

Murray Meds signs three-year UK export deal for ECS

- **Murray Meds signs three-year supply agreement with London-based pharmaceuticals distribution company The Armour Group, for the sale and export of medicinal cannabis oils**
- **Murray Meds' products will be used in clinical trials in the UK and following product registration in Germany, be supplied through distribution channels into German pharmacies under The Armour Groups brand**
- **ECS recently executed a binding agreement to acquire Murray Meds (subject to shareholder approval)**
- **ECS expects this deal will lead to further sales channels into the UK and Germany**

ECS Botanics Holdings Ltd (ASX: ECS or Company) is pleased to announce Murray Meds has signed a binding three-year supply agreement (“Agreement”) for the sale, export, and distribution of medicinal cannabis oils to London-based pharmaceutical distribution company The Armour Group (TAG).

In addition to initially supplying product in the UK for clinical trials, TAG will complete the product registration process in Germany, where it intends to distribute its brand of cannabis oils through established channels.

ECS announced that it would acquire Murray Meds, an advanced cannabis cultivator based in northwestern Victoria, last month. The transaction is proceeding as planned and is subject to shareholder approval at a meeting to be held on 2 March. Murray Meds has a fully licensed medicinal cannabis cultivation and manufacturing facility which holds a Cultivation, Research and Manufacturing Licence from the Australian Office of Drug Control and permits to cultivate and produce 3,500 kilograms of medicinal cannabis. Murray Meds also holds a TGA Good Manufacturing Practice manufacture licence for dried flower, oils and tinctures.

The contract contains minimum order volumes. Assuming minimum order volumes are met the agreement will contribute approximately \$500,000 in revenue. Management anticipates order volumes to materially exceed the minimum in the first 12 months and increase each year. The first shipment of product is expected to occur Q2 CY2021.

Murray Meds Managing Director and proposed ECS Executive Director Nan-Maree Schoerie said: *“We have built a great relationship with TAG and are delighted to execute this agreement as we finalise the product registration and export arrangements. Exporting medicinal cannabis oils to Europe, under our GMP manufacturing licence, is an exciting step forward for the business.”*

ECS Botanics Managing Director Alex Keach commented: *“This is a great result as Murray Meds starts its journey as part of ECS Botanics, and a strong base from which to expand our penetration into the export market, particularly in Europe.*

“Fewer Australian companies are cultivating their own supply for export into Europe, we believe this illustrates the strong supply and manufacturing foundations ECS is building which supports our ability to supply high quality EU GMP compliant final dose medicine at low cost.

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“Initial orders are planned for use in clinical trials in the UK with supply to German pharmacies to follow once the products are registered. TAG has a strong ecommerce platform which it will leverage to distribute the products initially in Germany, followed by the UK and other European countries.”

About ECS Botanics

ECS Botanics is a medicinal cannabis and industrial hemp business, cultivating (own and contract growers) and processing hemp for the wholesale market and its own retail food brand. The company’s main operations are conducted in Tasmania, Australia. ECS has the necessary licences to cultivate, supply and manufacture industrial hemp in Tasmania as well as a grower licence in Queensland. ECS holds import and export licences with the Office of Drug Control (ODC) as well as having been granted licences for the cultivation and manufacture of medicinal cannabis. ECS owns a farm in Tasmania for commercial cultivation of hemp as well as being the site of its next generation approach to medicinal cannabis. ECS owns a strategic stake in TapAgrico for the logistics, drying and storage of hemp seed.

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