

ECS Botanics Holdings Ltd (ASX:ECS)



ASX Announcement

26 June 2023

ECS Botanics secures two binding offtake agreements worth at least \$11.9m to supply medicinal cannabis dried flower

- **ECS enters into binding contracts to supply:**
 - **Melbourne based Entoura a minimum of \$10.2m of GMP manufactured medicinal cannabis dried flower over three years**
 - **Sydney based Precision Pharmaceuticals an estimated \$1.7m of GMP manufactured medicinal cannabis dried flower over 12 months, reviewed annually**
- **Demonstrates scaling benefits of recent capacity upgrades and low-cost, large-scale production model**

ECS Botanics Holdings Ltd (ASX: ECS) ("ECS" or the "Company") is pleased to advise that it has entered into two binding offtake agreements worth at least \$11.9m to supply medicinal cannabis dried flower over the next three years.

ECS will supply Good Manufacturing Practice (GMP) manufactured, medicinal cannabis dried flower worth \$10.2m over three years to Melbourne-based medicinal cannabis company Entoura Pty Ltd ("**Entoura**"), and GMP manufactured, medicinal cannabis dried flower worth \$1.7m over 12 months to Sydney-based Precision Pharmaceuticals Pty Ltd ("**Precision**"). This agreement is reviewed annually.

Entoura develops and supplies high quality medicinal cannabis products, undertakes training, education and actively supports medicinal cannabis research. Under the offtake agreement ECS will supply a minimum of three strains of GMP medicinal cannabis dried flower exclusively to Entoura.

Precision retails various medicinal cannabis products and conducts research and development. ECS will supply Precision exclusive strains of dried medicinal cannabis flower for inclusion in the Precision retail product range.

First supply under both agreements will occur next quarter (Q1 FY24).

These binding offtake agreements demonstrate the scaling benefits of recent capacity upgrades to improve yields, the addition of more outdoor fields and the increased capacity of the protective cropping enclosures.



Commenting on the agreements, ECS Managing Director, Nan-Maree Schoerie said:

It is rewarding to see the momentum across our entire business, with sales, distribution and customer relationships performing strongly. These latest two Australian offtake agreements, worth at least \$11.9m in sales, come soon after recent agreements worth \$9.9m to supply products in the German market.

"ECS' focus is on building a cost-efficient, large-scale, B2B business that can supply a multitude of retailers with medicinal cannabis flowers and oils. We view respected companies such as Entoura and Precision, who focus on improving patient access through affordable quality products and education, as ideal partners in supporting the growth of the medicinal cannabis industry in Australia."

Entoura Managing Director, Daniel Brighthope said:

"We are truly pleased to secure a long-term supply agreement with ECS Botanics. Their expertise in cultivating premium-grade cannabis, coupled with our shared commitment for better patient outcomes, will enable us to reliably provide our prescribers and their patients with the highest quality and innovative products at affordable prices."

The binding offtake agreements can be terminated by either party on written notice by mutual agreement, or in the event of bankruptcy or a government authority restricting a material part of either party's business, or if either party breaches any provision of this Agreement and fails or is unable to cure such breach within thirty days after receiving written notice requiring it to do so.

Entoura and Precision Pharmaceuticals may terminate the agreements upon written notice if ECS fails to establish and maintain industry quality standards required under applicable law at its site and has not remedied such deficiencies within thirty days following receipt of written notice of such deficiencies. ECS may terminate the agreements immediately upon written notice if the Purchaser fails to make any payment when due and has not remedied such non-payment within ten business days.

Authorised on behalf of ECS Botanics Holding Ltd by Nan-Maree Schoerie, Managing Director.

-ENDS-

About ECS Botanics Holdings Ltd

ECS Botanics 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 Australian Therapeutic Goods Administration to manufacture GMP (equivalent to PIC/S, EU agencies are all PIC/S members) certified products, ECS has become a leading provider of high quality, affordable medicinal cannabis.

For further information, please contact: info@ecs-botanics.com