

## Major hemp harvest underway & COVID-19 update

- **Tasmanian hemp harvest has commenced & Tap Agrico has begun receiving ECS hemp**
- **ECS business not experiencing any supply chain issues due to COVID-19**
- **ECS remains in strong cash position**
- **Cost cutting measures implemented: will not affect forecast sales**
- **Complementary strategic opportunities being investigated**

ECS Botanics Holdings Ltd (ASX: **ECS** or **the Company**) is pleased to update the market in regard to its first major hemp harvest program, with contract growers having begun to harvest in Tasmania with the expectation of harvest being at full capacity next week and the week after (weather dependent).

ECS's supply chain is yet to be affected by COVID-19, and management does not anticipate any impact on this important harvest, with farmers, harvesters and TapAgrico not experiencing any disruptions that flow through to ECS.

Due to the current share market turmoil and lack of visibility on how long COVID-19 related lockdowns may run, ECS has implemented non-essential cost cutting measures to ensure the business remains in a strong cash position in 12 months' time, enabling a maintained focus on key business drivers to emerge in a stronger position.

Managing Director Alex Keach commented: "Dare I say the agribusiness and food sector is somewhat insulated during this tough economic period, our ability to do commerce has not been materially impacted and we are seeing increased demand for our products. Despite this we are taking preventive measures to cut non-essential costs. This year we will also have a strong inventory position of hemp and will continue to develop our innovative low-cost medicinal cannabis project.



The Company is also alive to the opportunities within our sector that arise from a crisis like COVID-19 and the response to it, and we are actively investigating a number of them."

**About ECS Botanics**

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 proposed site of a medicinal cannabis facility. ECS owns a strategic stake in TapAgrico for the logistics, drying and storage of hemp seed.

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*Authorised on behalf of ECS by Alex Keach, Managing Director*