



ECS Botanics Signs Medicinal Cannabis Supply Term Sheet with MediPharm Labs

ECS Botanics Holdings Ltd (ASX: ECS or Company) is pleased to announce it has signed a binding equipment technology transfer and medicinal cannabis supply Term Sheet (**Term Sheet**) with MediPharm Labs Australia Pty Ltd, a wholly owned subsidiary of MediPharm Labs Inc., a global leader in pharma-quality, cannabinoid-based products, based in Canada and Australia.

Under the supply Term Sheet, MediPharm Labs Australia agrees to purchase cannabis inputs (flower or crude resin extract) from ECS to support the production of formulated finished products for future distribution. This supply agreement will commence on 1 November 2021 for a period of three (3) years. The price of inputs will be mutually agreed by the parties and reviewed every 6 months. The supply and equipment technology transfer agreements are mutually non-exclusive and are subject to definitive documentation.

ECS Managing Director, Alex Keach commented:

"This is both an exciting and pivotal advancement for our company and we look forward to working closely with the team at MediPharm Labs. It says a lot that a company of this calibre wishes to partner with ECS and we look forward to a long and mutually beneficial relationship as we grow our businesses and this industry."

MediPharm Labs Australia, Chief Executive Officer, Warren Everitt commented:

"Looking ahead to 2021 and beyond, we continue to see increasing demand for MediPharm Labs pharma-quality and GMP products in Australia and internationally. We are pleased to be able to add ECS to our strong global supply chain as we expand our footholds in new and emerging medical cannabis jurisdictions."

The Company has also entered into an equipment technology transfer purchase agreement, including certain equipment, with MediPharm Labs Australia to support ECS's maiden medicinal cannabis harvest and large-scale production of commercial grade cannabis primary extraction resin in Northern Tasmania.

Following its recent capital raising, ECS is fully funded to complete its purchase of certain equipment and remains funded through to production at its medicinal cannabis site in Northern Tasmania. It looks forward to updating the market with further milestones.

About MediPharm Labs

Founded in 2015, MediPharm Labs specializes in the production of purified, pharmaceutical-quality cannabis oil and concentrates and advanced derivative products utilizing a Good Manufacturing Practices certified facility with ISO standard-built clean rooms. MediPharm Labs has invested in an expert, research-driven team, state-of-the-art technology, downstream purification methodologies and purpose-built facilities with five primary extraction lines for delivery of pure, trusted and precision-dosed cannabis products. Through its wholesale and white label platforms, MediPharm Labs

For personal use only

formulates, develops (including through sensory testing), processes, packages and distributes cannabis extracts and advanced cannabinoid-based products to domestic and international markets. As a global leader, MediPharm Labs has completed commercial exports to Australia and has fully commercialized its wholly-owned Australian extraction facility. MediPharm Labs Australia was established in 2017.

About ECS Botanics

ECS Botanics is a medicinal cannabis and industrial hemp business, 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, which is currently under construction. 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