



ECS to raise up to \$850,000 to accelerate growth

ECS Botanics Holdings Ltd (ASX: **ECS** or **Company**) is pleased to announce it has received firm commitments to raise \$600,000 through the placement of ~34.3 million shares at an issue price of 1.75c per share (**Placement**) to sophisticated and professional investors.

The issue price of 1.75c per share represents a 30% discount to the Company's last closing price of 2.5c (21 July 2020), a 17% discount to the Company's 5 day VWAP (volume weighted average price) of 2.1c and an 11.2% discount to the Company's 15 day VWAP.

The Placement will be completed in a single tranche under the Company's existing listing rule 7.1 placement capacity. The Placement shares will rank equally with existing ECS ordinary shares quoted on the ASX. The issue of the Placement shares is expected to occur on or around Thursday 30 July 2020.

In addition, ECS intends to undertake a Share Purchase Plan (**SPP**) to raise an additional \$250,000 on the same terms as the Placement. Holders of ECS shares with an address in Australia or New Zealand as at 5:00pm WST on Friday 24 July 2020 may apply for up to \$15,000 of shares on the same terms as the Placement. The SPP offer document will be dispatched to shareholders in due course and the SPP will not be underwritten.

An indicative timetable for the Placement and the SPP is set out in Annexure A to this announcement.

ECS will use proceeds of the Placement and SPP 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.

Managing Director, Alex Keach commented:

"ECS has been making extensive progress on its hemp food business, as well as completing a second successful hemp harvest. We've also been working closely with Pharmout in the development of our medicinal cannabis project. It's going to be an exciting year for the Company as a lot of our hard work comes to fruition."

Xcel Capital Pty Ltd and Sanlam Private Wealth have been engaged to act as Joint Lead Managers (**JLMs**) to the Placement and SPP. The JLMs will receive capital raising fees of 6% of the Placement.

The SPP meets the requirements of Listing Rule 7.2 exception 5. Any shortfall associated with the SPP will be placed by the JLMs and will be issued under the Company's remaining 15% placement capacity (pursuant to Listing Rule 7.1)

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 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.

For further information, please contact:

Alexander Keach
Managing Director

alex@ecsbotanics.com.au

+61 419 323 059

Jason Hine

Chief Operations Officer

jason@ecsbotanics.com.au

+61 419 922 259

Authorised on behalf of ECS by Alex Keach, Managing Director

Annexure A – Indicative Timetable

Event	2020 Date
Record Date for participation in SPP	Friday, 24 July
Announcement of SPP	Monday, 27 July
Issue of Placement Shares	Thursday, 30 July
Dispatch of SPP Booklet and release on ASX (SPP Offer opens)	Thursday 30 July
SPP Closes	Thursday 20 August
Announce results of SPP Offer	Tuesday 25 August
Issue and quotation of SPP shares	Friday 28 August

Note: These dates are indicative only. Subject to ASX requirements, the Company may vary the dates (including bringing forward or extending the closing date) of the SPP in its discretion and without notice.