



ECS Botanics Holdings Ltd

(ACN 009 805 298)

Prospectus

For a non-renounceable entitlement issue of one (1) New Share for every seventeen (17) existing Shares held by those Shareholders registered at the Record Date at an issue price of \$0.05 per New Share to raise up to \$2,279,071 (before expenses) (**Offer**).

The Joint Lead Managers to the Offer are Xcel Capital Pty Ltd and Sanlam Private Wealth Pty Ltd.

The Offer is not underwritten.

The Offers close at 5.00pm (WST) on 19 April 2021

Important Notice

This is an important document and should be read in its entirety.

This Prospectus is a transaction-specific prospectus issued in accordance with section 713 of the Corporations Act. If you have any queries about any part of the Prospectus, please contact your professional adviser without delay. The Shares offered by this Prospectus should be considered speculative.

Corporate Directory

Current Directors

Alex Keach (Managing Director)
David McCredie (Non-Executive Chair)
Jeremy King (Non-Executive Director)
Michael Nitsche (Non-Executive Director)
Nan Maree Schoerie (Non-Executive Director)

Company Secretary

Mauro Piccini

Registered Office and Principal Place of Business

94 Green Rises Road
Cressy TAS 7302

Telephone: (08) 6559 1792
Email: hello@ecsbotanics.com.au
Website: ecsbotanics.com.au

ASX Code

ECS

Share Registry*

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
Perth WA 6000

Telephone: 1300 787 272

Joint Lead Managers

Xcel Capital Pty Ltd
Level 29, 221 St Georges Terrace
Perth WA 6000

Sanlam Private Wealth Pty Ltd
Level 7, 100 Collins Street
Melbourne VIC 3000

Solicitors

Nova Legal
Level 2, 50 Kings Park Road
West Perth WA 6005

Auditor*

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

** This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.*

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IMPORTANT INFORMATION

GENERAL

This Prospectus is dated 18 March 2021 and was lodged with ASIC on that date. Neither ASIC nor ASX, nor any of their officers, take any responsibility for the contents of this Prospectus.

This Prospectus expires 13 months from the date it was lodged with ASIC. No Shares will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. An application will be made to ASX within 7 days after the date of this Prospectus for the quotation of the Shares the subject of this Prospectus.

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is issued pursuant to section 713 of the Corporations Act. Section 713 allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all information that would be included in a prospectus for an initial public offering.

This document is important and it should be read in its entirety. The Shares to be issued pursuant to this Prospectus should be viewed as a speculative investment and Eligible Shareholders should refer to the Section 2 for details of certain risk factors which are considered to be relevant for the purposes of the Offer. Eligible Shareholders should consult their stockbroker, solicitor, accountant or other professional adviser if necessary.

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus and any such information may not be relied upon as having been authorised by the Directors.

A copy of this Prospectus can be downloaded from the Company's website at ecsbotanics.com.au. The offer constituted by an electronic version of this Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia. Any Shareholder may obtain a hard copy of this Prospectus by contacting the Company.

A number of terms and abbreviations used in this Prospectus have defined meanings set out in Section 7.

OVERSEAS SHAREHOLDERS

New Shares will not be issued pursuant to this Prospectus to Shareholders with a registered address which is outside Australia, New Zealand or the People's Republic of China (**PRC**). This is because the Company has determined that it would be unreasonable to make the Offer under this Prospectus to such Shareholders having regard to the number of Shareholders in the places where the Offer would be made, the number and value of the New Shares that would be offered and the costs of complying with the legal requirements of those places. The distribution of this Prospectus in jurisdictions outside of Australia, New Zealand or the PRC may be restricted by law and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the applicable securities law.

This Prospectus does not, and is not intended to, constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer or issue. This Prospectus has not been, nor will it be lodged, filed or registered with any regulatory authority under the securities laws of any other country.

CAPITAL RAISING FEES

The Company has entered into a mandate (**Joint Lead Manager Mandate**) with Xcel Capital Pty Ltd and Sanlam Private Wealth Pty Ltd to act as joint lead managers to the Offer (**Joint Lead Managers**). Refer to Section 1.8 for details regarding the Joint Lead Manager Mandate and the fees payable by the Company to the Joint Lead Managers.

RISK FACTORS

Refer to Section 2 for details of the risks associated with an investment in the Company. As with any securities investment, there are risks associated with investing in the Company. Investors should be aware that an investment in the Company involves risks that may be greater than risks associated with an investment in some other companies. The principal risks that could affect the financial and market performance of the Company are detailed in Section 2 of this Prospectus. The Shares on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, investors should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can be effectively managed is limited.

Risks of investing in the Company's existing assets and general risks are set out in Section 2 of this Prospectus.

Careful consideration should be given to all matters raised in this Prospectus and the relative risk factors prior to applying for Securities offered for subscription under this Prospectus. Investors should consider the risk factors described in Section 2, together with the information contained elsewhere in this Prospectus, before deciding whether to apply for New Shares.

TIMETABLE AND IMPORTANT DATES

EVENT	DATE
Announcement of Offer and lodgement of Appendix 3B with ASX	18 March 2021
Lodgement of Prospectus with ASIC and ASX	18 March 2021
Ex date (date from which Shares trade without entitlements to participate in the Offer)	22 March 2021
Record Date for determining Entitlements	23 March 2021
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders, and Company announces that this has occurred	26 March 2021
Opening date of the Offer	26 March 2021
Last day to extend Closing Date of the Offer	14 April 2021
Closing Date (5.00pm WST)	19 April 2021
New Shares quoted on a deferred settlement basis	20 April 2021
Announcement of results of the Offer	22 April 2021
Last day for the Company to issue the New Shares under the Offer and lodge an Appendix 2A	26 April 2021

* The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the New Shares are expected to commence trading on ASX may vary.

1. DETAILS OF THE OFFER

1.1 The Offer

The Company is making a pro rata non-renounceable entitlement issue comprised of fully paid ordinary shares in the capital of the Company (**New Shares**) on the basis of one (1) New Share for every seventeen (17) existing Shares held by those Shareholders registered at the Record Date, at an issue price of \$0.05 per New Share (**Offer**).

The purpose of the Offer and the intended use of funds raised are set out in Section 3.

New Shares under the Offer will be offered at \$0.05 per New Share.

Based on the capital structure of the Company as at the date of this Prospectus (and assuming no existing Options are exercised, or Performance Rights converted prior to the Record Date), a maximum of 45,581,417 New Shares may be issued under the Offer to raise approximately \$2,279,071 (before costs).

The New Shares offered pursuant to this Prospectus will rank equally with existing Shares on issue. Please refer to Section 4.2 for further information regarding the rights and liabilities attaching to Shares.

As at the date of this Prospectus, the Company has 20,375,000 unlisted Options on issue. Optionholders who validly exercise their Options after the date of this Prospectus but prior to the Record Date will be entitled to participate in the Offer. Please refer to Section 3.5 for information on the exercise price, expiry date and escrow restrictions of the unlisted Options on issue.

As at the date of this Prospectus, the Company has 131,250,000 Performance Rights on issue. The vesting conditions would need to be satisfied prior to the Record Date in order for them to be converted into Shares to participate in the Offer. Please refer to Section 3.5 for information on the vesting conditions of the Performance Rights on issue.

The number of New Shares to which you are entitled as an Eligible Shareholder is shown on the accompanying personalised Entitlement and Acceptance Form.

1.2 Underwriting

The Offer is not underwritten.

1.3 No Rights Trading

The rights to New Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your right to subscribe for New Shares to another party. If you do not take up your Entitlement under the Offer by the Closing Date, the Offer to you will lapse.

1.4 Minimum Subscription

There is no minimum subscription under the Offer.

1.5 Opening and Closing Dates

The Offer will open for receipt of acceptances on **26 March 2021**.

The Offer will close at **5:00pm (WST) on 19 April 2021**, or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine

and provided that the Company gives ASX notice of the change at least 3 Business Days prior to the Closing Date.

1.6 How to Accept the Offer

The number of New Shares to which you are entitled is shown in the accompanying Entitlement and Acceptance Form.

In determining Entitlements, any fractional Entitlement will be rounded up to the nearest whole number.

Acceptance of Entitlement in Full

To take up all of your Entitlement complete the Entitlement and Acceptance Form (accompanying the Prospectus) in accordance with the instructions set out on the reverse of that form.

Please return the completed Entitlement and Acceptance Form (unless you pay by BPAY®), and pay the Application Monies (in full), in accordance with the instructions on your Entitlement and Acceptance Form to the Share Registry so that is received no later than 5.00pm (WST) on the Closing Date.

Application for Shortfall Shares

Eligible Shareholders who take up their Entitlement in full may, in addition to their Entitlement, apply for Shortfall Shares regardless of the size of their present holding, by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form.

Partial Acceptance of Entitlement

If you are an Eligible Shareholder and wish to take up part of your Entitlement pursuant to the Offer, please complete the Entitlement and Acceptance Form in accordance with the instructions set out on the reverse of that form.

Non- Participation – Allow your Entitlement to Lapse

If you do not wish to take up any part of your Entitlement under the Offer, you are not required to take any action. If you decide not to accept all or part of your Entitlement, the New Shares not accepted will be dealt with in accordance with Section 1.7.

Acceptance of Terms

All applications for New Shares under the Offer must be made in accordance with the instructions set out on the Entitlement and Acceptance Form. Any application will be treated as an offer from the applicant to acquire New Shares on the terms and conditions set out in the Prospectus. The Directors reserve the right to reject any applications for New Shares. Please ensure the completed Entitlement and Acceptance Form and your cheque is received by post to the Company's Share Registry at:

Computershare Investor Services Pty Limited
GPO BOX 505
Melbourne Victoria 3001 Australia

Those who elect to pay via cheque, please make the cheque payable to '**ECS Botanics Holdings Ltd**' and cross it '**Not Negotiable**'. Completed Entitlement and Acceptance Forms with payment by cheque must be received by the Company's Share Registry not later than 5.00pm (WST) on the Closing Date of **19 April 2021**.

Those who elect to pay via BPAY must follow the instructions for BPAY set out in the Entitlement and Acceptance Form. Investors who elect to pay via BPAY will not need to return their completed Entitlement and Acceptance Form.

Please note that payment via BPAY must be received by the Company's Share Registry by no later than 5.00pm (WST) on **19 April 2021**. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the date and time mentioned above. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form. If you have multiple holdings you will have multiple BPAY customer reference numbers. To ensure you receive your Entitlement in respect of that holding, you must use the customer reference number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

Enquiries

If you have any queries regarding your Entitlement or the Offer, please contact the Company Secretary on (08) 6559 1792 from 8.30am (WST) to 5.00pm (WST), Monday to Friday.

1.7 Shortfall Offer

If you do not wish to take up any part of your Entitlement under the Offer, you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer.

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer. Eligible Shareholders who take up their Entitlement in full may, in addition to their Entitlement, apply for Shortfall Shares regardless of the size of their present holding by completing the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on that form. It is possible that there may be few or no Shortfall Shares available for issue, depending on the level of take up of Entitlements by Shareholders. There is also no guarantee that in the event Shortfall Shares are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each New Share to be issued under the Shortfall Offer shall be \$0.05 being the price at which New Shares have been offered under the Offer.

In accordance with your Entitlement and Acceptance Form, a cheque made payable to “**ECS Botanics Holdings Ltd**” and crossed “**Not Negotiable**” should be used for the application money for your Entitlement and the number of Shortfall Shares you wish to apply for as stated on the Entitlement and Acceptance Form. Completed Entitlement and Acceptance Forms with payment by cheque must be received by the Company's Share Registry not later than 5.00pm (WST) on the Closing Date of **19 April 2021**.

Alternatively, if you are paying by BPAY®, refer to your personalised instructions on your Entitlement and Acceptance Form. Shareholders who wish to pay by BPAY® must ensure that payment is received by no later than 5.00pm (WST) on **18 April 2021**.

Surplus application moneys will be returned to Applicants as soon as practicable following the issue of all Shortfall Shares. The Company reserves the right to close the Shortfall Offer early.

In respect of the Shortfall Offer, it is the responsibility of any applicant outside Australia to ensure compliance with all laws of any country relevant to their applications, and any such

applicant should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed to enable them to apply for and be issued any securities.

No action has been taken to register or qualify the Shortfall Shares or the Shortfall Offer or otherwise to permit a public offering of the Shortfall Shares in any jurisdiction outside Australia.

The Directors (in consultation with the Joint Lead Managers) reserve the right to issue Shortfall Shares at their absolute discretion including issuing to an Applicant a lesser number of Shortfall Shares than the number for which the Applicant applies for on their Entitlement and Acceptance Form, or to reject an application, or to not proceed with placing the Shortfall.

The Directors note that no Shares will be issued to an applicant under this Prospectus, or issued under the Shortfall, if the issue of Shares would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no Shortfall Shares will be issued to any related parties of the Company.

1.8 Capital Raising Fees

Xcel Capital Pty Ltd and Sanlam Private Wealth Pty Ltd have been appointed as Joint Lead Managers to the Placement and the Offer. In consideration for their services in connection with the Placement and the Offer, the Joint Lead Managers will receive the following fees in accordance with the Joint Lead Manager Mandate:

- (a) a selling fee of 6% (plus GST) of the total amount raised under the Placement;
- (b) a fee of 3% (plus GST) of the total amount raised under the Placement from investors introduced by the Company); and
- (c) a selling fee of 6% (plus GST) of the value of any Shortfall Shares placed to clients of the Joint Lead Managers under the Shortfall Offer.

The Joint Lead Manager Mandate otherwise contains provisions considered standard for an agreement of its nature.

1.9 Australian Securities Exchange Listing

Application for Official Quotation of the New Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the New Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any New Shares and will repay all application monies for the New Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered under this Prospectus.

1.10 Issue of New Shares

The New Shares to be issued pursuant to the Offer will be issued in accordance with the in accordance with the timetable set out at the commencement of this Prospectus and otherwise in accordance with the Listing Rules.

Where the number of New Shares issued is less than the number applied for, surplus Application Monies will be refunded without any interest to the Applicant as soon as practicable after the issue of the New Shares.

Shortfall Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shortfall Shares issued is less than the number applied for, or where no issue is made surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for New Shares issued under the Offers will be mailed in accordance with in accordance with the timetable set out at the commencement of this Prospectus and otherwise in accordance with the Listing Rules and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

1.11 CHESS and Issuer Sponsorship

The Company operates an electronic CHESS sub-register and an electronic issuer sponsored sub-register. These two sub-registers make up the Company's register of securities. The Company will not issue certificates to investors. Rather, holding statements (similar to bank statements) will be dispatched to investors as soon as practicable after issue.

Holding statements will be sent either by CHESS (for new investors who elect to hold their securities on the CHESS sub-register) or by the Company's Share Registry (for new investors who elect to hold their securities on the Issuer sponsored sub-register). The statements will set out the number of New Shares issued under the Prospectus and provide details of a Holder Identification Number (for new investors who elect to hold their securities on the Chess sub-register) or Security holder Reference Number (for new investors who elect to hold their securities on the issuer sponsored sub-register). Updated holding statements will also be sent to each new investor following the month in which the balance of their holding of Securities changes, and also as required by the Listing Rules or the Corporations Act.

1.12 Risks

As with any securities investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 2 of this Prospectus. The New Shares on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, investors should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

1.13 Overseas Shareholders

The Company is of the view that it is unreasonable to make an offer under this Prospectus to Shareholders outside of Australia, New Zealand and the PRC having regard to:

- (a) the number of Shareholders registered outside of Australia, New Zealand and the PRC;
- (b) the number and value of the New Shares that would be offered to Shareholders registered outside of Australia, New Zealand and the PRC; and

- (c) the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, the Company is not required to offer the New Shares under this Prospectus to Shareholders registered outside of Australia, New Zealand and the PRC.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the New Shares the subject of this Prospectus or otherwise permit a public offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia.

New Zealand

The Offer is not being made to the public in New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the Offer is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

People's Republic of China

This Prospectus may not be circulated or distributed in the PRC and the New Shares offered by this Prospectus have not been offered or sold, and will not be offered or sold to any person for re-offering for resale, directly or indirectly, to any resident of the PRC except pursuant to applicable laws and regulations of the PRC. The contents of this Prospectus have not been reviewed by any PRC regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice. For the purpose of the information above, the PRC does not include Taiwan and the special administrative regions of Hong Kong and Macau.

Nominees and custodians

Shareholders resident in Australia, New Zealand or the PRC holding Shares on behalf of persons who are resident in other jurisdictions are responsible for ensuring that applying for New Shares under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

1.14 Taxation

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers. Taxation consequences will depend on particular circumstances. Neither the Company nor any of its officers accept any liability or responsibility in respect of the taxation consequences of the matters referred to above or any other taxation consequences connected with an investment in the securities of the Company.

1.15 Privacy Disclosure

Persons who apply for New Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications for securities to provide facilities and services to Shareholders and Shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications for New Shares will not be processed. In accordance with privacy laws, information collected in relation to specific Shareholders and Shareholders can be obtained by that Shareholder or Shareholder through contacting the Company or the Share Registry.

1.16 Enquiries

This document is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional adviser without delay.

If you have any questions regarding your Entitlement or the Offer, please contact the Company Secretary on (08) 6559 1972, from 8.30am (WST) to 5.00pm (WST), Monday to Friday.

2. RISK FACTORS

2.1 Introduction

The New Shares offered under this Prospectus should be considered speculative because of the nature of the Company's business.

Whilst the Directors recommend that Shareholders take up their Entitlement, there are however numerous risk factors involved. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which the New Shares will trade.

The following is a summary of the more material matters to be considered and should be read in conjunction with specific matters referred to in the Company's announcements and reports. However, the summary is not exhaustive and potential investors should examine the contents of this Prospectus in its entirety and consult their professional advisors before deciding whether to apply for the New Shares.

2.2 Company specific

2.2.1 Maintaining, varying and expanding medicinal cannabis licences

The successful execution of the Company's medicinal cannabis and hemp businesses objectives is contingent upon compliance with all applicable laws and regulatory requirements in Australia and other jurisdictions outside of Australia. ECS's ability to execute its business model and undertake its growth strategy is dependent on ECS's ability to maintain its medicinal cannabis licences and permits as issued by the ODC under the Narcotic Drugs Act 1967 (Cth) as well as its State licences and permits issued by the Department of Health, Victoria and Hemp Licenses issued by Department of Primary Industries, Parks Water & Environment, Tasmania. In addition, ECS's current ability to execute its business model is dependent on its third party manufacturing partners ability to maintain and vary its license with relevant bodies such as the ODC and TGA. ECS cannot guarantee that the licences or permits will be renewed or varied in manner that is congruent to ECS. Existing licenses and permits and any new licenses and permits obtained in the future in Australia or other jurisdictions may also be revoked or restricted at any time should the Company fail to comply with the applicable regulatory obligations or with conditions of the licenses and permits. Should the licenses or permits be revoked, not renewed, or altered significantly the Company may not be able to produce or distribute medicinal cannabis products in Australia or export medicinal cannabis products outside of Australia.

2.2.2 Business strategy risk and limited history

Potential investors should consider that ECS is still an early-stage enterprise in medicinal cannabis and hemp industry which is relatively new and the size of the market is still relatively undetermined. Thus, investing in ECS is highly speculative and involves several significant risks.

ECS' future success is heavily reliant on executing its business plan.

This phase of ECS' growth carries significant risk and there is no assurance the Company will achieve these aspects of its business plan. Since the hemp industry is relatively new, the risk of not successfully executing its business plan is increased.

If ECS is unable to successfully develop these objectives, or if it develops slower than anticipated, there may be an adverse impact on ECS' ability to generate revenue, its financial statements and its ability to fulfil stakeholders' required return.

2.2.3 Product liability risk

There is a risk that ECS' products may have actual or perceived safety or quality failures or allegations of defective products which could result in:

- (a) litigation or claims by the parties affected;
- (b) regulatory authorities revoking or altering any approvals granted, or forcing ECS to conduct a product recall;
- (c) regulatory action or being held liable for any harm caused to customers;
- (d) damage to ECS' brand and reputation;
- (e) negative impact on the Company's insurance coverage; or
- (f) ECS being forced to terminate or delay sales or operations.

Despite best practice by ECS with respect to the manufacture and supply of its products and any insurance that ECS may hold, the risk of defective products remains and may negatively impact ECS' operations

2.2.4 Workplace health and safety risk

ECS' business involves farming which is inherently risky for the staff employed in that area. Other (non-farming) employees of ECS may be exposed to risks whilst working or travelling for work.

ECS must comply with various health and safety laws in Australia. There is a risk that penalties and other liabilities for the breach of health and safety law and standards may be imposed on ECS and may have an adverse effect on ECS' reputation and its revenue, profitability and growth.

2.2.5 Agricultural risk

ECS Botanics grows hemp seed and medicinal cannabis, its business is therefore, subject to the risks associated with farming which include weather variability, insects and plant diseases, water salinity, bird damage, pests and access to adequately irrigated land.

Risks also include identifying and gaining access to geographic locations that display the best weather and soil conditions for growing hemp on a large scale.

Whilst ECS' management will endeavour to mitigate these risks with research and planning, any adverse outcomes in respect of these matters for ECS or its suppliers may adversely affect ECS' activities and operations.

2.2.6 Manufacturing and production risk

The ability for ECS Botanics to cultivate and produce products is dependent on a number of key inputs and their related costs. These key inputs include raw materials, electricity, water, other utilities and skilled labour. Any significant interruption or negative change in the availability or cost of these inputs could materially impact the production of the business and subsequently, the operating results of ECS.

See also Section 5.3.9 below for the related risk associated with ECS' suppliers.

2.2.7 Loss of key customers and distributors

ECS Botanics are reliant on various third-party contracts (binding and non-binding) throughout its business operations.

To the extent that ECS cannot obtain and/or retain customer or distributor contracts (due to disputes, increased competition or changes in the market), ECS' revenue, profitability and growth, additionally, financial performance may be materially and adversely affected.

Furthermore, should patient and consumers' sentiments towards hemp food and medicinal cannabis decline in the future, there may be an adverse impact on ECS' operations and the financial performance of the Company.

2.2.8 Supplier arrangements

The ability of ECS to cultivate and manufacture products for supply in the Australian industrial hemp and medicinal cannabis market is dependent on a number of key suppliers and their related costs. As with any cultivation or manufacturing operation, the availability of reputable suppliers of key inputs and any significant interruption or change in availability or costs of key inputs could materially impact the production process and hence the products available for supply. Subsequently, this would affect the operating results of ECS during the period which these risks materialise.

If, in future, ECS cannot secure or retain key suppliers, its ability to maintain consistent production levels may be comprised, which in turn may have a material adverse impact on the financial performance of the Company.

ECS is reliant on its third party manufacturers, distributors and logistics providers.

ECS has mitigated this risk by selectively in-sourcing and outsourcing various elements of the supply chain, however these risks are still visible and become greater as the Company expands.

However, all of the Company's contracts carry a risk that the third parties do not fulfil their respective obligations fully, or adequately. A failure of a third party or third parties to fulfil their contractual obligations may lead to termination of that contract or damage to ECS' reputation, profit and sale opportunities.

Additionally, while ECS intends to employ a range of suppliers, manufacturers and producers, a loss of one or multiple suppliers will disrupt the supply chain and could have a material adverse effect on the Company.

(a) Cultivation

With respect to cultivation, ECS owns farmland in Tasmania to minimise risk in the supply of hemp seed and produce a product to the specifications it requires. ECS has multiple sites available for the cultivation of medicinal cannabis and hemp to minimise cultivation risk, however the risk still remains. Generally, the local supply of hemp seed and medicinal cannabis in Australia has been limited and ECS' ability to de-risk itself by produce its own is an advantage.

ECS' Tasmanian Farm and Victorian farms include water licenses. Adequate irrigation is essential to producing a crop and the level of irrigation directly affects the quality and yield of the crop. ECS' water licences. However, the termination or expiration of water licence arrangements will have a significant negative impact on ECS' operations.

(b) **Storage**

ECS owns two 35 tonne aerated silos located in Tasmania and has leased another 10 tonne silo and shed space to accommodate all of ECS' hemp grain supply, ECS also has vaults for the storage of medicinal cannabis in Tasmania and Victoria, and therefore, ECS' has substantially mitigated risks associated with its need for critical storage space for grain and medicinal cannabis

(c) **Manufacturing**

ECS outsources some of its manufacturing and production processes as it does not have the entire manufacturing capability for its food and medicinal cannabis products. This reliance on third parties to conduct this essential aspect of its business is a material risk to ECS.

ECS has worked to mitigate this risk by developing strong commercial business relationships with these third parties, and outsourcing its manufacturing and production activities to companies that have longevity and good reputations in Victoria and Tasmania.

These agreements ensure that the risk of outsourcing this aspect of ECS' business is decreased, and the future manufacturing and processing is assured to the extent of these agreements.

Third parties to whom ECS supplies medicinal cannabis and raw hemp seed to are required to hold licenses with the relevant authorities to enable that third party to make receivables. If such third parties fail to maintain or renew such authorisations, it may have an effect on the timeframe in which ECS may be able to supply its products to market.

(d) **Logistics**

As ECS relies on outsourced logistics, events such as strike, an increase in the cost of energy, changes in transport services or destruction of infrastructure may mean ECS cannot supply and deliver the Company's products.

2.2.9 Competition risk

The hemp and medicinal cannabis industry is subject to growing domestic and international competition.

While ECS will undertake all reasonable due diligence in its business planning and operations, however it has no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company. For example, ECS' competitors may be more adequately resourced than ECS and therefore can operate more efficiently and at a lower cost.

Further, ECS currently has a suite of hemp food products, however without the benefit of ongoing product differentiation, its products may become uncompetitive resulting in adverse effects on revenue and profitability. If ECS cannot adapt to meet its competitors increased efficiency, it may result in loss of market share and lower profit margins.

The same applies for ECS's medicinal cannabis business, although ECS has a leading position in cultivation, competitors can catch up quickly. Furthermore ECS's range of products it can supply and manufacture for third parties are replicable by competitors.

2.2.10 Uncontracted arrangements risk

A large proportion of ECS' business relationships are the subject to agreements which are subject to standard terms and conditions rather than comprehensive agreements which protect ECS' interests (as is considered standard in the food and medicinal cannabis industry).

Given the nature of these contractual relationships, it is not possible for ECS to contractually guarantee consistency of sales volumes, price or terms going forward.

Further, there is a risk that these customer relationships may not be able to be maintained, or new relationships may not be formed on terms acceptable to the Company.

2.2.11 Reputation, trade marks and protection of intellectual property

ECS believes that reputation and brand recognition are important to its business and the effective protection of intellectual property rights is critical to its interest.

ECS depends on its reputation and the reputation of its third party suppliers – damage to the third party's reputation will effect ECS' reputation and therefore profitability and operations.

ECS cannot guarantee that there will not be any unauthorised use or misuse of its brands, given that the Company.. Any infringement may be detrimental to ECS' reputation and may lead to costly and time-consuming litigation or adversely affect ECS' financial performance.

To the extent that ECS relies upon its own intellectual property to conduct its business, it will need to protect its intellectual property. However, there may be circumstances where ECS' intellectual property and related licences cannot be protected or are subject to unauthorised disclosure, infringement or challenge by a third party.

If ECS does not protect its intellectual property or infringes a third party's intellectual property, it may have to cease using certain intellectual property or be liable for damages to that third party. This may also have an adverse impact on ECS' operations, financial performance and future prospects.

2.2.12 Key personnel and management risk

The Company's operational success will depend substantially on the continuing efforts of senior executives. The loss of services of one or more senior executives may have an adverse effect on the Company's operations. Furthermore, if the Company is unable to attract, train and retain key individuals and other highly skilled employees and consultants, its business may be adversely affected.

2.2.13 Technological and innovation risk

ECS Botanics will need to stay well informed with respect to technologies and products in relation to cultivation, manufacturing and supply of hemp food and medicinal cannabis products.

ECS' failure to employ the latest technologies to its processes and procedures will result in a downturn in its competitiveness and ultimately financial performance.

2.2.14 Risk of adverse future regulatory changes

The operations and proposed operations of ECS Botanics are subject to a variety of laws, regulations, and guidelines in its market, at federal and state levels including (but not limited to) product content requirements, labelling and packaging, regulations, environmental food standards and tax laws.

The introduction of new legislation or amendments to or changes to the practical effect of existing legislation by governments in relation to the legislation which governs ECS' business, could impact adversely on the assets, operations and the financial performance of ECS.

2.2.15 Requirement for additional funding and cost overruns

The funds to be raised under the Offer are considered sufficient to meet the current objectives of the Company. Despite management's effort to accurately estimate future costs, costs may exceed expected levels. If this occurs, additional funding may be required from time to time to finance its longer term objectives. The Company cannot give assurances that additional funding can be raised on favourable terms, if at all. ECS may never achieve profitability.

Additionally, the Company may discover further opportunities arise for capital expenditure, acquisitions or joint ventures. Should such events occur, the Company will look to raise additional funds via equity financing, debt financing or licensing arrangements. Failure to obtain sufficient funding may result in delay and indefinite postponement of the Companies activities. There can be no assurance that additional financing will be available when needed, on terms appropriate to the Company or that do not involve substantial dilution to Shareholders.

2.2.16 Insurance

ECS will endeavour to maintain insurance to mitigate the risks that the Company will face. However, ECS cannot insure against all risks, or guarantee that the level of insurance cover it obtains will be adequate, either because appropriate or necessary cover is not available or because Directors consider the required premiums to be excessive in relation to the benefits that would accrue.

If ECS incurs losses or liabilities for which it is uninsured, this may have a negative impact on the Company's financial performance and ability to operate its business.

2.2.17 Counterparty and credit risk

The business operations of ECS require the involvement of a number of third parties, including suppliers, contractors. Not being able to reach a binding agreement with a third party, financial failure, default, or contractual non-performance on the part of such third parties including failure to pay amounts due to ECS pursuant to its agreements, may have a material impact on the operations and performance of the Company.

2.2.18 Commodity price risk

ECS' business is subject to Australian and overseas hemp and medicinal cannabis commodity prices.

Prices of commodities (including agricultural commodities such as hemp and cannabis) vary and are affected by a variety of local and global factors that are beyond the control of the Company.

These factors include (but are not limited to) local and global supply and demand, production costs, weather and environmental conditions, governing authority regulations and flux (such as local and global growing programs and policies, sanctions and barriers), and also local and global plant diseases. Commodity prices are also affected by general local and global economic conditions.

Adverse changes in commodity prices may have an adverse impact on ECS' operations and business.

2.2.19 Unforeseen risks

There may be other risks which Directors or management are unaware of at the time of issuing this Prospectus which may impact on ECS, its operations and/or the valuation and performance of ECS.

2.3 General risks

2.3.1 Equity market conditions

Securities listed on the stock market can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

General factors that may affect the market price of Shares include economic conditions in both Australia and internationally (particularly Australian, US and Chinese economic conditions), investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

2.3.2 Force majeure

Events completely out of the control of ECS have the potential to negatively impact the Company's operations including, for example, war, political unrest, riot, extreme weather conditions, strikes, explosion, terrorist activity and product sabotage.

2.3.3 Litigation risks

The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

2.3.4 Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

2.3.5 General economic and political risks

Changes in the general economic and political climate in Australia and on a global basis may impact on economic growth, such as, interest rates, the rate of inflation, taxation and tariff laws and domestic security, which may affect the value and viability of any activities that may be conducted by the Company.

2.3.6 Shareholders may be diluted

In the event that the Company elects in the future to issue shares or to raise further capital to fund investments or acquisitions, Shareholders may have their shareholding diluted as a result of such share issues or capital raising. Any capital raising or share issue must be

conducted in accordance with the Listing Rules and the limits on the securities that a listed company may issue in any 12-month period.

2.3.7 Unforeseen expenditure risks

Expenditure may need to be incurred which has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, however if such expenditure is subsequently required or incurred, this may adversely impact budgeted expenditure proposals by the Company.

2.3.8 Corporate and business taxation

ECS is currently subject to a range of taxation obligations, potentially including income taxes (Australia federal, state and municipal income taxes), indirect taxes (Australian Goods and Services Tax), payroll taxes, superannuation and pension obligations, property taxes, and other taxes and levies.

There is potential for changes to any domestic tax laws. Any change to the current rates of taxes imposed on ECS is likely to affect returns to shareholders.

Any change in tax rules and tax arrangements or their implementation could have an adverse effect on the level of shareholder returns.

2.3.9 Coronavirus (COVID-19)

The outbreak of the coronavirus pandemic (COVID-19) is impacting on global economic markets. The nature and the extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any government or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. With the situation continually evolving, the consequences are therefore inevitably uncertain at this point in time. If any of COVID-19 impacts appear material prior to the close of the Offer, the Company will inform investors under a supplementary Prospectus.

2.4 Speculative Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares pursuant to this Prospectus.

3. PURPOSE AND EFFECT OF THE OFFERS

3.1 Purpose of the Offer

The purpose of the Offer is to raise approximately \$2,279,071 (before expenses). The application of funds raised from the Offer (and the Placement) is summarised below.

For the purposes of detailing the use of funds raised under this Prospectus, it is assumed no Options are exercised between the date of this Prospectus and the Record Date.

The funds raised from the Offer will be aggregated with the funds raised from the Placement and are planned to be used, in accordance with the table set out below, for the following purposes:

- (a) complete the Company's acquisition of Murray Meds Pty Ltd (as approved by Shareholders at the Company's general meeting held on 2 March 2021);
- (b) purchase plant and equipment to further upgrade the value of the Company's cannabis material;
- (c) accelerate multi-market penetration, revenues and growth of the Company;
- (d) augment working capital; and
- (e) costs of the Offer and the Placement.

Source of Funds	Amount (\$)	Proportion (%)
Funds to be raised under the Placement ¹	\$4,000,000	66.67%
Funds to be raised under the Offer ²	\$2,279,071	33.33%
Total	\$6,279,071	100%
Items of Expenditure	Amount (\$)	Proportion (%)
Acquisition of Murray Meds Pty Ltd ³	\$2,500,000	39.81%
Purchase of Plant and Equipment ⁴	\$1,500,000	23.89%
Operations ⁵	\$1,000,000	15.93%
Expenses of the Offer ⁶	\$136,745	2.18%
Expenses of the Placement ⁷	\$240,000	3.82%
Working capital ⁶	\$902,326	14.37%
Total	\$6,279,071	100%

Notes:

- 1 As announced to ASX on 15 March 2021, the Company has received firm commitments to raise \$4,000,000 (before costs) through the issue of 80,000,000 Shares to sophisticated and professional

investors (**Placement Participants**) at an issue price of \$0.05 per Share (**Placement**). Refer to the Company's ASX announcement dated 15 March 2021 for further details regarding the Placement.

- 2 Based on the capital structure of the Company as at the date of this Prospectus (and assuming no existing Options are exercised, or Performance Rights converted prior to the Record Date), a maximum of 45,581,417 New Shares may be issued under the Offer to raise approximately \$2,279,071 (before costs).
- 3 Pursuant to the binding term sheet between the Company and Flowerday Holdings Pty Ltd (**Flowerday**), the Company is required to pay Flowerday \$1,000,000 in cash at settlement of the acquisition and an additional \$1,500,000 in cash no later than 12 months from settlement. Refer to the Company's notice of meeting for its general meeting held on 2 March 2021 for further details.
- 4 Purchase of further extraction equipment to further update cannabis material, increase product range and margin.
- 5 To be applied towards key employments for European expansion and on boarding more customers locally.
- 6 Refer to Section 5.8 of this Prospectus for details regarding the estimated expenses of the Offers.
- 7 As announced to ASX on 15 March 2021, Xcel Capital Pty Ltd and Sanlam Private Wealth Pty Ltd acted as joint lead managers to the Placement and will receive a total fee equal to 6% of the funds raised under the Placement.
- 8 Funds allocated to working capital will be used for future administration expenses of the Company, including administration fees, Director's remuneration and other administration and obligatory overheads.

In the event the Company raises less than \$2,279,071 under the Offer, allocation of funds after an associated reduction in the costs of the Offer will be scaled back from working capital.

The above table is a statement of current intentions as at the date of this Prospectus. As with any budget, intervening events (such as project and general market risk factors affecting the Company) and new circumstances have the potential to affect the ultimate way funds will be applied. The Directors reserve the right to alter the way funds are applied on this basis.

This expenditure is expected to take place over a period of up to 12 months.

On completion of the Offer and the Placement, the Board believes the Company will have sufficient working capital to achieve these objectives.

3.2 Effect of the Offer

The principal effect of the Offer (assuming full subscription) will be that:

- (a) cash reserves will increase by approximately \$2,279,071 (before expenses) immediately after completion of the Offer; and
- (b) 45,581,417 New Shares will be issued.

In addition to the effect of the Offer, as announced to ASX on 15 March 2021, the Company will also issue an additional 80,000,000 Shares at an issue price of \$0.05 per Share to raise \$4,000,000 (before costs) pursuant to the Placement.

The effect of the Offer (and the Placement) on the capital structure of the Company is outlined in Section 3.5.

3.3 Effect on control of the Company

Shareholders should note that if they do not participate in the Offer, their holdings likely to be diluted by approximately 5.06% (as compared to their holdings and number of Shares on

issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders is set out in the table below (assuming no Options are exercised, or Performance Rights converted into Shares prior to the Record Date):

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	50,000,000	6.45%	2,941,177	50,000,000	5.55%
Shareholder 2	25,000,000	3.23%	1,470,589	25,000,000	2.78%
Shareholder 3	10,000,000	1.29%	588,236	10,000,000	1.11%
Shareholder 4	5,000,000	0.65%	294,118	5,000,000	0.56%
Shareholder 5	1,000,000	0.13%	58,824	1,000,000	0.11%

Notes: The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. Percentages post-Offer have been calculated on the basis of there being 900,465,511 Shares on issue on completion of the Offer (including 80,000,000 Shares to be issued pursuant to the Placement). Refer to Section 3.5 for further details of the Company's capital structure.

3.4 Pro Forma Statement of Financial Position

Set out in Annexure A is an unaudited pro-forma statement of financial position of the Company prepared using the reviewed statement of financial position of the Company as at 31 December 2020 and on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position. They have been prepared on the assumption that all Shares offered under this Prospectus, and the Placement, are issued.

The statements of financial position have been prepared to provide information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

3.5 Effect on Capital Structure

A comparative table of changes in the capital structure of the Company as a consequence of the Offers is set out below, assuming that the Offers are fully subscribed and no Options are exercised prior to the Record Date.

Security	Number
Shares	
Shares on issue as at the date of this Prospectus ¹	774,884,094
Shares to be issued pursuant to the Placement ²	80,000,000
Shares to be issue pursuant to the Offer	45,581,417
Total Shares on issue on completion of the Offer	900,465,511
Options	
Options on issue as at the date of this Prospectus ³	20,375,000

Options to be issued pursuant to the Offer	Nil
Total Options on issue on completion of the Offer	20,375,000
Performance Rights	
Performance Rights on issue as at the date of this Prospectus ⁴	131,250,000
Performance Rights to be issued pursuant to the Offer	Nil
Total Performance Rights on issue on completion of the Offer	131,250,000

Notes:

- 1 227,061,430 Shares are subject to escrow until 22 July 2022 (being 24 months from the date the Company was re-admitted to the official list of ASX) .
- 2 It is anticipated that these Shares will be issued following the Record Date on 24 March 2021. Accordingly, the Placement Participants will not be entitled to participate in the Offer. Refer to the Company's ASX announcement dated 15 March 2021 for further details regarding the Placement.
- 3 Comprising 20,375,000 unlisted Options exercisable at \$0.08 on or before 11 January 2022 which are subject to escrow until 22 July 2021 (being 24 months from the date the Company was re-admitted to the official list of ASX) .
- 4 Issued to the vendors of ECS Botanics Pty Ltd as consideration for the Company's acquisition of 100% of the issued capital of ECS Botanics Pty Ltd. These Performance Rights were issued pursuant to the Company's re-compliance prospectus dated 15 February 2019 (**Re-compliance Prospectus**) and vest upon the satisfaction of certain revenue milestones. 99,093,266 Performance Rights are subject to escrow until 22 July 2022 (being 24 months from the date the Company was re-admitted to the official list of ASX). The full terms and conditions of the Performance Rights are set out in section 8.9 of the Re-compliance Prospectus.

3.6 Details of substantial holders

Based on public information as at the date of this Prospectus, the persons who (together with their associates) have a relevant interest in 5% or more of the Company's securities are set out below:

Shareholder	Shares	%
Flowerday Holdings Pty Ltd ¹	100,000,000	12.91%
Keach Securities & Investments Pty Ltd ²	90,548,668	11.69%
Harbour Capital Asset Management Pty Ltd	74,859,007	9.66%

Notes:

- 1 Nan Maree Schoerie is a director and the sole shareholder of Flowerday Holdings Pty Ltd.
- 2 Alex Keach is a director and the sole shareholder of Keach Securities & Investments Pty Ltd.

In the event all Entitlements are accepted (or all Shortfall is placed) there will be no change to the substantial holders on completion of the Offer.

4. RIGHTS ATTACHING TO SECURITIES

4.1 Terms and Conditions of New Shares

All New Shares issued will rank pari passu in all respects with the Company's existing ordinary fully paid shares. The Company will apply for Official ASX Quotation of all New Shares issued under the Offer.

4.2 Rights and Liabilities Attaching to Shares

The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, the Listing Rules and the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

- (a) At the date of this Prospectus all Shares are of the same class and rank equally in all respects.
- (b) Subject to any special rights or restrictions (at present there are none), at any meeting each member present in person or by proxy has one vote on a show of hands, and on a poll has one vote for each Share held.
- (c) Subject to any special rights (at present there are none), any dividends that may be declared by the Company are payable on all Shares in proportion to the amount paid up.
- (d) The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares of the affected class, or with the sanction of a special resolution passed at a meeting of the holders of the Shares of the affected class.
- (e) Subject to the Company's Constitution, the Corporations Act or any other applicable laws of Australia and the Listing Rules, the Shares are freely transferable. The Directors may refuse to register a transfer of Shares only in limited circumstances where the applicable laws permit it to do so.
- (f) Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and the Listing Rules.
- (g) If the Company is wound up, the liquidator may, with the sanction of a special resolution :
 - (i) divide among the Shareholders the whole or any part of the Company's property; and
 - (ii) decide how the division is to be carried out between the Shareholders.
- (h) Subject to any special rights (at present there are none), any surplus assets on a winding up are to be distributed to Shareholders in proportion to the number of Shares held by them and in proportion to the amounts paid or credited as paid.

5. ADDITIONAL INFORMATION

5.1 Nature of this Prospectus

The New Shares to be issued pursuant to this Prospectus are continuously quoted securities. This Prospectus is issued under the special prospectus content rules for continuously quoted securities in Section 713 of the Corporations Act. This enables listed disclosing entities, such as the Company, to issue a prospectus for continuously quoted securities with modified disclosure requirements if they satisfy certain requirements.

The information in this Prospectus principally concerns the terms and conditions of the Offer and the information reasonably necessary to make an informed assessment of:

- (a) the effect of the Offer on the Company; and
- (b) the rights and liabilities attaching to the New Shares offered pursuant to this Prospectus and the underlying securities.

The Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Shareholders should therefore also have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in the Company.

5.2 Continuous Reporting and Disclosure Obligations

As the Company is admitted to the official list of ASX, the Company is a “disclosing entity” for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Investors are encouraged to check and monitor any further announcements made by the Company to ASX prior to securities being issued under the Offer. To do so, please refer to the Company’s ASX announcements platform via www.asx.com.au.

By virtue of section 713 of the Corporations Act, the Company is entitled to issue a “transaction-specific” prospectus in respect of the Offer.

In general terms, a “transaction-specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company.

As a disclosing entity under the Corporations Act, the Company states that:

- (a) it is subject to regular reporting and disclosure obligations;

- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report of the Company for the financial year ended 30 June 2020;
 - (ii) any half-year financial report of the Company lodged with ASIC after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC; and
 - (iii) all continuous disclosure notices given by the Company after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC (see below).

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules that investors or their professional advisers:

- (a) would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to the securities the subject of this Prospectus; and
- (b) would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Offer. If investors require further information in relation to the Company, they are recommended to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

The following announcements have been lodged with ASX in respect of the Company since the Company lodged its annual financial report for the financial year ended 30 June 2020 on 27 August 2020.

Date	Title
17/03/2021	Becoming a substantial holder
17/03/2021	Becoming a substantial holder
17/03/2021	Change in substantial holding
15/03/2021	Initial Director's Interest Notice
15/03/2021	Secondary Trading Notice & Appendix 2A
15/03/2021	Proposed issue of Securities - ECS
15/03/2021	ECS successfully completes \$4m raising
11/03/2021	Trading Halt
04/03/2021	Agreement to Supply Medicinal Cannabis (Amended)
04/03/2021	Agreement to Supply Medicinal Cannabis
02/03/2021	Change of Address
02/03/2021	Results of Meeting
02/03/2021	Murray Meds signs MOU with Australian based Cannabis Group

Date	Title
23/02/2021	Half Yearly Report and Accounts
15/02/2021	Murray Meds signs European cannabis oil supply
03/02/2021	Murray Meds Acquisition Presentation
02/02/2021	Notice of General Meeting/Proxy Form
01/02/2021	Appointment of Paul Hanrahan
28/01/2021	Quarterly Activities Report and Appendix 4C
12/01/2021	ECS to acquire medicinal cannabis cultivator Murray Meds
12/01/2021	Proposed issue of Securities - ECS
24/12/2020	ECS enters into term sheet with Medipharma Labs
17/12/2020	Secondary Trading Notice & Appendix 2A
16/12/2020	TGA Final Decision on Over-the-Counter CBD
11/12/2020	Proposed issue of Securities - ECS
11/12/2020	ECS Successfully Completes \$4.0 million Capital Raising
09/12/2020	Trading Halt
03/12/2020	UN approves WHO recommendation to reschedule cannabis
01/12/2020	Response to ASX Price Query
23/11/2020	ECS Medicinal Cannabis Project and Regulatory Update
19/11/2020	Results of Annual General Meeting
03/11/2020	ECS to present at NWR Virtual Investor Conference
02/11/2020	Secondary Trading Notice & Appendix 2A
29/10/2020	Appointment of Damian Wood
27/10/2020	Quarterly Activities Report and Appendix 4C
20/10/2020	Notice of Annual General Meeting/Proxy Form (Amended)
20/10/2020	Notice of Annual General Meeting/Proxy Form
07/10/2020	AGM and Closing Date for Director Nominations
23/09/2020	Change in substantial holding X2
18/09/2020	Investor Presentation September 2020
09/09/2020	Interim decision reached on scheduling of CBD
28/08/2020	Appendix 4G and Corporate Governance Statement
27/08/2020	Appendix 4E and Annual Report

5.3 Market Price of Shares

The highest and lowest closing prices of Shares on the ASX during the 3 months preceding the date of this Prospectus, and the closing price on the trading day before the date of this Prospectus, are set out below.

	Price	Date
Highest	\$0.076	10 February 2021
Lowest	\$0.038	4 January 2021
Last	\$0.053	17 March 2021

5.4 Litigation

The Directors are not aware of any legal proceedings which have been threatened or actually commenced against the Company.

5.5 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director has, or had within two years before lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or securities or otherwise) and no benefits have been given or agreed to be given to any Director:

- (a) to induce him to become, or to qualify him as, a Director; or
- (b) for services rendered by him in connection with the formation or promotion of the Company or the Offer.

Remuneration

The remuneration (including superannuation unless stated otherwise) paid to the Directors for the two financial years prior to the date of this Prospectus, and proposed to be paid to the Directors for the current financial year (on an annualised basis), is set out below.

Director	FY 2019	FY 2020	FY 2021
Alex Keach ¹	Nil	\$198,853	\$198,853
David McCredie ²	Nil	\$47,497	\$47,497
Jeremy King ³	\$24,000	\$158,503	\$158,503
Michael Nitsche ⁴	\$6,387	\$98,962	\$98,962
Nan Maree Schoerie ⁵	Nil	Nil	\$190,000

Notes:

- 1 Mr Keach was appointed as a Director on 11 July 2019. Mr Keach's remuneration for the financial year ended 30 June 2020 includes superannuation entitlements of \$16,372 and share based payments valued at \$10,149.
- 2 Mr McCredie was appointed as a Director on 11 July 2019. Mr McCredie's remuneration for the financial year ended 30 June 2020 includes share based payments valued at \$10,149.
- 3 Mr King was appointed as a Director on 11 January 2017. Mr King's remuneration for the financial year ended 30 June 2020 includes share based payments valued at \$119,083.
- 4 Mr Nitsche was appointed as a Director on 26 March 2019. Mr Nitsche's remuneration for the financial year ended 30 June 2020 includes share based payments valued at \$59,542.
- 5 Ms Schoerie was appointed as a Director on 15 March 2021.

Securities

The securities in which the Directors and their associates have or are proposed to have relevant interests in at the date of this Prospectus are set out below.

Director	Shares	Performance Rights ¹	Options ²	Entitlement to New Shares
Alex Keach ³	90,548,668	41,337,435	937,500	5,326,393
David McCredie	625,611	194,301	937,500	36,800
Jeremy King	Nil	Nil	11,000,000	Nil
Michael Nitsche	Nil	Nil	5,500,000	Nil
Nan Maree Schoerie ⁴	100,000,000	Nil	Nil	5,882,353

Notes:

- 1 These Performance Rights were issued pursuant to the Re-compliance Prospectus and vest upon the satisfaction of certain revenue milestones. These Performance Rights are subject to escrow until 22 July 2022 (being 24 months from the date the Company was re-admitted to the official list of ASX). The full terms and conditions of the Performance Rights are set out in section 8.9 of the Re-compliance Prospectus
- 2 Unlisted Options exercisable at \$0.08 on or before 11 January 2022 and are subject to escrow until 22 July 2021 (being 24 months from the date the Company was re-admitted to the official list of ASX).
- 3 Securities held indirectly by Keach Securities & Investments Pty Ltd, a company of which Mr Keach is a director and the sole shareholder.
- 4 Shares held indirectly by Flowerday Holdings Pty Ltd, a company of which Ms Schoerie is sole director.

Based on the intentions of the Directors at the date of this Prospectus, the Board confirms that David McCredie intend to subscribe for his full Entitlement under this Prospectus.

5.6 Related Party Transactions

There are no related party transactions entered into that have not otherwise been disclosed in this Prospectus.

5.7 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
 - (iii) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offer.

Nova Legal has acted as solicitors to the Company in relation to the Offer. The Company estimates it will pay Nova Legal \$8,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Nova Legal has been paid fees totalling \$221,744 (including GST and disbursements) for legal services provided to the Company.

Xcel Capital Pty Ltd and Sanlam Private Wealth Pty Ltd have acted as Joint Lead Managers to the Placement and the Offer. Refer to Section 1.8 for details of the fees payable to the Joint Lead Managers in respect of these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Xcel Capital Pty Ltd and Sanlam Private Wealth Pty Ltd have been paid fees totalling \$104,805 (excluding GST) and \$864,290 (excluding GST) respectively, for capital raising services provided to the Company.

Computershare Investor Services Pty Limited has been appointed to conduct the Company's share registry functions and to provide administrative services in respect of the procession of Entitlement and Acceptance Forms receive pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

5.8 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, any persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Nova Legal has given its written consent to being named as the solicitors to the Company in this Prospectus.

Xcel Capital Pty Ltd and Sanlam Private Wealth Pty Ltd have given their consent to being named as Joint Lead Managers to the Offer in this Prospectus.

BDO Audit (WA) Pty Ltd has given its written consent to use of the reviewed statement of financial position as at 31 December 2020 set out in Annexure A of this Prospectus.

Computershare Investor Services Pty Limited has given its written consent to being named as the share registry to the Company in this Prospectus.

5.9 Estimated Expenses of the Offers

In the event the Offers are fully subscribed, the estimated expenses of the Offers (excluding GST) are as follows:

Item	Amount (\$)
ASIC fees	\$3,206
ASX fees	\$3500
Legal fees	\$8,000
Printing and other expenses	\$3,500
Total	\$18,206

Note: The Joint Lead Managers will be paid a fee of 6% of the value of any Shortfall Shares placed to their clients.

5.10 Electronic Prospectus

Pursuant to ASIC Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or Prospectus or any of those documents were incomplete or altered.

6. DIRECTOR'S CONSENT

This Prospectus is dated 18 March 2021 and is issued by ECS Botanics Holdings Ltd.

The Directors have made all reasonable enquires and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive.

This Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to likely investors or their professional advisors.

Each of the Directors of ECS Botanics Holdings Ltd has consented to the lodgement of this Prospectus in accordance with Section 720 of the Corporations Act and has not withdrawn that consent.

Signed for and on behalf of ECS Botanics Holdings Ltd:

A handwritten signature in black ink, appearing to read 'Alex Keach', with a stylized flourish at the end.

Alex Keach
Managing Director

7. DEFINITIONS

Applicant means a person who applies for New Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form.

Application Money means the aggregate amount of money payable for New Shares applied for in the Entitlement and Acceptance Forms.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ABN 98 008 624 691) operating as the Australian Securities Exchange.

Business Day means any day which is defined to be a Business Day pursuant to Listing Rule 19.12 of the Listing Rules.

CHESS means Clearing House Electronic Sub-register System of ASX Settlement Pty Ltd (ACN 008 504 532).

Closing Date means the closing date of the Offers being 5.00pm (WST) on 19 April 2021 (unless extended).

Company means ECS Botanics Holdings Ltd (ACN 009 805 298).

Constitution means the Company's Constitution as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Cth means the Commonwealth of Australia.

Directors means directors of the Company.

Dollars or **\$** means dollars in Australian currency.

Eligible Shareholder means a Shareholder who has a registered address in Australia, New Zealand or the PRC and who held Shares as at the Record Date.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form accompanying this Prospectus.

GST means goods and service tax levied in Australia pursuant to A New Tax System (Goods and Services Tax) Act 1999 (Cth).

Listing Rules means the Listing Rules of the ASX.

New Share means a Share issued pursuant to the Offer under this Prospectus.

Offer Period means the period commencing on the Opening Date and ending on the Closing Date.

Offer has the meaning given in Section 1.1.

Official List means the official list of ASX.

Opening Date means 26 March 2021.

Option means an option to acquire a Share in the capital of the Company.

Placement means the Company's placement of 80,000,000 Shares to sophisticated and professional investors at an issue price of \$0.05 per Share to raise \$4,000,000 (before costs), as announcement to ASX on 15 March 2021.

PRC means the People's Republic of China.

Prospectus means this prospectus dated 18 March 2021.

Quotation and **Official Quotation** means official quotation on ASX.

Re-compliance Prospectus means the Company's re-compliance prospectus dated 15 February 2019.

Record Date means 23 March 2021.

Securities means Shares, Performance Rights and/or Options.

Share means a fully paid ordinary share in the Company.

Shareholder means the holder of a Share as recorded in the register of the Company.

Share Registry means Computershare Investor Services Pty Limited.

Shortfall means those New Shares under the Offer not applied for by Shareholders under their Entitlement.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 1.7 of this Prospectus.

Shortfall Shares means those New Shares issued pursuant to the Shortfall.

WST means Western Standard Time, Perth, Western Australia.

Annexure A – Pro-Forma Statement of Financial Position

Pro-Forma Statement of Financial Position as at 31 December 2020

	Reviewed 31-Dec-20	Subsequent Events (a), (b), (c)	Pro Forma Adjustments (d), (e), (f)	Pro Forma After Issue
	\$	\$	\$	\$
ASSETS				
Current Assets				
Cash & cash equivalents	4,429,589	(1,000,000)	6,124,121	9,553,710
Trade and other receivables	975,035	-	-	975,035
Inventories	485,064	-	-	485,064
Total Current Assets	5,889,688	(1,000,000)	6,124,121	11,013,809
Non-Current Assets				
Plant and equipment	2,684,245	-	-	2,684,245
Investments accounted for using the equity method	539,840	-	-	539,840
Total Non-Current Assets	3,224,085	-	-	3,224,085
TOTAL ASSETS	9,113,773	(1,000,000)	6,124,121	14,237,894
Current Liabilities				
Trade and other payables	215,649	-	-	215,649
Borrowings	1,461	-	-	1,461
Provisions	70,434	-	-	70,434
Total Current Liabilities	287,544	-	-	287,544
TOTAL LIABILITIES	287,544	-	-	287,544
NET ASSETS	8,826,229	(1,000,000)	6,124,121	13,950,350
Equity				
Issued capital	15,313,802	5,000,000	6,142,327	26,456,129
Reserves	1,970,574	-	-	1,970,574
Accumulated losses	(8,458,147)	(6,000,000)	(18,206)	(14,476,353)
TOTAL EQUITY	8,826,229	(1,000,000)	6,124,121	13,950,350

Notes:

- (a) \$1,000,000 was paid to Flowerday Holdings Pty Ltd as part consideration for the Company's acquisition of Murray Meds Pty Ltd.
- (b) 100,000,000 Shares at \$0.05 each were issued to Flowerday Holdings Pty Ltd as part consideration for the Company's acquisition of Murray Meds Pty Ltd.

- (c) Assumes completion of the Placement by way of full subscription and issue of 80,000,000 Shares at an issue price of \$0.05 to raise \$4,000,000 less costs of the Placement of \$240,000.
- (d) Non-renounceable entitlement issue of one (1) New Share for every seventeen (17) existing Shares held by those Shareholders registered at the Record Date at an issue price of \$0.05 per New Share to raise \$2,127,327 (after expenses of \$154,950).
- (e) Capital raising fees are estimated to be a maximum of \$136,744 in respect of the Offer. However, the actual value of fees to be paid to the Joint Lead Managers in respect of the Offer will be less than this figure and will ultimately be dependent on the value of any Shortfall Shares placed to clients of the Joint Lead Managers under the Shortfall Offer.
- (f) Expenses of the Offer are estimated at \$18,206 (excluding fees payable in respect of the placement of any Shortfall Shares).



ECS Botanics Holdings Ltd
ABN 98 009 805 298

For all enquiries:

Phone:
(within Australia) (08) 6559 1792
(outside Australia) +61 8 6559 1792

Web:
www.investorcentre.com/contact

ECS

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Make your payment:



See overleaf for details of the Offer and how to make your payment

Non-Renounceable Rights Issue — Entitlement and Acceptance Form

 **Your payment must be received by 5:00pm (WST) Monday, 19 April 2021**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Step 1: Registration Name & Offer Details

Details of the shareholding and entitlements for this Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

You can apply to accept either all or part of your Entitlement. If you accept your full Entitlement, you can also apply for Additional New Shares. Enter the number of New Shares you wish to apply for and the amount of payment for those New Shares.

By making your payment you confirm that you agree to all of the terms and conditions as detailed in the Prospectus dated 18 March 2021.

Choose one of the payment methods shown below.

BPAY®: See overleaf. Do not return the payment slip with BPAY payment.

By Mail: Complete the reverse side of the payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "**ECS Botanics Holdings Limited**" and cross "**Not Negotiable**". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

Turn over for details of the Offer →

Entitlement and Acceptance Form

X 9999999991 I N D

STEP 1 Registration Name & Offer Details

For your security keep your SRN/
HIN confidential.

Registration Name: MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Entitlement No: 12345678

Offer Details: Existing shares entitled to participate as at
7:00pm (AEDT) Tuesday, 23 March 2021:

Entitlement to New Shares
on a 1 for 17 basis:

Amount payable on full acceptance
at \$0.05 per New Share:

4,000
1
\$0.01

STEP 2 Make Your Payment by 5:00pm (WST) Monday, 19 April 2021

To avoid postal delay make your payment via BPAY either online or by phone with your bank using the payment details below.

BPAY

	Billers Code: 123456 Ref No: 1234 5678 9123 4567 89
--	--

Contact your financial institution to make your
payment from your cheque or savings account.

Cheque, bank draft or money order

 Make your cheque, bank draft or money order payable to "ECS Botanics
Holdings Limited" and cross "Not Negotiable".
Return your payment with the below payment slip to:
Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

BPAY

Neither Computershare Investor Services Pty Limited (CIS) nor ECS Botanics Holdings Limited accepts any responsibility for loss incurred through incorrectly
completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time. Eligible Shareholders
should use the customer reference number shown on this Application Form when making a BPAY payment.

MAIL

Neither CIS nor ECS Botanics Holdings Limited accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

Privacy Notice

The personal information you provide on this form is collected by CIS, as registrar for the securities issuers (the **issuer**), for the purpose of maintaining registers of
securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send
you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details
provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and
ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us
in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the
issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located
outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For
further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our
Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at www.computershare.com/au/privacy-policies.

[Detach here](#)

ECS Botanics Holdings Limited Acceptance Payment Details

Entitlement taken up:	
Number of additional New Shares applied for:	
Amount enclosed at \$0.05 per New Share:	A\$



Entitlement No: 12345678
MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000



BPAY is the most efficient and secure form of payment. Your BPAY payment details
are shown above.

Contact & Cheque Details

Contact Name Daytime Telephone

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A\$

123456789123456789+0000000001-3051+14