

ECS Botanics Holdings Ltd (ASX:ECS)



ASX Announcement

27 February 2024

Germany legalises cannabis, providing expanded opportunities for ECS Botanics' EU export program

ECS Botanics Holdings Ltd (ASX: ECS) ("ECS" or the "Company"), a leading organic medicinal cannabis company, announces that in a landmark development in cannabis legalisation, the German Bundestag has officially passed the adult-use legalisation bill (CanG), removing it from Germany's Narcotics List.

The new Federal bill, known as the Cannabisgesetz (CanG), is a national measure for the legalisation of adult-use cannabis in the largest medicinal cannabis market in the EU. It was authored by the German Health Minister Karl Lauterbach and is anticipated to come into effect on 1 April, 2024. It will include subsequent phases aimed at enhancing cannabis accessibility and regulation. The law will eliminate various obstacles in the medical cannabis supply chain and streamline processes for pharmacies.

Minister Lauterbach explained use of the drug among young people has been soaring for years despite the existing law. He wants to undermine the black market, protect smokers from contaminated cannabis and cut revenue streams for organised crime gangs.

Germany has twice the population of Canada, the world's largest adult use market. As part of the new measures, non-commercial cannabis clubs are set to launch as a phase 1, with an expected start date as early as 1 July, 2024. These membership-based non-commercial clubs will serve as legal sources for adult consumers to obtain cannabis, representing a strategic effort to provide a regulated framework for adult-use cannabis commerce. A phase 2 could then see the introduction of regional adult-use cannabis commerce pilot programs, like those operating in Switzerland, but on a significantly larger scale.

ECS has an ongoing supply agreement worth at least \$9.9 million over three years with German company Ilios Santé (announcement dated 4 January 2023) to supply four medicinal cannabis strains into that market. Ilios Santé was chosen as ECS's entry partner into Germany due to its ability to harness its fully licenced wholesaler network with the required authorisations and permissions to import, and distribute medical cannabis products, and adapt to changes in cannabis legislation as access was made easier. The partnership also positions ECS to effectively navigate, and contribute to, the developing German market, addressing the demands of both medicinal and future recreational use.

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

"This is the type of step-change legislative development that will create a reverberation across not only Germany, but the broader EU as medicinal cannabis becomes more mainstream as a treatment for several conditions. Germany is an evolving and very large market opportunity for ECS and we believe this legislative change will make doctors much more comfortable prescribing medicinal cannabis"



ECS has been expanding its growing, cultivation and pharmaceutical grade manufacturing operations to service the \$60 million in contracted agreements we have signed in several markets in the last 18 months, and in preparation to manufacture for expanding export opportunities that will occur because of bills like this."

This release is authorised on behalf of ECS Botanics Holding Ltd by Nan-Maree Schoerie, Managing Director.

-ENDS-

About ECS Botanics Holdings Ltd

ECS Botanics Holdings Ltd is an Australian medicinal cannabis cultivator and manufacturer located in Northwest Victoria. ECS utilises progressive and innovative cultivation methodologies to produce quality medicine in a sustainable way, adopting regenerative and organic horticultural practices and renewable energy sources. Licenced by the Australian Therapeutic Goods Administration to manufacture GMP (equivalent to PIC/S, EU agencies are all PIC/S members) certified products, ECS has become a leading provider of high-quality, affordable medicinal cannabis.

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