

ASX ANNOUNCEMENT
ECS Botanics Holdings Ltd (ASX:ECS)
20 December 2022



- **ECS launching dried flower vaporiser**
- **First Australian shipment of oils and flower to Switzerland**
- **2023 season harvest commenced**
- **Company forecasting a material increase in revenues with substantial growth in both oils and dried flower sales**

ECS Botanics Holdings Ltd (ASX: ECS) (ECS or Company) provides the following update on recent activities:

Vaping Product

ECS is pleased to advise that it has signed an agreement to import and supply a Smart Inhaler (vape or vaporiser). The inhaler is a volume-management device for medicinal cannabis dried flower. Paired with a proprietary software application, it allows users to carefully control their dosing applications. With cartridges filled with ECS flower at ECS's GMP facility, our customers will soon be able to add this product to their medicinal cannabis range. General Manager Commercial, Blaise Bratter said:

"The dose-measuring inhalers and cartridges provide patients with useful control and feedback. The benefit of controlled measured inhalation, will allow both patients and doctors to optimise treatment for the most effective therapeutic benefit."

During 2022 there was strong growth in dried flower prescriptions meaning the number of patients using inhalation methods such as vaping is growing significantly. Vaping enables the medicine to be absorbed directly into the bloodstream through inhalation. With optimal temperature control, dried flower vaporisation is said to deliver a greater full spectrum of cannabinoids and terpenes to the patient, which may lead to greater therapeutic benefit.

Switzerland Sales

ECS is also pleased to announce that it is currently undertaking, what we believe to be, the first shipment of both oils and flower from Australia to Switzerland. This follows the legalising of medicinal cannabis in Switzerland from August 2022 and the signing of a 3-year supply agreement with Medropharm AG.

Quarterly Performance

Despite logistical challenges ECS has continued to operate throughout the recent flood event.. The Company has incurred some abnormal costs associated with the mitigation and logistical challenges relating to the floods. Notwithstanding this, the Company is expecting a material increase in quarter on quarter sales revenue.

Construction of new protective cropping enclosures (PCE's) recommenced in late November. All six of the first PCE's are expected to be completed by late January. Outdoor plants were propagated on schedule with harvest scheduled for April and May, with the Company having been issued with a new production permit by the Office of Drug Control to allow for the full expansion in 2023/24 season.

Management commentary:

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Nan-Maree Schoerie, Managing Director, said: "We are excited to add a new product to our range and to report on the strong sales growth during the quarter. With increased production we are onboarding new customers both locally and overseas. We thank all our shareholders, customers, and employees for their support in 2022 and wish them continued success in 2023."

-ENDS-

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

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