

ASX ANNOUNCEMENT

ECS Botanics Holdings Ltd (ASX:ECS)

16 August 2021



ECS product to be stocked with leading Australian retailer Coles

- 250ml Extra Virgin Tasmanian Hemp Seed Oil product to be stocked in Coles stores nationwide
- Coles is one of Australia's largest supermarket retailers with 2,500 outlets
- Direct relationship with supermarket groups (no distributor) to increase margins
- Product expected to be on Coles shelves in October
- Hemp seed oil product now ranged in Australia's two largest supermarket chains, Coles and Woolworths

ECS Botanics Holdings Ltd (ASX: ECS) ("ECS" or the "Company") is pleased to advise it has secured the distribution of its ECS Botanics 250ml Extra Virgin Tasmanian Hemp Seed Oil product into Coles stores nationwide. Coles is a leading Australian retailer, with over 2,500 stores nationally. The product will be stocked in a number of stores and is expected to be on shelves by October.

The agreement follows direct discussions between ECS and the Coles Group. The Company has made the strategic decision to no longer utilise Just Food Australia (JFA) for the distribution of its products, which will allow ECS to achieve significantly higher margins on its products.

The Hemp Seed Oil product will be ranged in the cooking oil section of supermarkets. Hemp seed oil is becoming increasingly popular amongst consumers as a more environmentally and ecologically sustainable source of Omega 3. Greater interest in the oil is building due to its anti-inflammatory properties and as a healthy and versatile oil for cooking, baking, salads and smoothies.





ECS is strategically positioned as medicinal cannabis and hemp wellness company. As part of the Company's long term strategy, further deregulation in Australia and the overlap between medicinal cannabis and CBD wellness markets in Europe, ECS will be able to capture greater market share and brand recognition. Increasing focus on hemp wellness rather than solely hemp foods enables the Company to participate in a higher growth and higher value category, particularly as deregulation accelerates and there is increasing overlap of cannabis categories.

Managing Director, Alex Keach said *"We are delighted to be supplying Coles with our premium Hemp Seed Oil product and are confident that the product will be well received by consumers. As the largest retail supplier of oil in the country, we are witnessing demand for hemp seed oil steadily increase and to now have the product stocked with two of Australia's largest supermarket retailers, we are well positioned to capitalise on market demand. Now that we have established a direct relationship with supermarket groups, we will take advantage of the opportunity to extend the number of products ranged with these retailers"*

Agreement terms:

Total revenue to be generated from distribution into Coles is uncertain at this time, with no minimum volumes guaranteed and the number of stores yet to be confirmed.

-ENDS-

About ECS Botanics Holdings Ltd

ECS Botanics Holdings Ltd is a vertically integrated medicinal cannabis and 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