

ASX ANNOUNCEMENT

ECS Botanics Holdings Ltd (ASX:ECS)

22 August 2022



Office of Drug Control approves expansion

- Office of Drug Control (ODC) approves Stage 3 expansion
- Hemp food and wellness business sale settles
- High level of buyer interest for Tasmanian medicinal cannabis assets

ECS Botanics Holdings Ltd (ASX: ECS) (“ECS” or the “Company”), a leading medicinal cannabis company, is pleased to update the market on its expansion and the progress of its strategic initiatives.

As announced to the market on 14th June 2022 the Company set out its strategy to invest for growth using non-dilutive funding and focussing on the Victorian medicinal cannabis operation which offers the highest growth trajectory and profitability.

The strategy has four key pillars:

- Securing a commercial loan facility
- Doubling the size of the Victorian operations to meet demand
- Sale of ECS’ food and wellness business
- Sale of ECS’ Tasmanian medicinal cannabis business and assets

The Company is pleased to report that it has executed the first three initiatives and is advancing toward securing a buyer for the Tasmanian business.

ECS has been advised by the ODC that the Company’s application to add an additional 15 protective cropping enclosures and increase the area approved for the cultivation of high THC Medicinal cannabis has been approved. The expansion has more than doubled the area approved for cultivation from 23,210m² to 54,410m². Construction of the secure fencing and 6 protective cropping enclosures is already underway as the Company targets to have the enclosures in production by October 2022.



Settlement on the sale of the food and wellness business for \$250,000 occurred on 19 August 2022. The sale of the Tasmanian medicinal cannabis business and assets has progressed to the second round. The level of interest has been high. The process is scheduled to conclude in early September.

Managing Director of ECS, Nan-Maree Schoerie said: *“We are delighted to share that the strategic initiatives we announced a few months ago are all progressing to plan. ECS is onboarding new customers as well as supporting the growth of our loyal customer base. The high demand for our products is occurring both locally and overseas and across both oils and flower products. Focusing all our resources on efficiently increasing production is critical to meeting our strategic growth objectives.”*



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About ECS Botanic Holdings Ltd

ECS Botanic Holdings Ltd is an Australian medicinal cannabis cultivator and manufacturer located in Northwest Victoria. ECS utilises progressive and innovative cultivation methodologies to produce quality medicine in a sustainable way, adopting regenerative and organic horticultural practices and renewable energy sources. Licenced by the Therapeutic Drug Administration to manufacture PIC/S GMP certified products, ECS has become a leading provider of high quality, affordable medicinal cannabis.

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Authorised on behalf of ECS by Nan-Maree Schoerie, Managing Director