

ECS Botanics Holdings Ltd (ASX:ECS)



ASX Announcement

3 October 2023

ECS Botanics secures a \$24 million offtake agreement with MediCann Health for supply of medicinal cannabis

- Binding agreement secured with MediCann Health to supply \$24 million of medicinal cannabis dried flower
- Supply will commence in January 2024 with over four tonnes of dried cannabis flower to be delivered over five years
- Under the agreement, ECS will supply two ECS strains of GMP medicinal cannabis dried flower exclusively to MediCann
- Builds on existing two-year contract highlighting the strong demand for ECS flower, the benefit of the recent capacity upgrades and ECS' strong foundations as a globally competitive business

ECS Botanics Holdings Ltd (ASX: ECS) ("ECS" or the "Company") is pleased to advise that it has secured a binding offtake agreement ("**Medicann Offtake Agreement**") to supply medicinal cannabis dried flower over the next five years to MediCann Health. Under the Medicann Offtake Agreement, ECS will supply \$24 million of pharmaceutical-grade cannabis dried flower to Perth-based medicinal cannabis company MediCann Health Pty Ltd ("MediCann") beginning in January 2024. Both ECS and MediCann expect the volumes ordered under the Offtake Agreement to exceed the minimum annual volumes.

The new Medicann Offtake Agreement follows ECS Botanics securing two binding offtake agreements in June 2023 (see ASX announcements dated 26 June 2023), underscoring the Company's strong presence in the B2B sector and highlighting the positive outcomes stemming from its recent capacity and production enhancements. New protective cropping enclosures and production enhancements have been aimed at bolstering crop yields across additional outdoor fields and extending growing seasons through improvements to protective cropping enclosures.

MediCann is a leading medicinal cannabis healthcare company that provides patients with access to local specialist doctors and pharmacists who have experience prescribing cannabis-based medication. Under the offtake agreement, ECS will continue to exclusively supply two strains of GMP medicinal cannabis dried flower to MediCann.

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

"We are excited to announce the expansion of our partnership with MediCann through this newly extended, long-term supply agreement. MediCann's dedication to putting patients at the forefront of their business aligns perfectly with our own commitment to delivering top-tier medicinal cannabis. Our expertise in cultivating and manufacturing cannabis, combined with our shared focus on patient well-being, inspires us to continue to provide outstanding medicine to companies such as MediCann. This agreement not only reinforces our dedication to meeting the growing demand for affordable, accessible,



and effective medicinal cannabis products but also marks another milestone following our June 2023 agreements, totalling \$11.9 million. These partnerships highlight the strong local demand for our GMP certified, pharmaceutical-grade cannabis and provide ECS with a solid foundation to continue to deliver profitable growth."

MediCann Founder and CEO, Matt Shales said:

"It has been highly rewarding to work closely with ECS over the past number of years and we are delighted to strengthen our partnership even further as we secure an exclusive long-term supply agreement with ECS Botanics for its high-quality Australian grown flowers. We look forward to continuing our mission to improve the quality of life of people in need of these products and to continue to build on our partnership with ECS Botanics for the long term."

Key terms of the Medicann Offtake Agreement

The Medicann Offtake Agreement commences on 1 January 2024, until which time Medicann Health will continue to be supplied medicinal cannabis dried flower under the current agreement. The Offtake Agreement stipulates annual volumes of each ECS developed strain that will be supplied exclusively by ECS to Medicann Health. Should Medicann not purchase such volumes it will be liable for 80% of such volume not purchased in any calendar year. Termination of, or changes to, the Medicann Offtake Agreement require mutual agreement.

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