

Murray Meds Signs Supply Agreement With Australian Cannabinoid Company

- **Murray Meds to supply medicinal cannabis dried flower, concentrate and final dose oils to Australian cannabinoid company**
- **The customer distributes premium medicinal cannabinoid products and services**
- **ECS shareholders approved the acquisition of 100% of Murray Meds on 2 March, 2021 with settlement to occur in the near term**

ECS Botanics Holdings Ltd (ASX: ECS or Company) is pleased to announce Murray Meds has entered into a three-year agreement to supply medicinal cannabis dried flower and medicinal cannabis concentrate to an Australian cannabinoid company.

The agreement follows Murray Meds' three-year supply agreement with London-based pharmaceuticals distribution company The Armour Group for the sale and export of medicinal cannabis oils in the UK and Germany, as announced earlier this year (see announcement dated 15 February 2021).

The latest agreement with the Australian-based customer is for the supply of:

- THC dried cannabis flower in jars
- Bulk dried cannabis flower
- THC API
- Medicinal cannabis oil in 30 & 50 ml bottles

The minimum spend across the life of the agreement is \$750,000, with a forecast spend of approximately \$500,000 in the first year. However, under and in accordance with the terms of the agreement, the specific commercial terms around pricing and units remain confidential.

ECS Botanics Managing Director Alex Keach commented:

"This is the second supply contract Murray Meds has signed in recent weeks and validates that a low capex and operating medicinal cannabis facility can still meet pharmaceutical quality of the oil and premium priced dry flower market. I am so pleased that this narrative is becoming a reality in the market place.

"ECS has previously collaborated and worked closely with the customer. We look forward to furthering this relationship and, with the acquisition of Murray Meds, expanding the ECS sales network from our production hubs in Victoria and Tasmania."

Murray Meds has a fully licensed medicinal cannabis cultivation and manufacturing facility which holds a Cultivation, Research and Manufacturing Licence from the Australian Office of Drug Control and permits to cultivate and produce 3,500 kilograms of medicinal cannabis. Murray Meds also holds a TGA Good Manufacturing Practice manufacture licence for dried flower, oils and tinctures.

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 as well as being 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.

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Authorised on behalf of ECS by Alex Keach, Managing Director

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