, and managed the development and implementation of new strategies, governance and change management within an organisation. Alex has founded, grown and financed companies across agriculture, financial services and mining. Alex has practical skills in agriculture including many years' experience working on properties, including the cultivation of poppies, a narcotic raw material that is further processed to become an active pharmaceutical ingredient.

As Managing Director Alex is responsible for managing the overall business, providing strategic guidance, ensuring good governance, capital and investor management and building industry relationships.

During the past three years, Mr Keach held the following directorships in other ASX listed companies:

- Non-Executive Director of Sunvest Corporation Limited (Resigned November 2018); and
- Lanka Graphite Limited (Resigned September 2017).

Mr David McCredie | Non-Executive chair
(Appointed 11 July 2019)

David has been the CEO of the Australian British Chamber of Commerce since 2010. His interactions with a broad range of industries both in Australia and the UK enables him to provide crucial advice to government, non-government and private sector organisations on best practice in a range of fields, including business strategy, marketing, financing, political and government connectivity.

David has strong strategic and business development capabilities, becoming a highly regarded resource for those looking to broaden exposure within their sector, across industries and into new markets. David has a Bachelor of Arts and a Masters of Business Administration.

Mr McCredie does not hold and has not held a directorship in any other public listed company over the past 3 years

Jeremy King | Non-Executive Director
(Appointed 11 January 2017)

Mr King is a corporate lawyer and adviser with over 20 years' experience in domestic and international legal, financial and corporate matters. Mr King is a director of a boutique corporate advisory and compliance business where he specializes in corporate and strategic advice and managing legal issues associated with clients. He spent several years in London where he worked with Allen and Overy LLP and Debevoise & Plimpton LLP and has extensive experience, particularly in relation to cross border private equity, leveraged buy-out acquisitions and acting for banks, financial institutions and corporate issuers in respect of various debt and equity capital raisings. He regularly advises ASX listed companies on corporate and commercial matters.

Directors' Report

During the past three years, Mr King held the following directorships in other ASX listed companies:

- Executive Director of Red Mountain Mining Limited (current);
- Non-Executive Director of Smart Parking Limited (current);
- Non-Executive Director of EHR Resources Limited (current);
- Non-Executive Director of Transcendence Technologies Limited (current);
- Non-Executive Director of Sultan Resources Limited (current);
- Non-Executive Chairman of Aldoro Resources Limited (resigned November 2019);
- Non-Executive Director of Vanadium Resources Limited (formerly Tando Resources Limited) (resigned July 2019);
- Non-Executive Director of DTI Group Limited (resigned January 2019);
- Non-Executive Chairman of Pure Minerals Limited (resigned November 2018); and
- Non-Executive Director of Aquaint Capital Holdings Limited (resigned October 2017).

Michael Nitsche | Non-Executive Director
(Appointed 25 March 2019)

Michael is the founder and Executive Director of ARQ Capital, a boutique corporate advisory firm based in Perth, Western Australia. He has extensive experience in equity capital markets, particularly advising on deal structuring for IPO's, equity capital raisings, mergers and acquisitions.

From 2011 to 2014 Michael served as Institutional Advisor and Associate Director at two of Australia's most respected stockbroking firms. Michael has held directorships that span public and private boards across multiple market sectors. He holds a post graduate Diploma in Applied Finance with a major in Wealth Management through FINSIA.

Mr Nitsche does not hold and has not held a directorship in any other public listed company over the past 3 years.

Justyn Stedwell | Non-Executive Director
(Appointed 31 March 2016, resigned 15 July 2019)

Mr Stedwell holds a Bachelor of Business and Commerce (Management and Economics) at Monash University, a Graduate Diploma of accounting at Deakin University, a Graduate Diploma in Applied Corporate Governance with Chartered Secretaries Australia and a Graduate Certificate of Applied Finance with Kaplan Professional.

During the past three years, Mr Stedwell held the following directorships in other ASX listed companies:

- Director Tymlez Group Limited (resigned April 2020)
- Director of Lifespot Health Limited 29 March 2018 to current; and
- Director of I-Global Holdings Limited 30 August 2017 to current.

COMPANY SECRETARY

Mauro Piccini
(Appointed 6 November 2017)

Mauro Piccini is a corporate advisor at Mirador Corporate, where he specialises in corporate advisory, company secretarial and financial management services. He spent 7 years at the ASX and possesses core competencies in publicly listed and unlisted company secretarial, administration and governance disciplines. Mauro is currently the Company Secretary of Six Sigma Metals Ltd (ASX: SI6), Red Mountain Mining Ltd (ASX: RMX), Pure Minerals Limited (ASX: PM1) and Sultan Resources Ltd (ASX: SLZ). Mauro started his career in the Perth office of Ernst and Young where he spent several years in their assurance division, and is a Chartered Accountant and member of the Governance Institute of Australia.

Directors' Report

INTERESTS IN SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

The following table sets out each current Director's relevant interest in shares and options of the Company or a related body corporate as at the date of this report.

Director	Ordinary Shares	Share Options	Performance Rights
Mr Alex Keach	90,548,668	937,500	41,337,435
Mr David McCredie	625,611	937,500	194,301
Mr Jeremy King	-	11,000,000	-
Mr Michael Nitsche	-	5,500,000	-
Total	91,174,279	18,375,000	41,531,736

PRINCIPAL ACTIVITIES

ECS Botanics is an agribusiness and hemp food company, cultivating (own and contract growers) and processing hemp for the wholesale market and its own retail food brand. The company's main operations are conducted in Tasmania, Australia. ECS has the necessary licences to cultivate, supply and manufacture industrial hemp in Tasmania as well as a grower licence in Queensland. ECS holds import and export licences with the Office of Drug Control (ODC) as well as having been granted licences for the cultivation and manufacture of medicinal cannabis. ECS owns a farm in Tasmania for commercial cultivation of hemp, research and as the site of its next generation approach to medicinal cannabis. ECS owns a strategic stake in TapAgrico for the logistics, drying and storage of hemp seed.

REVIEW AND RESULTS OF OPERATIONS

Overview

ECS Botanics Holdings Ltd (formerly Axxis Technology Group Ltd) commenced trading on Australian Securities Exchange (ASX) on 22 July 2019 following an oversubscribed \$6.5m recompliance capital raising. ECS Botanics is an agribusiness and hemp food company, cultivating (own and contract growers) and processing hemp for the wholesale market and its own retail food brand. The company's main operations are conducted in Tasmania, Australia. ECS has the necessary licences to cultivate, supply and manufacture industrial hemp in Tasmania as well as a grower licence in Queensland. ECS holds import and export licences with the Office of Drug Control (ODC) as well as having been granted licences for the cultivation and manufacture of medicinal cannabis. ECS owns a farm in Tasmania for commercial cultivation of hemp, research and as the site of its next generation approach to medicinal cannabis. ECS owns a strategic stake in TapAgrico for the logistics, drying and storage of hemp seed. ECS' vision is to establish a leading industrial hemp & medicinal cannabis company, with the aim to cultivate, manufacture and supply relevant medicinal cannabis & hemp food products throughout Australia and overseas

Licensing

ECS achieved major milestones during the year, including its grant of a Manufacture Licence by the Australian Federal Government's Department of Health Office of Drug Control (ODC) for medicinal cannabis operations at its site in Tasmania. The licence allows ECS to undertake authorised activities for specified drugs (extracts and tinctures of cannabis and cannabis resin) upon development of its proposed medicinal cannabis facility at the site. The Company received a Cultivation Licence in December, allowing it to undertake cultivation of cannabis plants, produce cannabis and cannabis resin and associated activities. These licences are valid until November and December 2020 respectively, but ECS expects to be able to extend them beyond these initial terms.

In March, ECS announced the Tasmanian Government's Department of Primary Industries, Parks, Water and Environment granted ECS an Industrial Hemp Special Research License for its Tasmanian farm. The license is issued under section 14 of the Tasmanian Industrial Hemp Act 2015.

Directors' Report

Under the key terms of the license ECS can:

- Cultivate, supply and manufacture hemp that has a concentration of up to 2% delta-9 tetrahydrocannabinol for scientific research, analysis, instruction or study.
- Grow up to 100 plants at any one time and hold a maximum of one kilogram of hemp seed.

The license will allow ECS to trial, develop and test genetics with respect to cultivation methods, cannabinoid expression and more. The license is valid from 6 March 2020 to 3 April 2023.

Cultivation

During the December quarter, the Company successfully sowed crops on its farm in Tasmania and via contract growers, which germinated successfully, and harvest of this crop occurred in April.

A second hemp harvest was successfully completed during the June quarter across the ECS farm and its network of contract growers. The harvested product was successfully processed through the TapAgrico facility, 28.4% owned by ECS.

At year-end, ECS held approximately 200 tonnes of hemp seed in storage facilities, positioning the Company well to supply the wholesale market while having ample raw material to meet its retail contracts.

Food products

On 31 October 2019, ECS signed an exclusive three-year distribution agreement with Just Foods Australia Pty Ltd (JFA). This led to distribution of ECS' 250ml Hemp Oil product into 850 Woolworths stores, with first dispatch in January, and JFA securing distribution into Woolworths for ECS' Mexican Spiced Bean Soup with Hemp and Indian Masala Lentil Soup with Hemp, which were shipped to stores in March. ECS is preparing for the next manufacturing runs of oils and soups due to the expectation of rolling orders from Woolworths. ECS is also working with its manufacturing partner, Flavour Makers, to expand its range of soups with several new flavours in development.

ECS signed a retail food distribution agreement with Eden Foods for its range of retail food products, through which Eden Foods would offer ECS' products including hemp hearts, hemp seed oil, capsules, curry sauces, soups and protein mixes to its network of retailers in Tasmania.

Medicinal cannabis facility

Subsequent to the end of the period ECS announced that, subject to finalisation of regulatory approvals, it intends to proceed with the development of an outdoor medicinal cannabis project (Medicinal Cannabis Project) at its wholly owned site in northern Tasmania.

The Company has been working closely with its independent consultants, Pharmout, to scope out the Medicinal Cannabis Project. The project has an initial three stage expansion plan that is forecast to produce:

Stage	Total Production Ranges (kg dry flower pa)
1	1,313 – 2,188
2	9,844 – 16,406
3	19,500 – 32,500

Key Assumptions:

- Production (kg/ha) assumes dry flower yield (saleable product) range between 300g – 500g per plant
- Cultivation area expansion from 25,000sqm to 325,000sqm over 3 years
- Stage 1 capital expenditure of \$1.7m (majority of infrastructure).
- Stage 2 & 3 total capital expenditure of \$1.2m
- Yield estimate year one 70%, year two 75%, year three 80%

In year 1, ECS will grow medicinal CBD plants before broadening the strategy from year 2 onwards to grow both CBD and THC plants. As well as cultivating medicinal cannabis, ECS will take an industrious approach to the processing steps, using machinery for drying and bucking (separating buds from plant stem). The Company and its contractors are pushing toward a target of having the facility built and permitted in time for the December 2020 planting window.

Directors' Report

The Company is fully funded for Stage 1 following capital raising activities in addition to existing business revenues. The Medicinal Cannabis Project is subject to a license variation being granted by the Office of Drug Control (ODC), and a subsequent permit being issued. On 16 July 2020, the local Town Council granted town planning approval for the facility.

During the period ECS participated in the submission process to the Therapeutic Goods Administration (TGA) regarding proposed amendments to the poison's standard and re-scheduling of CBD.

Commercial and Research Partnerships

In May 2020, ECS announced it had signed a non-binding collaboration agreement with Essential Oils of Tasmania (EOT), a fully integrated Tasmanian natural products business supplying global leaders in flavor, fragrance and aromatherapy, having developed a quantity of IP and expertise which is highly complementary to ECS' business strategy.

The agreement sets out a strategic framework for both companies to:

- Fast-track development and capitalise on commercial opportunities in the hemp seed oil, cannabinoid and terpene sectors
- Pursue strategic research and development programs to develop finished products that incorporate Tasmanian hemp and essential oils.

In August, ECS announced a strategic investment of \$750,000 for a 28.4% stake of Tasmanian Agricultural Producers Pty Ltd (TapAgrico), a strategically located grain handling, marketing, storage and export packing facility in the northern midlands of Tasmania, with the investment funding the purchase of a hemp seed dryer, storage and handling equipment to underpin the expansion of ECS' cultivation. ECS was granted a call option to increase this stake to 34.6% on the same terms (assuming no changes to TapAgrico's share structure).

During the period ECS also signed MOUs with Disruption Labs LLC, focused on innovative cannabinoid (CBD) products and technologies, and Caason Investments Pty Ltd, whose subsidiary Aileron Pastoral Holdings Pty Ltd is focused on hemp cultivation trials in the NT.

COVID-19

The company's supply chain was largely unaffected by COVID-19, and it did not impact on the hemp harvest. ECS implemented non-essential cost cutting measures to ensure the business remained in a strong cash position in 12 months' time, enabling a maintained focus on key business drivers to emerge in a stronger position.

Capital Raising

In July 2020, subsequent to year-end, ECS announced it had raised \$600,000 through the placement of ~34.3 million shares at an issue price of \$0.0175 per share to sophisticated and professional investors. The Placement was completed in a single tranche under the Company's existing listing rule 7.1 placement capacity.

On 18 August 2020 the Company elected to close a Share Purchase Plan (SPP) run in conjunction with the placement. The SPP was significantly oversubscribed, raising \$750,000. The Company issued ~42.9 million fully paid ordinary shares in ECS at an issue price of \$0.0175 per share under the SPP.

ECS will use proceeds of the capital raising activities to commercialise and accelerate its retail and wholesale hemp food business, develop new products, accelerate its medicinal cannabis strategy and provide additional working capital to support the growth of the company.

Xcel Capital Pty Ltd and Sanlam Private Wealth were engaged to act as Joint Lead Managers (JLMs) to the Placement and SPP.

Cash

The Company held a cash balance of \$1,904,014 as at 30 June 2020.

Directors' Report

Financial Performance

The financial results of the Company for the year ended 30 June 2020 are:

	30-Jun-20 \$	30-Jun-19 \$
Cash and cash equivalents	1,904,014	962,808
Net Assets/(liability)	5,034,736	1,008,736
Revenue	919,128	26,552
Net loss after tax	(4,569,470)	(846,764)

DIVIDENDS

No dividends have been paid or declared by the Company since the end of the previous financial year.

No dividend is recommended in respect of the current financial year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The significant changes in state of affairs during the financial year include:

Change of Business and re-listing on the ASX

ECS Botanics Holdings Ltd (formerly Axxis Technology Group Ltd) commenced trading on Australian Securities Exchange (ASX) the business activity changed to an industrial hemp company, focusing on obtaining and maintaining the necessary licences granted to cultivate, manufacture and supply hemp food products throughout Australia.

On 11 July 2019, ECS Botanics Holdings Limited (formerly Axxis Technology Group Limited), the legal parents and legal acquirer completed the acquisition of ECS Botanics Pty Ltd. The acquisition did not meet the definition of a business combination in accordance with AASB 3 Business Combinations. Instead the acquisition has been treated as a reverse asset acquisition. The key terms of the acquisition are as follows:

- 287,500,000 fully paid shares (consideration shares); and
- 131,250,000 performance rights.

On 13 August 2019 the company announced a strategic investment into Tasmanian Agricultural Producers Pty Ltd (TapAgrico). ECS invested an initial \$750,000 for a 28.4% stake in the business. In addition ECS has been granted a call option to increase this stake to 34.6% on the same terms.

On 16 September 2019 the Company exercised its call option to acquire its key production asset the 44.62 hectare Tasmanian hemp farm, for \$1.44m.

Board Appointments and Resignations

On 11 July 2019, the Company appointed Mr Alexander Keach, Managing Director of ECS Botanics Holdings Ltd. On the same day, Mr David McCredie was appointed Non-Executive chair.

On 15 July 2019, Justyn Stedwell resigned as Non-Executive Director.

Directors' Report

MATTERS SUBSEQUENT TO THE REPORTING PERIOD

In July 2020, the company completed a Share Placement to raise \$600,000 before costs through the placement of ~34.3 million shares at an issue price of 1.75c per share (Placement) to sophisticated and professional investors.

On 18 August 2020 the Company elected to close a Share Purchase Plan (SPP) run in conjunction with the placement. The SPP was significantly oversubscribed, raising \$750,000. The Company issued ~42.9 million fully paid ordinary shares in ECS at an issue price of \$0.0175 per share under the SPP.

The full impact of the COVID-19 outbreak continues to evolve at the date of this report. The Company is therefore uncertain as to the full impact that the pandemic will have on its financial condition, liquidity, and future results of operations during 2020.

Management is actively monitoring the global situation and its impact on the Company's financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the 2021 financial year.

Although the Company cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material adverse effect on the Company's results of future operations, financial position, and liquidity in fiscal year 2021.

There has been no matter, or circumstance, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity.

DIRECTORS' MEETINGS

The number of Directors' meetings held during the financial year and the number of meetings attended by each Director during the time the Director held office are:

Director	Number Eligible to Attend	Number Attended
Mr Alex Keach ⁽ⁱ⁾	5	5
Mr David McCredie ⁽ⁱ⁾	5	4
Mr Jeremy King	5	5
Mr Michael Nitsche	5	4
Mr Justyn Stedwell ⁽ⁱⁱ⁾	0	0

(i) Appointed 11 July 2019

(ii) Resigned 15 July 2019

In addition to the scheduled Board meetings, Directors regularly communicate by telephone, email or other electronic means, and where necessary, circular resolutions are executed to effect decisions.

Due to the size and scale of the Company, there is no Remuneration and Nomination Committee or Audit Committee at present. Matters typically dealt with by these Committees are, for the time being, managed by the Board. For details of the function of the Board, please refer to the Corporate Governance Statement.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Subject to the finalisation of regulatory approvals, ECS Botanics Holdings intends to proceed with the development of an outdoor medical cannabis project (Medical Cannabis Project) as its wholly owned site in Northern Tasmania. The Company has worked closely with its independent consultants, Pharmout, to scope out the Medicinal Cannabis Project. Upon construction commencement, the Company anticipates rapidly advancing the facility.

Directors' Report

ENVIRONMENTAL REGULATION

ECS Botanics Holdings Limited is subject to significant environmental regulation. The relevant authorities are kept updated and, to the best of the directors' knowledge and belief, all responsibilities under the regulations have been discharged and there have been no breaches of any environmental regulation.

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 30 June 2020 outlines the remuneration arrangements of the Company in accordance with the requirements of the Corporations Act 2001 ("the Act") and its regulations. This information has been audited as required by section 308(3C) of the Act.

The Remuneration Report details the remuneration arrangements for Key Management Personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Parent company.

a) Key Management Personnel Disclosed in this Report

Key Management Personnel of the Company during the year:

Mr Jeremy King	Non-Executive Director (appointed 11 January 2017)
Mr Michael Nitsche	Non-Executive Director (appointed 25 March 2019)
Mr Alex Keach	Non-Executive Director (appointed 11 July 2019)
Mr David McCredie	Non-Executive Director (appointed 11 July 2019)
Mr Justyn Stedwell	Non-Executive Director (appointed 31 March 2016, resigned 15 July 2019)

There have been no other changes after reporting date and up to the date that the financial report was authorised for issue.

The Remuneration Report is set out under the following main headings:

- A Remuneration Philosophy
- B Remuneration Governance, Structure and Approvals
- C Remuneration and Performance
- D Details of Remuneration
- E Service Agreements
- F Share-based Compensation
- G Equity Instruments Issued on Exercise of Remuneration Options
- H Loans with KMP
- I Other Transactions with KMP
- J Voting of shareholders at last's years Annual General Meeting

A Remuneration Philosophy

KMP have authority and responsibility for planning, directing and controlling the activities of the Company. KMP of the Company comprise of the Board of Directors.

The Company's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

No remuneration consultants were employed during the financial year.

Directors' Report

B Remuneration Governance, Structure and Approvals

The nature and amount of remuneration is collectively considered by the Board of Directors with reference to relevant employment conditions and fees commensurate to a company of similar size and level of activity, with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing Directors.

❖ Executive Remuneration Structure

The nature and amount of remuneration of executives are assessed on a periodic basis with the overall objective of ensuring maximum stakeholder benefit from the retention of high performance Directors.

The main objectives sought when reviewing executive remuneration is that the Company has:

- Coherent remuneration policies and practices to attract and retain Executives;
- Executives who will create value for shareholders;
- Competitive remuneration offered benchmarked against the external market; and
- Fair and responsible rewards to Executives having regard to the performance of the Company, the performance of the Executives and the general pay environment.

❖ Executive Remuneration Approvals

The Company aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and aligned with market practice. Executive contracts are reviewed annually by the Board, in the absence of a Remuneration Committee, for their approval. The process consists of a review of company, business unit and individual performance, relevant comparative remuneration internally and externally and where appropriate, external advice independent of management.

Executive remuneration and incentive policies and practices must be aligned with the Company's vision, values and overall business objectives. Executive remuneration and incentive policies and practices must be designed to motivate management to pursue the Company's long-term growth and success and demonstrate a clear relationship between the Company's overall performance and performance of the executives.

C Remuneration and Performance

The following table shows the gross revenue, losses, earnings per share ("EPS") and share price of the Company as at 30 June 2020.

	30-Jun-20	30-Jun-19
Revenue (\$)	919,128	26,552
Net loss after tax (\$)	(4,569,470)	846,764
EPS (cents)	(0.90)	(0.29)
Share price	0.02	-
Dividends	-	-

Relationship between Remuneration and Company Performance

Given the recent listing of the Company and the current phase of the Company's development, the Board does not consider earnings during the current and previous financial year when determining, and in relation to, the nature and amount of remuneration of KMP.

The pay and reward framework for key management personnel may consist of the following areas:

- Fixed Remuneration – base salary
- Variable Short-Term Incentives

The combination of these would comprise the key management personnel's total remuneration.

Directors' Report

a) Fixed Remuneration – Base Salary

The fixed remuneration for each senior executive is influenced by the nature and responsibilities of each role and knowledge, skills and experience required for each position. Fixed remuneration provides a base level of remuneration which is market competitive and comprises a base salary inclusive of statutory superannuation. It is structured as a total employment cost package.

Key management personnel are offered a competitive base salary that comprises the fixed component of pay and rewards. External remuneration consultants may provide analysis and advice to ensure base pay is set to reflect the market for a comparable role. No external advice was taken this year. Base salary for key management personnel is reviewed annually to ensure the executives' pay is competitive with the market. The pay of key management personnel is also reviewed on promotion. There is no guaranteed pay increase included in any key management personnel's contract.

b) Variable Remuneration – Short Term Incentives (STI)

Discretionary cash bonuses may be paid to senior executives annually, subject to the requisite Board and shareholder approvals where applicable. No bonus payments were made during the financial year.

D Details of Remuneration

Details of the nature and amount of each major element of the remuneration of each KMP of the Company during the financial year are:

Table 1 – Remuneration of KMP of the Company for the year ended 30 June 2020 is set out below:

	Short-term Employee Benefits			Post-Employment	Share Based Payments	Total
	Salary & fees	Non-monetary benefits	Other	Superannuation	Options	
	\$	\$	\$	\$	\$	\$
30 June 2020						
Directors						
Alex Keach	172,332	-	-	16,372	10,149	198,853
David McCredie	37,348	-	-	-	10,149	47,497
Jeremy King	36,000	-	-	3,420	119,083	158,503
Michael Nitsche	36,000	-	-	3,420	59,542	98,962
Justyn Stedwell	700	-	-	-	21,651	22,351
Total	282,380	-	-	23,212	220,574	526,166

Table 2 – Remuneration of KMP of the AXXIS Technology Group Limited for the year ended 30 June 2019 is set out below:

	Short-term Employee Benefits			Post-Employment	Share Based Payments	Total
	Salary & fees	Non-monetary benefits	Other	Superannuation	Options	
	\$	\$	\$	\$	\$	\$
30 June 2019						
Directors						
Justyn Stedwell	24,000	-	-	-	-	24,000
Eddie King*	17,613	-	-	-	-	17,613
Jeremy King	24,000	-	-	-	-	24,000
Michael Nitsche	6,387	-	-	-	-	6,387
Total	72,000	-	-	-	-	72,000

*Resigned 25 March 2019

Directors' Report

Table 3 – Remuneration of KMP of the ECS Botanics Pty Ltd for the year ended 30 June 2019 is set out below:

	Short-term Employee Benefits			Post-Employment	Share Based Payments	Total
	Salary & fees	Non-monetary benefits	Other	Superannuation	Options	
	\$	\$	\$	\$	\$	\$
30 June 2019						
Directors						
Alex Keach	36,200	-	-	3,800	-	40,000
David McCredie	-	-	-	-	-	-
Total	36,200	-	-	3,800	-	40,000

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense in the tables above:

Table 4 – Relative proportion of fixed vs variable remuneration expense using both the Axxis Technology Group and ECS Botanics Pty Ltd prior year numbers.

Name	Fixed Remuneration		At Risk – STI (%)		At Risk – LTI (%)	
	2020	2019	2020	2019	2020	2019
Directors						
Alex Keach	100%	100%	-	-	-	-
David McCredie	100%	-	-	-	-	-
Jeremy King	100%	100%	-	-	-	-
Michael Nitsche	100%	100%	-	-	-	-
Justyn Stedwell	0%	100%	-	-	-	-
Eddie King	0%	100%	-	-	-	-

Table 5 – Shareholdings of KMP (direct and indirect holdings)

30 June 2020	Balance at 01/07/2019*	Granted as Remuneration	On Acquisition	On Exercise of Options	Net Change – Other ⁽ⁱ⁾	Balance at 30/06/2020
Directors						
Alex Keach	-	-	90,548,668	-	-	90,548,668
David McCredie	-	-	425,611	-	200,000	625,611
Jeremy King	-	-	-	-	-	-
Michael Nitsche	-	-	-	-	-	-
Justyn Stedwell	5,000	-	-	-	(5,000)	-
Total	5,000	-	90,974,279	-	195,000	91,174,279

*Opening balances are Axxis Technology Group Limited

- (i) David McCredie purchased 200,000 shares on market on 20 September 2019. Justyn Stedwell resigned from the Company on 15 July 2019.

Table 6 – Performance rights of KMP (direct and indirect holdings)

30 June 2020	Balance at 01/07/2019*	Granted as Remuneration	On Acquisition**	Net Change – Other	Balance at 30/06/2020
Directors					
Alex Keach	-	-	41,337,435	-	41,337,435
David McCredie	-	-	194,301	-	194,301
Jeremy King	-	-	-	-	-
Michael Nitsche	-	-	-	-	-
Justyn Stedwell	-	-	-	-	-
Total	-	-	41,531,736	-	41,531,736

*Opening balances are Axxis Technology Group Limited

** Performance rights were issued as consideration for the reverse acquisition. Refer note 2 for further details.

Directors' Report

Table 7 – Unquoted option holdings of KMP (direct and indirect holdings)

30 June 2020	Balance at 01/07/2019*	Granted as Remuneration	On Exercise of Options	Net Change – Other	Balance at 30/06/2020
Directors					
Alex Keach	-	937,500	-	-	937,500
David McCredie	-	937,500	-	-	937,500
Jeremy King	-	11,000,000	-	-	11,000,000
Michael Nitsche	-	5,500,000	-	-	5,500,000
Justyn Stedwell	-	2,000,000	-	(2,000,000)	-
Total	-	20,375,000	-	(2,000,000)	18,375,000

*Opening balances are both Axxis Technology Group Limited

(i) Resigned 15 July 2019

The options issued to the Directors have been valued using the Black-Scholes model, all options vested immediately on grant date. The model and assumptions are shown in the table below:

30 June 2020

Grant date share price	\$0.04
Exercise price	\$0.08
Expected volatility	75%
Grant date	11/07/2019
Expiry date	11/01/2022
Dividend yield	0%
Risk free rate	0.94%
Black-Scholes Valuation	\$0.011
Total Fair Value of Options	\$220,574
Number of Options Issued	20,375,000

E Service Agreements

❖ Alex Keach – Managing Director

- Contract: Commenced on 11 July 2019
- Director's Fee: \$195,000 per annum including superannuation
- Term: 12 months from the commencement date with extended term options
- Termination: On termination the executive is entitled to be paid any outstanding amounts owing up until the termination date. The executive does not have any entitlement to payment related to the unexpired portion of the term as at the date of termination.

F Share-based Compensation

The Company rewards Directors for their performance and aligns their remuneration with the creation of shareholder wealth by issuing share options. Share-based compensation is at the discretion of the Board and no individual has a contractual right to receive any guaranteed benefits.

G Equity Instruments Issued on Exercise of Remuneration Options

No remuneration options or performance rights were exercised during the financial year.

H Loans with KMP

There were no loans made to any KMP during the year ended 30 June 2020, during the prior year Alex Keach loaned \$18,560 to ECS Botanics Pty Ltd, this loan was unsecured and non-interest bearing. ECS Botanics Pty Ltd repaid this loan in March 2019.

Directors' Report

I Other Transactions with KMP

Related Party Transactions		
	2020 \$	2019* \$
The following related party transactions were made during the year:		
Financial management fees paid to Mirador Corporate Pty Ltd ⁽ⁱ⁾	197,205	141,625
Farm rental payments made to The Coy Farm Unit Trust ⁽ⁱⁱ⁾	16,000	21,000
Purchase of COY Farm from The Coy Farm Unit Trust ⁽ⁱⁱ⁾	1,506,413	-
Office rental payments made to Australian British Chamber of Commerce ⁽ⁱⁱⁱ⁾	19,200	2,714
<p>(i) An entity in which Jeremy King is a Director.</p> <p>(ii) An entity in which Alex Keach has a 20% investment as trustee through Keach & Co Pty Ltd.</p> <p>(iii) An entity in which David McCredie is a CEO.</p>		

*Please note the prior year contains both transactions with related parties with Axxis Technology Group Limited and ECS Botanics Pty Ltd.

There were no other transactions with KMP during the year ended 30 June 2020.

J Voting of shareholders at last year's Annual General Meeting

ECS Botanics Holdings Limited received more than 99% on its remuneration report for the 2019 financial year.

End of Audited Remuneration Report.

Directors' Report

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

The Company has indemnified the Directors and Executives of the Company for costs incurred, in their capacity as a Director or Executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to ensure the Directors and Executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

AUDITOR

BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF BDO AUDIT (WA) PTY LTD

There are no officers of the company who are former partners at BDO Audit (WA) Pty Ltd.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the group are important.

Details of the amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 23 to the financial statements.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are satisfied that the provision of non-audit services by the auditors, as set out below, did not compromise the auditor independent requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Board of Directors to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to the auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

Directors' Report

SHARE UNDER OPTION

At the date of this report there were the following unissued ordinary shares for which options were outstanding:

- 20,375,000 unquoted options exercisable at \$0.08 on or before 16 January 2023

SHARE ISSUED ON THE EXERCISE OF OPTIONS

At the date of this report there were no issued shares on the exercise of options granted during the year 30 June 2020. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

PERFORMANCE SHARES

- 43,750,000 Milestone A Performance Rights, expiry date of 1 July 2021;
- 43,750,000 Milestone B Performance Rights, expiry date of 1 July 2022;
- 43,750,000 Milestone C Performance Rights, expiry date of 1 July 2023.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2020 has been received and included within these financial statements.

This report is signed in accordance with a resolution of Board of Directors.



Alex Keach
Managing Director
 27 August 2020

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF ECS BOTANICS HOLDINGS LTD

As lead auditor of ECS Botanics Holdings Ltd for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of ECS Botanics Holdings Ltd and the entities it controlled during the period.



Jarrad Prue
Director

BDO Audit (WA) Pty Ltd
Perth, 27 August 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Financial Year Ended 30 June 2020

	Note	2020 \$	2019 \$
Revenue from continuing operations			
Revenue	4	919,128	26,552
Expenses			
Cost of goods sold		(658,130)	(362,321)
Depreciation and amortisation expenses	14	(22,378)	(719)
Marketing expenses		(123,697)	(34,368)
Occupancy expenses		(24,312)	(6,772)
Administrative expenses		(275,799)	(80,580)
Professional fees		(209,697)	(121,211)
Legal fees		(51,653)	(22,988)
Consulting and corporate advisory fees		(415,740)	(118,633)
Compliance and regulatory expenses		(183,860)	(3,127)
Wages and superannuation		(747,920)	(122,597)
Listing fees	5	(2,431,489)	-
Share based payment expense	6	(220,574)	-
Share of losses of Tasmanian Agricultural Producers Pty Ltd	15	(84,938)	-
Fair value (gain/loss) on biological assets		(38,411)	-
Loss before income tax		(4,569,470)	(846,764)
Income tax expense	7	-	-
Loss after income tax		(4,569,470)	(846,764)
Other comprehensive income			
Other comprehensive income for the year, net of income tax		-	-
Other comprehensive income for the year, net of tax		(4,569,470)	(846,764)
Total comprehensive loss attributable to the members of ECS Botanics Holdings Limited		(4,569,470)	(846,764)
Loss per share for the year attributable to the members of ECS Botanics Holdings Limited			
Basic loss per share (cents)	18	(0.90)	(0.29)
Diluted loss per share (cents)	18	(0.90)	(0.29)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Position

As at 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	8	1,904,014	962,808
Trade and other receivables	9,9a	848,153	81,760
Inventories	10	575,710	81,550
Total current assets		3,327,877	1,126,118
Non-current assets			
Plant and equipment	14	1,473,833	41,781
Loan receivables		-	7,230
Investments accounted for using the equity method	12,15	665,062	-
Total non-current assets		2,138,895	49,011
Total assets		5,466,772	1,175,129
LIABILITIES			
Current liabilities			
Trade and other payables	11	282,872	124,467
Borrowings		2,104	13,246
Provisions	13	50,184	28,680
Other liabilities	11a	96,876	-
Total current liabilities		432,036	166,393
Total liabilities		432,036	166,393
Net Assets		5,034,736	1,008,736
EQUITY			
Contributed equity	16	10,230,396	1,855,500
Reserves	17	220,574	-
Accumulated losses		(5,416,234)	(846,764)
Total equity		5,034,736	1,008,736

The Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity For the Financial Year Ended 30 June 2020

	Issued Capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
At 1 July 2019	1,855,500	-	(846,764)	1,008,736
Loss after income tax for the year	-	-	(4,569,470)	(4,569,470)
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss) for the year after tax	-	-	(4,569,470)	(4,569,470)
Transactions with owners in their capacity as owners				
Issue of share capital (net of costs)	6,071,253	-	-	6,071,253
Facilitation shares	400,000	-	-	400,000
Consideration shares	1,903,643	-	-	1,903,643
Options issued	-	220,574	-	220,574
At 30 June 2020	10,230,396	220,574	(5,416,234)	5,034,736
At 1 February 2018 (date of incorporation)	-	-	-	-
Loss after income tax for the period	-	-	(846,764)	(846,764)
Total comprehensive income/(loss) for the period after tax	-	-	(846,764)	(846,764)
Transactions with owners in their capacity as owners				
Contributions of equity	100,500	-	-	100,500
Shares issued to initial owners	1,755,000	-	-	1,755,000
At 30 June 2019	1,855,500	-	(846,764)	1,008,736

The Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows

For the Financial Year ended 30 June 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from customers		520,718	13,415
Payments to suppliers and employees		(3,450,515)	(818,946)
Interest received		4,180	10,739
Net cash used in operating activities	8(a)	(2,925,617)	(794,792)
Cash flows from investing activities			
Loan paid to Tap Agrico		-	(55,400)
Payments for plant and equipment		(226,148)	(42,500)
Payments for land and buildings		(1,228,282)	-
Payments for investments		(750,000)	-
Net cash from investing activities		(2,204,430)	(97,900)
Cash flows from financing activities			
Proceeds from issue of shares (net of costs)		6,071,253	1,855,500
Net cash used in financing activities		6,071,253	1,855,500
Net increase / (decrease) in cash and cash equivalents		941,206	962,808
Cash and cash equivalents at the beginning of the year		962,808	-
Cash and cash equivalents at the end of the year	8	1,904,014	962,808

The Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

ECS Botanical Holdings Limited (referred to as “ECS” or the “Company”) is a company domiciled in Australia. The address of the Company’s registered office and principal place of business is disclosed in the Corporate Directory of the Annual Report. The financial statements are presented in Australian dollars, which is ECS Botanical Holdings Limited’s functional and presentation currency.

(b) Basis of Preparation

Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) and the Corporations Act 2001. The financial statements comply with International Financial Reporting Standards (“IFRS”) adopted by the International Accounting Standards Board (“IASB”). ECS Botanical Holdings Limited is a for-profit entity for the purpose of preparing the financial statements.

The annual report was authorised for issue by the Board of Directors on 27 August 2020.

Basis of measurement

The financial statements have been prepared on a going concern basis in accordance with the historical cost convention, unless otherwise stated.

Accounting Policies

The accounting policies are consistent with those applied in the previous financial year and those of the corresponding interim reporting period.

Basis of preparation and changes to the Group’s accounting policies

The consolidated entity has adopted all of the new or amended Accounting Standards and interpretations issued by the Australian Accounting Standards Board (‘AASB’) that are mandatory for the current reporting period.

Details of the impact of *AASB 16 Leases* and *IFRIC Uncertainty over Income Tax Treatments* have had are detailed below. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the consolidated entity.

AASB 16 Leases

The Consolidated entity has adopted AASB 16 from 1 July 2019 using the retrospective modified approach and as such the comparatives have not been restated. The impact of adoption is not material to the financial statements.

IFRIC 23 Uncertainty over Income Tax Treatments

IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments.

The Consolidated entity has adopted IFRIC 23 from 1 July 2019. The impact of adoption is not material to the financial statements.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Significant Judgements and Estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

(c) Comparatives

Comparative balances for the Company are for the financial year 1 February 2018 (Incorporation) to 30 June 2019 for ECS Botanics Pty Ltd as the consolidated financial statements have been prepared as if ECS Botanics Pty Ltd acquired ECS Botanics Holdings limited as represented by the legal position.

The Comparative information for the Remuneration Report and related party transactions contains both the ECS Botanics Pty Ltd and Axxis Technology Group limited.

(d) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board.

(e) Principles of Consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of ECS Botanics Holdings Limited ('Company' or 'parent entity') as at 30 June 2020 and the results of all subsidiaries for the year then ended. ECS Botanics Holdings Limited and its subsidiaries together are referred to in this financial report as the consolidated entity.

Subsidiaries are all entities (including special purpose entities) over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the consolidated entity controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between consolidated entity companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition method of accounting is used to account for business combinations by the consolidated entity. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(f) Associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in Other Comprehensive Income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Consolidated entity reviews impairment indicators at each reporting period in accordance with *AASB 128 Investments in Associates and Joint Ventures*.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(g) Revenue Recognition

Revenue is measured at the amount that reflects the consideration to which the entity is expected to be entitled. All revenue noted below is recognised at a point in time.

Sale of goods

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of control of the goods and the cessation of all involvement in those goods.

Interest

Interest revenue is recognised as interest accrues using the effective interest method.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

(h) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Cash and Cash Equivalents

Cash on hand and in bank and short-term deposits are stated at nominal value. For the purpose of the statement of cash flows, cash includes cash on hand and in bank, and bank securities readily convertible to cash, net of outstanding bank overdrafts.

(j) Trade and Other Receivables

Trade receivables, which generally have 30-90 day terms, are recognised at fair value and subsequently measured at amortised cost less any allowance for expected credit losses.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(k) Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

The depreciable amount of all fixed assets is depreciated on a straight-line basis or diminishing value (whichever is more appropriate) over their useful lives to the entity commencing from the time the asset is held ready for use.

Land and buildings are recognised at historical cost on initial purchase, management review the value booked at each reporting date for impairment indicators.

The effective lives used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation rate
Buildings	2.5%

Class of Fixed Asset	Useful life
Irrigation systems	20 years
Other farm assets	10 years
Property plant and equipment	10-30 years

(l) Biological assets

The Group's biological assets consist of the hemp growth accounted for in accordance with AASB 141 Agriculture. The Group measures the biological assets in accordance with AASB 141 Agriculture at fair value less costs to sell up to the point of harvest, which becomes the basis for the cost of finished goods within inventories. Fair value is determined based on future cash flows of the in process biological assets less costs to complete. Cost to sell include post-harvest production, shipping and fulfillment costs.

Where the biological assets cannot be reliably measured at fair value during the in-process (growth) stage the biological asset is measured at its cost less any accumulated depreciation and accumulated impairment losses. Once the fair value becomes reliably measurable (deemed to be the point of harvest) the Group measures the biological assets at their fair value less costs to sell as noted above.

(m) Inventories

Inventories are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of the hemp seeds are transferred from biological assets, in which they are held at fair value as at the date of harvest.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(n) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Where an impairment loss subsequently reverses, the carrying amount of the asset, other than goodwill, is increased to the revised estimate of its recoverable amount, but only to the extent the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(o) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received whether or not billed to the Company. Trade payables are usually settled within 30 days of recognition.

(p) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(q) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, for example as a result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

Notes to the Consolidated Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(r) Goods and Services Tax (“GST”)

Revenue, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

(s) Current and Non-Current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the entity’s normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the entity’s normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(t) Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The critical accounting judgements, estimates and assumptions that are likely to affect the current or future balances are detailed below;

Share based payments

The consolidated entity measures the cost of equity-settled transactions with employees and service providers by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an appropriate valuation model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. The assumptions and models used for estimating the fair value of share based payments transactions are disclosure in Note 6 & 17.

Notes to the Consolidated Financial Statements

NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND ASSUMPTIONS (CONT.)

Contingent Consideration

During the period the Group assessed the probabilities of the contingent consideration being payable with respect to the reverse asset acquisition of ECS Botanics Pty Ltd occurring on 11 July 2019. The consideration comprised of:

- 131,250,000 Performance Rights that were issued as part of the Acquisition Consideration.

The Performance Rights vest subject to the below revenue milestones:

- 43,750,000 Performance Rights ('Milestone A Performance Rights') will convert into Shares upon ECS achieving an annual revenue in any financial year of \$1.00 million within two years of the Company's readmission.
 - 43,750,000 Performance Rights ('Milestone B Performance Rights') will convert into Shares upon ECS achieving an annual revenue in any financial year of \$2.50 million within three years of the Company's readmission.
 - 43,750,000 Performance Rights ('Milestone C Performance Rights') will convert into Shares upon ECS achieving an annual revenue in any financial year of \$10.00 million within four years of the Company's readmission.
- Management have applied judgement to whether the achievement of the milestones are possible. While the achievement of the milestones is possible, it is currently not probable and so no value has been ascribed to them and that these will be reassessed at each reporting period.

The consideration for the Milestone shares is recognised as a contingent liability as disclosed within note 22 of the report.

Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the consolidated entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 9, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Notes to the Consolidated Financial Statements

NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND ASSUMPTIONS (CONT.)

Reverse acquisition accounting

Estimates and judgements were made in determining the accounting treatment and value of the transaction. On 11 July 2019, ECS Botanics Holdings Limited (formerly Axxis Technology Group Limited), the legal parent and legal acquirer completed the acquisition of ECS Botanics Pty Ltd. The acquisition did not meet the definition of a business combination in accordance with AASB 3 Business Combinations. Instead the acquisition has been accounted for as a share based payment by which ECS Botanics Pty Ltd acquires the net assets and listing status of ECS Botanics Holdings Limited. Accordingly the consolidated financial statements have been prepared as if ECS Botanics Pty Ltd acquired ECS Botanics Holdings Limited, not vice versa as represented by the legal position. The comparative information is that of ECS Botanics Pty Ltd for 30 June 2019. The Comparative information for the Remuneration Report and related party transactions contains both the ECS Botanics Pty Ltd and Axxis Technology Group limited.

The impact of the group restructure on each of the primary statements is as follows:

a) Statement of Profit or Loss and Other Comprehensive Income

- The Statement of profit or loss and other comprehensive income comprises the total comprehensive income for the year ended 30 June 2020 for ECS Botanics Pty Ltd and the period 11 July 2019 to 30 June 2020 for ECS Botanics Holdings Limited.
- The statement of profit or loss and other comprehensive income for the year ended 30 June 2019 comprises ECS Botanics Pty Ltd only.

b) Statement of Financial Position

- The statement of financial position as at 30 June 2020 represents the combination of ECS Botanics Pty Ltd and ECS Botanics Holdings Limited.
- The statement of financial position comparative represents ECS Botanics Pty Ltd only as at 30 June 2019.

c) Statement of Changes in Equity

- The statement of changes in equity comprises:
 - The equity balance of ECS Botanics Pty Ltd as at the beginning of the financial year (1 July 2019).
 - The total comprehensive income for the financial year and transactions with equity holders represents the combination of the ECS Botanics Group.
 - The equity balance represents the combination of both ECS Botanics Holdings Limited & ECS Botanics Pty Ltd.
- The statement of changes in equity comparatives comprises the year ended 30 June 2019 for ECS Botanics Pty Ltd only.

d) Statement of Cash Flows

- The statement of cashflows comprises:
 - The cash balance of the ECS Botanics Pty Ltd at the beginning of the financial period (1 July 2019).
 - The transactions for the financial period for the 12 months represents the Combination of the ECS Botanics Group for ECS Botanics Pty Ltd and the period 11 July 2019 to 30 June 2020 for ECS Botanics Holdings Limited.
 - The cash balance represents the combination of both ECS Botanics Holdings Limited & ECS Botanics Pty Ltd.
- The Statement of cash flows for the year ended 30 June 2019 comprises ECS Botanics Pty Ltd only.

e) Equity Structure

The equity structure (the number and type of equity instruments issued) in the financial statements reflects the consolidated equity structure of ECS Botanics Holdings Limited and ECS Botanics Pty Ltd. The comparatives reflect the equity structure of ECS Botanics Pty Ltd only.

Notes to the Consolidated Financial Statements

NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS AND ASSUMPTIONS CONTINUED

f) Earnings per share

The weighted average number of shares outstanding for the year ended 30 June 2020 is based on the weighted average number of shares of ECS Botanics Holdings Limited outstanding in the period following the acquisition. The comparative weighted average number of shares is based on the legal subsidiary's weighted average number of shares multiplied by the exchange ratio.

g) Deemed Consideration and Listing Expense

The purchase consideration was the issue of 287,500,000 shares and 131,250,000 performance rights in ECS Botanics Holdings Limited (legal parent) and was deemed to be \$1,903,643 based on the below. The performance rights have a deemed nil value and have not impacted the calculation of the deemed consideration.

Ordinary shares	287,500,000
Share price based on capital raising	\$0.04
Exchange ratio	10.64
Deemed consideration	<u>\$1,903,643</u>

The purchase consideration was settled via shares as follows:

Instrument	Number	Value (\$)
Ordinary shares	<u>287,500,000</u>	<u>\$1,903,643</u>

The transaction created a one-off non cash expense arising from the treatment of the acquisition of ECS Botanics Holdings Limited in accordance with Australian Accounting Standards:

Deemed consideration	\$1,903,643
add: net liabilities of ECS Botanics Holdings Limited at the time of acquisition	<u>\$257,927</u>
Listing Expense (refer to note 5)	<u>\$2,161,570</u>

NOTE 3 SEGMENT INFORMATION

Identification of reportable operating segments

The information reported to the Board of Directors (being the Chief Operating Decision Makers ("CODM")), are the results as shown in the Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position.

The Directors have determined that there are no operating segments identified for the year which are considered separately reportable.

The Groups major customer represents \$528,175 of the total revenue as at 30 June 2020

NOTE 4 REVENUE

	2020 \$	2019 \$
<i>Revenue*</i>		
Retail sales	39,928	443
Wholesale sales	796,832	15,370
Other income	76,389	10,739
Rental income	5,979	-
	<u>919,128</u>	<u>26,552</u>

* All Revenue is recognised as a point in time.

Notes to the Consolidated Financial Statements

NOTE 5 LISTING FEES

	2020 \$	2019 \$
Listing expense on reverse acquisition of ECS Botanics Limited (note 2)	2,161,570	-
Facilitation shares issued	400,000	-
Less loss carried over from Axxis Technology	(130,081)	-
	2,431,489	-

NOTE 6 SHARE BASED PAYMENT EXPENSE

	2020 \$	2019 \$
Options issued during the period*	220,574	-
	220,574	-

*Refer to note 17 for further information

NOTE 7 INCOME TAX

(a) The components of tax expense comprise:

	2020 \$	2019 \$
Current tax	-	-
Deferred tax	-	-
Income tax expense reported in the of profit or loss and other comprehensive income	-	-

(b) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:

Loss before income tax expense	4,569,470	(846,764)
Prima facie tax benefit on loss before income tax at 27.5% (2019: 27.5%)	(1,256,604)	(232,860)

Tax effect amounts which are not deductible/(taxable) in calculating taxable income:

Share based payments	60,658	-
Other	31,224	610
Movement in deferred taxes not recognised	1,164,722	232,250
Income tax expense	-	-

Deferred tax assets and liabilities not recognised

Tax Loss	13,554,214	208,692
Accrued expenses	22,041	4,376
Other	619,482	19,182
Net DTA not recognised	14,195,737	232,250

Notes to the Consolidated Financial Statements

NOTE 8 CASH AND CASH EQUIVALENTS

	2020	2019
	\$	\$
Cash at bank	1,904,014	203,029
Term deposits	-	759,779
	1,904,014	962,808

Cash at bank earns interest at floating rates based on daily deposit rates.
The Company's exposure to interest rate and credit risks is disclosed in Note 19.

(a) Reconciliation of net loss after tax to net cash flows from operations

Loss for the financial year	(4,569,470)	(846,764)
Non-Cash Items	-	21,895
Depreciation	22,378	-
Investment in Tap Agrico equity accounting	84,938	-
Share based payments/listing expenses	2,524,217	-
<i>Changes in assets and liabilities</i>		
(Increase) / decrease in trade and other receivables	(766,393)	(26,360)
Increase / (decrease) in trade and other payables	118,380	145,217
Increase / (decrease) in provisions and other liabilities	134,966	-
(Increase) / decrease in inventory	(474,633)	(81,550)
Net cash used in operating activities	(2,925,617)	(787,562)

The issue of shares for facilitation fees (note 5) and shares on acquisition (note 5) are non-cash financing activities. No additional non-cash financing and non-cash investing activities identified (2019: nil).

NOTE 9 TRADE AND OTHER RECEIVABLES

	2020	2019
	\$	\$
Trade receivables	467,891	2,398
Other receivables (9a)	380,262	79,362
	848,153	81,760

Allowance for expected credit loss

Receivables past due but not considered impaired are nil (2019: Nil). Other receivables are non-interesting bearing and are generally on terms of 30 days.

NOTE 9a OTHER RECEIVABLES

	2020	2019
	\$	\$
Prepayments	13,791	-
Accrued income	8,100	-
GST receivable	47,224	23,962
Farmer offtake prepayment*	311,147	-
Tasmanian Agricultural Producers	-	55,400
	380,262	79,362

*Prepayments made to farmers on receipt of hemp seeds calculated based on the hemp weight received, prior to treatment, quality testing and subsequent transfer of ownership.

Notes to the Consolidated Financial Statements

NOTE 10 INVENTORIES

	2020 \$	2019 \$
Raw materials	227,048	81,550
Finished goods	348,662	-
	575,710	81,550

NOTE 11 TRADE AND OTHER PAYABLES

	2020 \$	2019 \$
Trade Payables	198,097	124,467
Other Payables	84,775	-
	282,872	124,467

NOTE 11a OTHER LIABILITIES

	2020 \$	2019 \$
Consignment held by customers	192	-
Unearned Income	96,684	-
	96,876	-

NOTE 12 INVESTMENT IN ASSOCIATES

	2020 \$	2019 \$
Investment in associate (refer to note 15)	665,062	-
	665,062	-

NOTE 13 PROVISIONS

	2020 \$	2019 \$
Superannuation payable	4,274	7,911
PAYG Payable	12,688	7,593
Annual leave provision	33,222	13,176
	50,184	28,680

Notes to the Consolidated Financial Statements

NOTE 14 PROPERTY, PLANT AND EQUIPMENT

	Land \$	Buildings \$	Other farm assets \$	Property plant and equipment \$	Total \$
Cost or fair value					
Balance at 1 July 2019	-	-	-	42,500	42,500
Additions	670,000	530,000	28,282	226,148	1,454,430
Disposals	-	-	-	-	-
Balance at 30 June 2020	670,000	530,000	28,282	268,648	1,496,930
Depreciation					
Balance at 1 July 2019	-	-	-	719	719
Depreciation for the year	-	10,128	2,162	10,088	22,378
Balance at 30 June 2020	-	10,128	2,162	10,807	23,097
Carrying amounts					
at 1 July 2019	-	-	-	41,781	41,781
at 30 June 2020	670,000	519,872	26,120	257,841	1,473,833

	Land \$	Buildings \$	Other farm assets \$	Property plant and equipment \$	Total \$
Cost or fair value					
Balance at 1 July 2018	-	-	-	17,500	17,500
Additions	-	-	-	25,000	25,000
Disposals	-	-	-	-	-
Balance at 30 June 2019	-	-	-	42,500	42,500
Depreciation					
Balance at 1 July 2018	-	-	-	66	66
Depreciation for the year	-	-	-	653	653
Balance at 30 June 2019	-	-	-	719	719
Carrying amounts					
At 1 July 2018	-	-	-	17,434	17,434
At 30 June 2019	-	-	-	41,781	41,781

Notes to the Consolidated Financial Statements

NOTE 15: INTERESTS IN ASSOCIATE

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated entity are set out below:

Name	Principle place of business	Ownership Interest	
		2020	2019
		%	%
Tasmanian Agricultural Producers Pty Ltd	Australia	*28.4%	-

*On 11 September 2019 ECS Botanics Pty Ltd (ECS) acquired 28.4% of Tasmanian Agricultural Producers Pty Ltd (TAP). A strategic investment in order to handle and process ECS's harvest & expanding supply. The consideration paid for 28.4% interest in the Company was \$750,000.

	2020
<i>Summarised statement of financial position</i>	\$
Current assets	3,232,176
Non-current assets	3,744,859
Total assets	6,977,035
Current liabilities	1,743,663
Non-current liabilities	3,045,094
Total liabilities	4,788,757
Net assets	2,188,278

	2020*
<i>Summarised statement of profit or loss and other comprehensive income</i>	\$
Revenue	11,747,635
Expenses	12,046,713
Profit/(loss) before income tax	(299,078)
Income tax expense	
Profit/(loss) after income tax	(299,078)
Other comprehensive income/(loss)	(299,078)
Total comprehensive income/(loss)	(299,078)

*The summarised statement of profit or loss is for the period from the date of acquisition 11 September to 30 June 2020.

	2020
<i>Reconciliation of the consolidated entity's carrying amount</i>	\$
Opening carrying amount	750,000
Share of loss after income tax	(84,938)
Closing carrying amount	665,062

Notes to the Consolidated Financial Statements

NOTE 15: INTERESTS IN ASSOCIATE CONTINUED

	2020
<i>Reconciliation of share in net assets to carrying amount</i>	\$
Groups share of net assets	621,471
Goodwill	43,591
Closing carrying amount	665,062

NOTE 16: ISSUED CAPITAL

	2020	2019
	\$	\$
Issued and paid up Capital		
Ordinary Shares Fully Paid	10,230,396	1,855,500

	Date	Issue price	No. of Shares	\$
Movement in ordinary shares on issue				
Balance at the beginning of the period	1 July 2018	-	27,020,000	1,855,500
Balance at the end of period	30 June 2019	-	27,020,000	1,855,500
Balance at the beginning of the period	1 July 2019	-	27,020,000	1,855,500
Elimination of ECS Botanics Pty Ltd shares on acquisition	11 July 2019	-	(27,020,000)	-
Axxis Technology Group Limited shares on issue at acquisition date	11 July 2019	-	47,591,067	-
Consideration shares issued to vendors of ECS	11 July 2019	-	287,500,000	1,903,643
Facilitation shares issued to Joint Lead Managers *	11 July 2019	\$0.04	10,000,000	400,000
Public Offer Shares (IPO)	11 July 2019	\$0.04	162,500,000	6,500,000
Capital raising costs			-	(428,747)
Balance at the end of period	30 June 2020		507,591,067	10,230,396

*value based on \$0.04 share price at date of re-listing.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Notes to the Consolidated Financial Statements

NOTE 17: SHARE BASED PAYMENTS

	2020 \$	2019 \$
(a) Recognised share-based payment transactions		
Options issued to Directors ⁽ⁱ⁾	220,574	-
	220,574	-

- (i) On 11 July 2019, the Company issued 20,375,000 options to the Directors, exercisable at \$0.08 on or before 11 January 2022.

(b) Summary of options granted during the year								
Options	Issue Date	Date of Expiry	Exercise Price	Balance at the start of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at the end of the year
Directors	11/07/2019	11/01/2022	0.08	-	20,375,000	-	-	20,375,000
				-	20,375,000	-	-	20,375,000

The options issued to the Directors have been valued using the Black-Scholes model. The model and assumptions are shown in the table below:

30 June 2020

Grant date share price	\$0.04
Exercise price	\$0.08
Expected volatility	75%
Grant date	11/07/2019
Expiry date	11/01/2022
Dividend yield	0%
Risk free rate	0.94%
Black-Scholes Valuation	\$0.011
Total Fair Value of Options	\$220,574
Number of Options Issued	20,375,000

NOTE 18 LOSS PER SHARE

	2020 \$	2019 \$
Net loss attributable to ordinary equity holders of the Company	(4,569,470)	(846,764)
Weighted average number of ordinary shares for basic and diluted loss	507,591,067	287,500,000
Continuing operations		
- Basic and diluted loss per share (cents)	(0.90)	(0.29)

The weighted average number of ordinary shares for the comparative period has been adjusted to give effect to the capital reorganisation which occurred during the year. The exchange ratio applied was 10.64.

Notes to the Consolidated Financial Statements

NOTE 19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Groups activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's overall risk management program focuses on the unprofitability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure different types of risk to which it is exposed. These methods included sensitivity analysis in the case of interest rate and ageing analysis for credit risk.

Risk management is carried out by the Board of Directors ('the Board') and includes identification and analysis of the risk exposure of the Company and appropriate procedures, controls and risk limits.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The carrying values of the Company's financial instruments are as follows:

	2020 \$	2019 \$
Financial Assets		
Cash and cash equivalents	1,904,014	962,808
Trade and other receivables	846,053	81,760
	2,750,067	1,044,568
Financial Liabilities		
Trade and other payables	(282,872)	(124,467)
	(282,872)	(124,467)

(a) Market risk

(i) Foreign exchange risk

The Company is not significantly exposed to foreign currency risk fluctuations.

(ii) Interest rate risk

The Company is not significantly exposed to interest rate risk fluctuations.

(b) Credit risk

Credit risk arises from the financial assets of the Company, which comprise cash and cash equivalents and trade and other receivables. The Company's exposure to credit risk arises from potential default of the counterparty, with maximum exposure equal to the carrying amount of the financial assets.

The Company's policy is to trade only with recognised, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms will be subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Company except for cash and cash equivalents. ECS cash accounts are held with both Westpac and Commonwealth bank, their credit rating is AA- and AA- respectively by S&P Global.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

Notes to the Consolidated Financial Statements

NOTE 19 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

The Company manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows. The Company does not have any external borrowings. The following are the contractual maturities of financial liabilities:

	6 months	6-12 months	1-5 years	> 5 years	Total
2020	\$	\$	\$	\$	\$
Trade and other payables	282,872	-	-	-	282,872
2019					
Trade and other payables	124,467	-	-	-	124,467

(d) Capital risk management

The Company's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Given the stage of the Company's development there are no formal targets set for return on capital. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements. The net equity of the Company is equivalent to capital. Net capital is obtained through capital raisings on the Australian Securities Exchange ("ASX").

NOTE 20 RELATED PARTY DISCLOSURE

(a) Key Management Personnel Compensation

Details relating to key management personnel, including remuneration paid, are below.

	2020	2019*
	\$	\$
Short-term benefits	282,380	108,200
Long-term benefits	23,212	-
Share based payments	220,574	-
	526,166	108,200

*Short-term benefits of Axxis Technology Group Limited & ECS Botanics Pty Ltd.

Notes to the Consolidated Financial Statements

NOTE 20 RELATED PARTY DISCLOSURE CONTINUED

(b) Related Party Transactions

	2020 \$	2019* \$
The following payments occurred with related parties:		
Financial management, Company secretarial and registered office fees aid/payable to Mirador Corporate Pty Ltd ⁽ⁱ⁾	197,205	141,625
Farm rental payments made to The COY Farm Unit Trust ⁽ⁱⁱ⁾	16,000	21,000
Purchase of COY Farm from The Coy Farm Unit Trust ⁽ⁱⁱⁱ⁾	1,506,413	-
Office rental payments made to Australian British Chamber of Commerce ⁽ⁱⁱⁱ⁾	19,200	2,714

(i) An entity in which Jeremy King is a Director of which \$9,775 remains unpaid at 30 June 2020.

(ii) An entity in which Alex Keach has a 20% investment as trustee through Keach & Co Pty Ltd.

(iii) An entity in which David McCredie is a CEO.

*Comparative short-term benefits of Axxis Technology Group Limited & ECS Botanics Pty Ltd.

Information regarding individual Directors compensation and some equity instruments disclosures as required by Corporations Regulation 2M.3.03 is provided in the Remuneration Report section of the Directors' Report.

Transactions with Associate

During the period ECS Botanics paid \$880 for services performed and had \$5,493 payable to TAP Agrico as at 30 June 2020.

NOTE 21 COMMITMENTS

There are no commitments as at 30 June 2020 (2019: nil).

NOTE 22 CONTINGENCIES

During the year the Group assessed the probabilities of the contingent consideration being payable with respect to the reverse asset acquisition of ECS Botanics Pty Ltd occurring on 11 July 2019. The consideration comprised of:

131,250,000 Performance Rights that were issued as part of the Acquisition Consideration.

The Performance Rights vest subject to the below revenue milestones:

43,750,000 Performance Rights ('Milestone A Performance Rights') will convert into Shares upon ECS achieving an annual revenue in any financial year of \$1.00 million within two years of the Company's readmission.

43,750,000 Performance Rights ('Milestone B Performance Rights') will convert into Shares upon ECS achieving an annual revenue in any financial year of \$2.50 million within three years of the Company's readmission.

43,750,000 Performance Rights ('Milestone C Performance Rights') will convert into Shares upon ECS achieving an annual revenue in any financial year of \$10.00 million within four years of the Company's readmission.

Management have applied judgement to whether the achievement of the milestones are possible. While the achievement of the milestones is possible, it is currently not probable and so no value has been ascribed to them and that these will be reassessed at each year end.

The Company also has agreements in place with contract growers, the commitment is realised once the crops have met the standards and quality of the ECS Botanics Pty Ltd.

Notes to the Consolidated Financial Statements

NOTE 23 AUDITOR'S REMUNERATION

	2020 \$	2019 \$
Amounts received or due and receivable by BDO (Audit) Pty Ltd for:		
Audit and review of the annual and half-year financial report	60,558	22,000
Other services – BDO Corporate Tax (WA) Pty Ltd		
- Income tax return	5,099	-
Other services – BDO Corporate Finance (WA) Pty Ltd		
Investigating Accountant's Report	-	17,020
Amounts received or due and receivable by William Buck Pty Ltd for:		
Audit of the annual financial report of ECS Botanics Pty Ltd	-	8,000
	65,657	47,020

NOTE 24 INTERESTS IN SUBSIDIARIES

	Principal Activities	Country of Incorporation	Ownership interest	
			2020 %	2019 %
ECS Botanics Pty Ltd	Hemp retail	Australia	100	-
Tasmanian Cannabanoids Pty Ltd Investment	Agriculture	Australia	100	100
Tasmanian Hemp Pty Ltd Investment	Agriculture	Australia	100	100

NOTE 25 PARENT ENTITY NOTE

	2020 \$	2019 \$
Assets		
Current assets	1,840,850	7,115,176
Non-current assets	3,351,248	-
Total assets	5,192,098	7,115,176
Liabilities		
Current liabilities	87,433	7,243,023
Total liabilities	87,433	7,243,023
Equity		
Contributed equity	8,374,896	51,798,939
Reserves	220,574	-
Accumulated losses	(3,490,805)	(51,926,786)
Total equity	5,104,665	(127,847)
Loss for the year	(3,490,805)	(567,116)
Total comprehensive loss	(3,490,805)	(567,116)

Notes to the Consolidated Financial Statements

NOTE 26 EVENTS AFTER THE REPORTING DATE

In July 2020, the company completed a Share Placement to raise \$600,000 before costs through the placement of ~34.3 million shares at an issue price of 1.75c per share (Placement) to sophisticated and professional investors.

On 18 August 2020 the Company elected to close a Share Purchase Plan (SPP) run in conjunction with the placement. The SPP was significantly oversubscribed, raising \$750,000. The Company issued ~42.9 million fully paid ordinary shares in ECS at an issue price of \$0.0175 per share under the SPP.

The full impact of the COVID-19 outbreak continues to evolve at the date of this report. The Company is therefore uncertain as to the full impact that the pandemic will have on its financial condition, liquidity, and future results of operations during 2020.

Management is actively monitoring the global situation and its impact on the Company's financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the 2020 financial year.

Although the Company cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material adverse effect on the Company's results of future operations, financial position, and liquidity in fiscal year 2020.

There has been no other matter, or circumstance, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity.

Directors' Declaration

In the Directors' opinion:

- a) The financial statements and accompanying notes are in accordance with the Corporations Act 2001, including:
 - i) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - ii) giving a true and fair view of the entity's financial position as at 30 June 2020 and of its performance for the year ended on that date.
- b) The financial statements and notes comply with International Financial Reporting Standards.
- c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Alex Keach
Managing Director
27 August 2020

INDEPENDENT AUDITOR'S REPORT

To the members of ECS Botanics Holdings Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of ECS Botanics Holdings Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accounting for the reverse acquisition accounting transaction

Key audit matter	How the matter was addressed in our audit
<p>During the year ended 30 June 2020, ECS Botanics Holdings Ltd (formerly Axxis Technology Group Ltd) acquired 100% interest in the shares of ECS Botanics Pty Ltd on 11 July 2019, as disclosed in Note 2 to the financial report.</p> <p>The Group treated the transaction as a reverse asset acquisition, rather than a business combination, as disclosed in Note 2 of the financial report.</p> <p>Accounting for such transactions is complex and requires management to exercise judgement to determine the appropriate accounting treatment, including whether the acquisition constitutes an asset acquisition or business combination. As a result, this is considered a key audit matter.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> Assessing the acquisition agreement to understand key terms and conditions; Obtaining an understanding of the transaction, including considering management's assessment on whether the transaction constituted an asset acquisition or business combination and identification of the acquirer; Agreeing the consideration to supporting documentation and considering management's treatment of contingent consideration; Evaluating management's calculation and accounting for the resultant listing expense; and Assessing the adequacy of the related disclosures in Note 2 to the financial report.

Other matter

The corresponding figures for the period ended 30 June 2019 are unaudited.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 16 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of ECS Botanics Holdings Ltd, for the year ended 30 June 2020, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd



Jarrad Prue

Director

Perth, 27 August 2020

Corporate Governance Statement

The Company's Directors are committed to conducting the Company's business in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and substantially complies with the ASX Corporate Governance Principles and Recommendations (3rd Edition) (Recommendations) to the extent appropriate to the size and nature of the Company's operations.

The Company has prepared a Corporate Governance Statement which sets out the corporate governance practices that were in operation throughout the financial year for the Company, identifies any Recommendations that have not been followed, and provides reasons for not following such Recommendations.

The Company's Corporate Governance Statement and policies can be found on its website:
<https://ecsbotanics.com.au/pages/corporate-governance>

ASX Additional Information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this Annual Report is as follows. The information is current as of 19 August 2020.

TWENTY LARGEST SHAREHOLDERS

		Number Held	Percentage (%)
1	KEACH SECURITIES AND INVESTMENTS PTY LTD	90,548,668	16.71
2	HARBOUR CAPITAL ASSET MANAGEMENT PTY LTD	74,481,865	13.75
3	MACQUARIE CROPPING SERVICES PTY LTD	21,280,533	3.93
4	MR BIN LIU	12,768,320	2.36
5	RK LIVESTOCK PTY LTD <TALLAGANDRA DISCRETIONARY A/C>	11,704,293	2.16
6	ABACUS GLOBAL PTY LTD	10,640,266	1.96
7	MRS LUYE LI	10,176,538	1.88
8	XCEL CAPITAL PTY LTD	6,941,015	1.28
9	XCEL CAPITAL PTY LTD	6,915,248	1.28
10	MR BERNARD WILLIAM LIVY + MRS DESMA LEA LIVY <D & B LIVY SUPER FUND A/C>	6,357,143	1.17
11	ABL CONSULTING PTY LTD <ABL CONSULTING S/FUND A/C>	6,312,382	1.16
12	MR YI XIAO	5,000,000	0.92
13	MISS CLEA HARRISON	4,285,715	0.79
14	MAXIMUS FLANNERY PTY LTD <FINCO INVESTMENT A/C>	4,200,000	0.78
15	MS RAN LI	4,043,301	0.75
16	SCINTILLA STRATEGIC INVESTMENTS LIMITED	4,000,000	0.74
17	MR ROBERT WHITECHURCH + MRS MELINDA WHITECHURCH <R & M WHITECHURCH S/F A/C>	3,928,571	0.72
18	JAF CAPITAL PTY LTD	3,800,000	0.70
19	JOSHUA BIGGS	3,724,093	0.69
20	BELLAIRE CAPITAL PTY LTD <BELLAIRE CAPITAL INVEST A/C>	3,708,981	0.68
		294,816,932	54.41

DISTRIBUTION OF EQUITY SECURITIES

(i) Ordinary share capital

- 541,876,782 fully paid shares held by 2,245 individual shareholders. All issued ordinary shares carry one vote per share and carry the rights to dividends.

The number of shareholders, by size of holding, is:

Range	Total holders	Units	% of Issued Capital
1 - 1,000	718	163,219	0.03
1,001 - 5,000	212	503,305	0.09
5,001 - 10,000	164	1,381,930	0.26
10,001 - 100,000	750	31,499,364	5.81
100,001 Over	401	508,328,964	93.81
Total	2,245	541,876,782	100

(ii) Unlisted Options

- 20,375,000 unquoted options held by 5 individual shareholders with an exercise price of \$0.08 and an expiry date of 11 January 2022.

ASX Additional Information

SUBSTANTIAL SHAREHOLDERS

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	Holding Balance	% of Issued Capital
KEACH SECURITIES AND INVESTMENTS PTY LTD	90,548,668	17.84
HARBOUR CAPITAL ASSET MANAGEMENT PTY LTD	74,481,865	14.67

RESTRICTED SECURITIES

There are 227,061,430 fully paid ordinary shares escrowed until 22 July 2021.

There are 99,093,266 fully paid performance rights escrowed until 22 July 2021.

There are 32,156,734 fully paid performance rights escrowed until 11 July 2020.

There are 20,375,000 unquoted options (exercisable at \$0.08, expiring on 11 January 2022) escrowed 22 July 2021.

UNMARKETABLE PARCELS

There were no holders of less than a marketable parcel of ordinary shares.

ON-MARKET BUY-BACK

There is no current on-market buy-back.

ACQUISITION OF VOTING SHARES

No issues of securities have been approved for the purposes of Item 7 of Section 611 of the Corporations Act 2001.

TAX STATUS

The Company is treated as a public company for taxation purposes.

FRANKING CREDITS

The Company has no franking credits.

STATEMENT IN ACCORDANCE WITH ASX LISTING RULE 4.10.19

The Company confirms in the period from admission to the official list of the ASX to 22 July 2019, that it used its cash and assets in a form readily convertible to cash, in a manner consistent with its business objectives.