

ASX ANNOUNCEMENT
ECS Botanics Holdings Ltd (ASX:ECS)
26 July 2021



ECS secures \$4.5m supply agreement with Polish company for medicinal cannabis products

- Five-year agreement with Alivio Spolka to supply \$0.9m worth of GMP manufactured, medicinal cannabis products per annum
- Agreement will generate \$4.5m in revenue for ECS over five years with ability to scale up sales volumes
- First supply to occur later this year following completion of product registration
- Strong sales pipeline for Australia and international markets continues to build

ECS Botanics Holdings Ltd (ASX: ECS) ("ECS" or the "Company") is pleased to advise that it has entered into a five year agreement with Polish company **Alivio Spolka ZO.O** ("Alivio Spolka") for the supply of medicinal cannabis products, which will generate a minimum of \$4.5m in revenue for the Company.

Managing Director, Alex Keach said: *"We are very excited to partner with Alivio Spolka. This agreement highlights the increasing demand for our Australian grown product and marks the scale up of our global export sales initiatives. We have a strong pipeline building in both local and international markets, which will translate to further revenue growth."*

Alivio Spolka is based in Warsaw, Poland. The group has an existing range of medicinal cannabis products, which are supplied through clinics and pharmacy networks across the country.

Under the agreement and through ECS's Murray Meds licence, the Company will supply Alivio Spolka with a minimum of \$0.9m of GMP manufactured medicinal cannabis products per annum. These products will be used to supplement the group's existing medicinal cannabis CBD range currently being sold in Poland. First supply is anticipated to commence later this year, once product registration has been completed.

Both parties may terminate the agreement upon 10 days prior notice if either party breaches any provision of the agreement or is unable to establish or maintain industry quality standards, and fails to rectify within 30 days. ECS may also terminate the agreement if Alivio Spolka fails to make any payment when due and has not remedied such non-payment within 10 business days following receipt of written notice. ECS can also immediately terminate the agreement upon written notice of an insolvency event.

As previously advised (refer ASX announcement: 9 June 2021), following the first successful commercial harvest, ECS has commenced the installation of a further 2,100m² protected cropping enclosures at its Victorian site. The new grow facilities will be ready for cultivation in October 2021, allowing the Company to meet growing customer demand and anticipated future orders.

Executive Director, Nan-Maree Schoerie added: *"This agreement highlights the value our B2B strategy creates for our customers, and we look forward to the ongoing supply of affordable, quality medicinal cannabis to our growing number of Australian customers, in addition to continuing to develop our export business."*



-ENDS-

About ECS Botanic Holdings Ltd

ECS Botanic Holdings Ltd is a vertically integrated medicinal cannabis and industrial hemp business. The company owns farms and medicinal cannabis facilities in Tasmania and Victoria for the cultivation, processing, and manufacturing of medicinal cannabis. ECS manufactures to EU GMP standards and also has the necessary licences to cultivate and manufacture medicinal cannabis for the wholesale extract, final dose and premium dry flower market. ECS cultivates hemp for the wholesale market and its retail food and wellness brand, while having obtained all the necessary licences to grow, supply and manufacture. ECS' core focus is scale and low-cost production, without compromising quality.

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Authorised on behalf of ECS by Alex Keach, Managing Director