



Investor presentation | September 2020



CBD



Tasmania





CAPITAL STRUCTURE & BOARD OF DIRECTORS

CORPORATE SNAPSHOT

Share on issue	584.74m
Performance Rights	131.25m
Options	20.38m
Market Capitalisation	\$14.03m
Share price (17/9/20)	\$0.024
Revenue FY20	\$919k
Cash (30/6/20)	\$1.9m*

*Additional \$1.35m raised through Jul/Aug 2020

BOARD OF DIRECTORS



Alexander Keach
Managing Director



David McCredie
Non-Executive Chairman



Jeremy King
Non-Executive Director



Michael Nitsche
Non-Executive Director

A NEXT GENERATION APPROACH TO CANNABIS



LOW COST / LARGE SCALE PRODUCTION

INDUSTRIAL HEMP

Established & growing

Hemp seed farming
(own & contracted)

Processing

Wholesale sales

Retail sales

Innovation

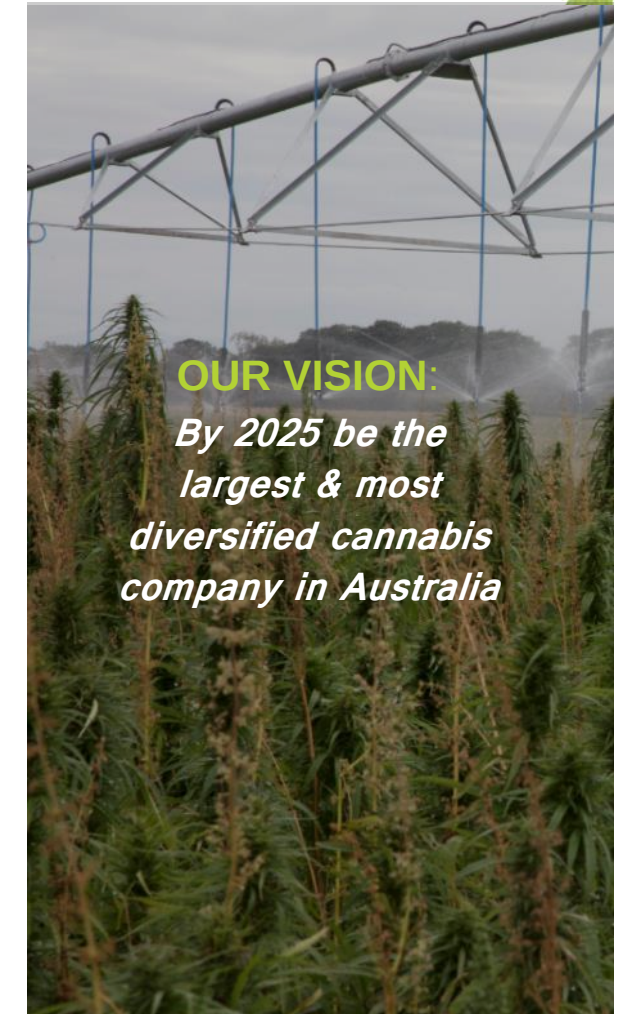
MEDICINAL CANNABIS

Now in rapid development phase

Medicinal cannabis –
Year 1 proposed outdoor
grow 25,000m²

3 Stage Expansion –
THC & CBD

Processing & manufacturing –
drying, bucking, extraction



OUR VISION:

*By 2025 be the
largest & most
diversified cannabis
company in Australia*

PLANT BASED PROTEIN INDUSTRY



Climate Change

reduced carbon footprint, regenerative agriculture to sequester CO2



Broadly accepted

health benefits, available in retail stores globally



Animal Welfare

80+ billion land animals slaughtered each year¹



Mass Market Penetration

plant-based alternative in meat, dairy, beverage, cosmetics



Plant-based meat

forecast US\$28 billion 2025 (CAGR 15% forecast growth rate 2020-2025)²



Plant-based snacks

forecast US\$73 billion 2028³

1. Humane Society International
2. Markets & Markets, Proveg International
3. WOA ASX Presentation 8 September 2020

HEMP – the answer to many of the worlds biggest problems

PLANT BASED PROTEIN – Why is hemp seed protein is set for growth?



Scientifically proven
to absorb more CO₂ per
hectare than any other
commercial crop or forest



Hemp seed contains more useable
protein per gram than almost all
other plant based foods

**Hemp protein has been late to the race,
until now – legalised Australia November
2017, legalised USA December 2018**

Hemp suits regenerative
Agriculture – less fertilizer,
chemical and water required

Easily Digestible Plant Protein –
up to 98% is digestible
(beans 78%, beef 94%)¹

**Protein extracts and isolates from plants
now being used in meat analogues, protein
juices, protein bars and other similar
products**

Hemp is one of few plant-based “complete
protein sources” – hemp contains all amino
acids the body cannot manufacture itself



ECS RETAIL FOODS – SEED TO SALE



Product range including hemp hearts, protein, soups & oil available in stores & online



Hemp Seed Oil & Soups ranged in Woolworths nationally



Optimising efficiencies and sales of seconds to reduce wastage and lower cost of products



ECS FARMING & WHOLESALE – PROVEN CAPABILITY



SINCE INCORPORATION IN 2018 ECS HAS PROVEN ITS CAPABILITY IN CANNABIS WITH TWO HEMP HARVESTS & HAVING ALREADY COMMENCED CONSTRUCTION OF ITS MEDICINAL CANNABIS PROJECT



Two successful hemp harvests – exceptional yields



Inventory – ~200,000kg of hemp seeds

Ability to scale production, growing & utilising ECS farm + contract grower network



Successfully importing seeds (narcotic import licence)





ECS LEADING THE WAY IN INNOVATION

APPLICATIONS FOR MASS MARKET APPEAL

Cosmetics & Supplements

Isolating Proteins

Nano-emulsions



Nano emulsion of ECS Botanics Hemp Seed Oil



Example of a Hemp Protein Isolate



Micro encapsulated hemp seed oil produced and being tested in market – Applications for beverage & cosmetics



Hemp Protein – Aim to isolate the hemp protein and test its functionality as a high value food additive



Hemp Seed Oil – acceptance as an anti-inflammatory – anti-bacterial and anti-microbial qualities



Hemp cosmetic & care range developed for wholesale market

ECS WHOLESALE - An industry supplier



RANGE

- Seed
- Oil
- Protein Powders
- Nectar
- Bi-products
- Hemp shampoos (human & pet)*
- Hemp face & body scrub*
- Hemp hand cream*
- Hemp day crème*
- Hemp nectar mask*
- Hemp body wash*

CUSTOMERS

- Farmers
- Food manufacturers
- Beverage manufacturers
- Processors
- Bulk food stores
- Cosmetics manufacturers
- Pet care businesses

*new product line – developed and being marketed for sale



WHY TASMANIA & WHY ECS?



Tasmanian Climate and soils of the region combine to create ideal growing conditions, producing a depth & consistency of secondary metabolites in cannabis ie THC, CBD, Terpenes

Experience in growing plant based pharmaceutical and plant extraction expertise

Farms in Tasmania produce approximately 50% of the world's licit poppy straw that is later refined into opiates



Low risk growing conditions, distinct seasons, natural sunlight and excess UV light to produce high yielding, consistent and naturally expressive product

Supportive local government, GMO-Free, strong established relationships with growers, suppliers etc

Subject to legislative change, ECS has the ability to be the state's tolling operation (processing/extraction) leader



ECS RELATIONSHIPS

ECS prides itself on building strong relationships with farmers, suppliers & manufacturers

- Farmers the key to providing hemp seed and biomass in the future by delivering volumes and exponential growth
- Tap Agrico for processing at scale and quality assurance (28.4% owned by ECS)
- Just Foods and Eden Foods for distribution of ECS retail food brand
- PharmOut – leading cannabis advisory company

MOU partners:

- Disruption Labs (US based CBD company)
- Caason Group (collaborate on hemp varieties, processing, market opportunities)
- Essential Oils of Tasmania (Tasmanian based and leading Australian plant extraction business)

PharmOut

EDEN
est. 1992

JUSTFOODS™

Flavour Makers
Food Development & Manufacture

ESSENTIAL OILS OF
tasmania

caason™
GROUP

TAP
AgriCo

reset™
BIOSCIENCE

DISRUPTION
LABS

MEDICINAL CANNABIS – ECS APPROACH & VISION

Large scale, low cost, high quality, clean & green



Outdoor grow for economies of scale, lower price per gram of production, sunlight is free

Process significant offtake using large scale machinery & equipment
ie. drying, milling, extraction



A business plan for the future of cannabis

Staged rollout to minimise upfront capex – low capex model



Business model that can adapt & take advantage of an evolving & maturing commodity like industry

Large scale cultivation of CBD & THC



Images above are for illustrative purposes & not representative of ECS current assets

MEDICINAL CANNABIS – TASMANIAN SITE SET FOR EXPANSION



Industrial approach
(low cost / large scale)

Outdoor cultivation +
manufacturing capability

Future tolling facility to state's
cannabis (drying, bucking,
extraction, CBD, THC, isolates,
storage) producing operation
to broader market (partially subject
to future regulatory change)



MEDICINAL CANNABIS – TASMANIAN SITE SET FOR EXPANSION

- Bucking (separating leaf/bud from stem)
- Cannabis biomass drying
- Production of CBD/THC isolates
- Milling
- Ethanol extraction
- Secure storage
- Dispatch

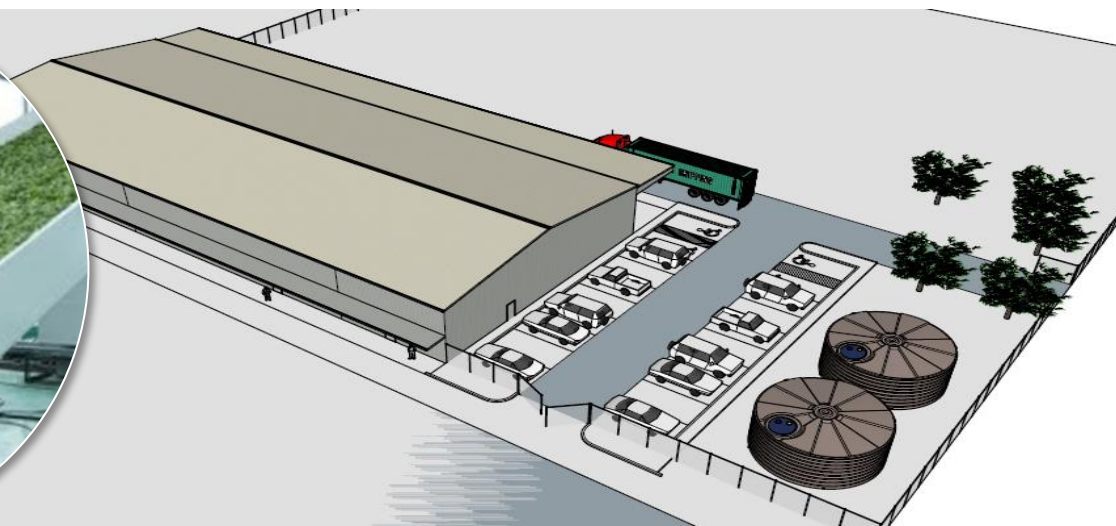


Image for illustrative purposes & not representative of ECS current assets

Drawing of ECS processing facility in Tasmania

MEDICINAL CANNABIS – PRODUCTION, COST & FUNDING

Stage 1 Fully Funded



Low cost staged production plan

Capital Cost

- Estimated capital works & construction costs over three years of \$3m – includes cultivation area, site infrastructure, processing & extraction equipment
- Major expenses can be shifted into second year as ECS transitions up value curve

Initial Three Year Production Plan

- **Stage 1 – Outdoor CBD Grow**
estimate dry flower production up to 2,000kg
- **Stage 2 – Outdoor CBD & THC**
estimate dry flower production up to 16,000 kg
- **Stage 3 – Outdoor CBD & THC**
estimate dry flower production up to 32,500kg

AN INDUSTRY IN TRANSITION – APPROACH & TARGET MARKETS



CBD oil

Medicinal cannabis most approved products in Australia, 2019

2019 Rank	Schedule	Formulation
1 st	4	Oil
2 nd	8	Oil
3 rd	4	Oil
4 th	8	Oil
5 th	8	Oil
6 th	8	Oil
7 th	4	Oil
8 th	8	Spray
9 th	8	Oil
10 th	8	Oil
11 th	8	Oil
12 th	4	Oil
13 th	8	Oil
14 th	4	Oil
15 th	8	Flower

Industry

Regulatory environment
being relaxed in a staged
approach

Interim Decision to down-
schedule CBD (to S3)

Anticipated to become
widely available in
Pharmacy

ECS

- Immediate Focus – To be Australia's largest grower of CBD & THC dry flower
- CBD – highest growth, highest dosage & most widely consumed cannabinoid
- Future Focus - Produce crude oil & isolates



Contact us

Alexander Keach
Managing Director
alex@ecsbotanics.com.au
+61 419 323 059

Jason Hine
Chief Operations Officer
jason@ecsbotanics.com.au
+61 419 922 259