

ECS Botanics Holdings Ltd (ASX:ECS)



ASX Announcement

28 July 2025

Q4 FY25 Investor Update Continued Growth in B2C Sales and Record Flower Production

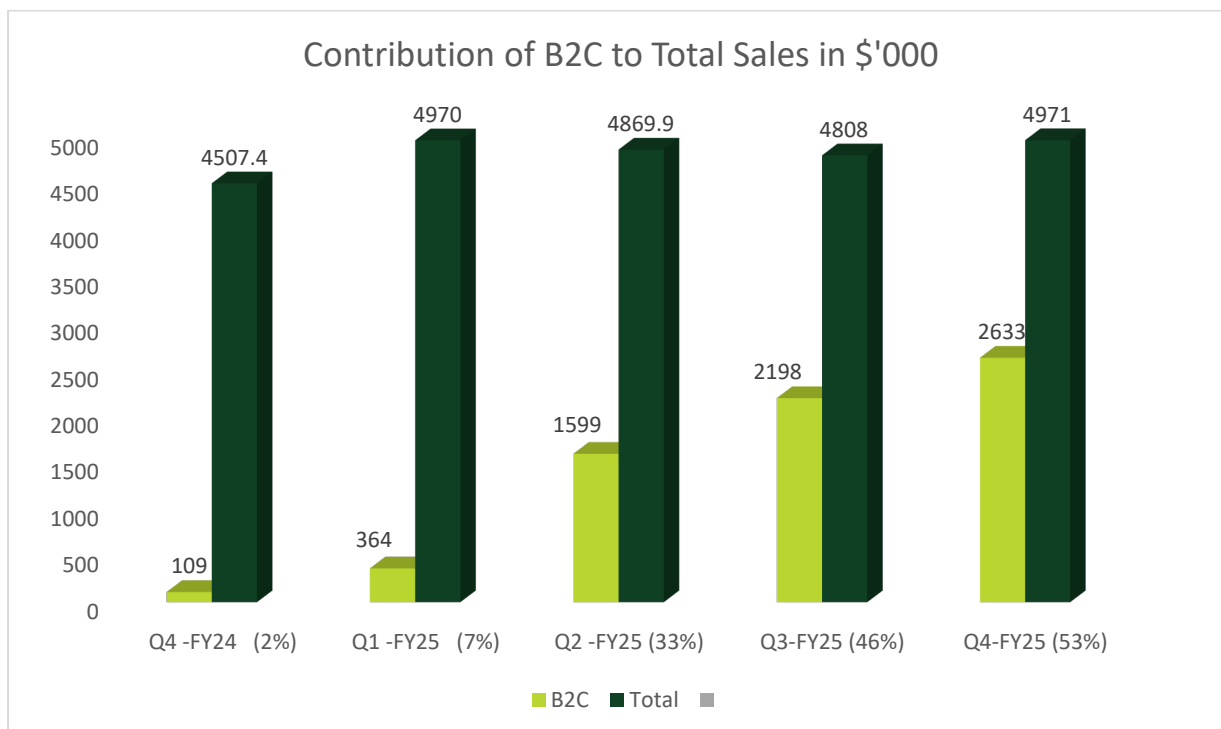
ECS Botanics Holdings Ltd (ASX: ECS) ("ECS" or the "Company"), a leading medicinal cannabis company, provides the following update on activities for the quarter ending 30 June 2025 (Q4 FY25).

Highlights:

- **B2C Growth Accelerates:** Direct-to-consumer (B2C) revenue increased 20% quarter-on-quarter to \$2.6 million, now accounting for 53% of total sales.
- **Revenue Performance:** Total revenue reached \$5.0 million, representing a 3% increase quarter-on-quarter and 10% year-on-year.
- **Strong Cash Receipts:** Quarterly cash receipts totalled \$5.0 million, up 16% QoQ and 20% YoY, reflecting the pull-through from growing B2C sales.
- **Record Cultivation Season:** FY25 marked ECS's most successful harvest to date, yielding 10.6 tonnes of untrimmed dried flower—a 60% year-on-year increase.
- **Product Portfolio Expansion:** ECS launched Terphogz premium flower strains in June, further enhancing its branded offerings.
- **Diversified Product Formats:** With a broad portfolio including capsules, oils, pastilles, and flower, ECS is well positioned to support prescribers amid shifting regulatory guidance.
- **Improved Financial Flexibility:** The Company increased its corporate loan facility to \$5.2 million, with \$2.9 million remaining undrawn as at 30 June 2025.

B2C Growth Strategy Delivering

The company, is pleased to report continued growth in Q4 FY25, underpinned by strong momentum in direct-to-consumer (B2C) sales of ECS-branded products. Since launching B2C sales ahead of FY25, the Company has grown this business unit rapidly and delivered a 20% quarter-on-quarter increase (from Q3 FY25) in B2C sales, reaching \$2.6 million for the June quarter. B2C now accounts for 53% of total quarterly revenue of \$5.0 million, demonstrating growing consumer demand across both flower and capsule product categories.



The B2C model, which operates on a consignment basis with distributors and pharmacies, requires upfront investment but delivers higher profit margins and a more sustainable growth profile. Concurrently, ECS continues to invest in building brand equity, leveraging its Australian-grown, organic credentials alongside the exclusive VESIsorb® delivery system, enhancing product differentiation and patient outcomes.

Pleasingly, after its first full year of B2C sales, ECS has consolidated its position among the top 15 medicinal cannabis brand owners in Australia, as reported by pharmaceutical data provider Nostradata, ranking ECS favourably within a field of over 100 industry participants. The Medical Science Liaisons have onboarded 264 new prescribers during the quarter bringing the total to 804 prescribers.

Q4 Financial Highlights

Total revenue for Q4 FY25 reached \$5.0 million, up 3% from the prior quarter (\$4.8 million) and 10% higher than Q4 FY24 (\$4.5 million). B2B sales declined by approximately 10% in the quarter primarily due to softness among existing Australian customers. By leveraging the additional quality flower production, the Company is actively working to restore B2B volumes to a growth trajectory in FY26.

Quarterly cash receipts also totalled \$5.0 million, a 16% increase from the prior quarter (\$4.3 million) and 20% higher than Q4 FY24 (\$4.1 million). Net cash used in operating activities remained steady at \$1.5 million, reflecting investment in staffing, product manufacturing and operations to support B2C expansion and the delivery of a record harvest.

Additionally, ECS enhanced its working capital position by securing an increase in its corporate loan facility with National Australia Bank from \$3.2 million to \$5.2 million. As of 30 June 2025, \$2.9 million of this facility remained undrawn, providing further flexibility to fund growth initiatives, including the launch of the Terphogz product range which ECS successfully delivered in June with demand exceeding

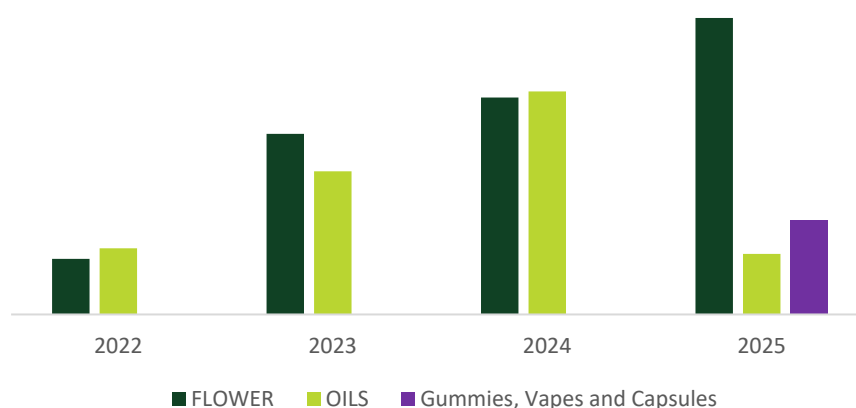


expectations. The Company remains confident in becoming cash flow positive in the first half of the new financial year.

Product Mix and B2C Strategy Mitigates Regulatory and Import Pressures

ECS is also well positioned to adapt to the evolving regulatory landscape. The Australian Health Practitioner Regulation Agency (AHPRA) recently issued new prescribing guidance in response to the high levels of medicinal cannabis flower prescriptions. With a diversified product portfolio spanning fast-acting capsules, pastilles, oils and flower, ECS is uniquely placed to support prescribers who prefer alternatives to flower, providing patients with greater choice and clinicians with confidence in prescribing varied delivery formats.

Product Mix



The increasing volume of imported medicinal cannabis flower into Australia often produced in low-cost jurisdictions without equivalent regulatory burdens, has undercut domestic pricing. Moreover, the ease of access to imported flower by vertically integrated telehealth clinics further distorts the market by prioritising margin over quality or origin, creating an uneven playing field. In response, ECS has successfully grown flower revenue by establishing clearly differentiated retail brands that emphasise Australian, organically grown euGMP flower, while also competing effectively in the value segment of the market.

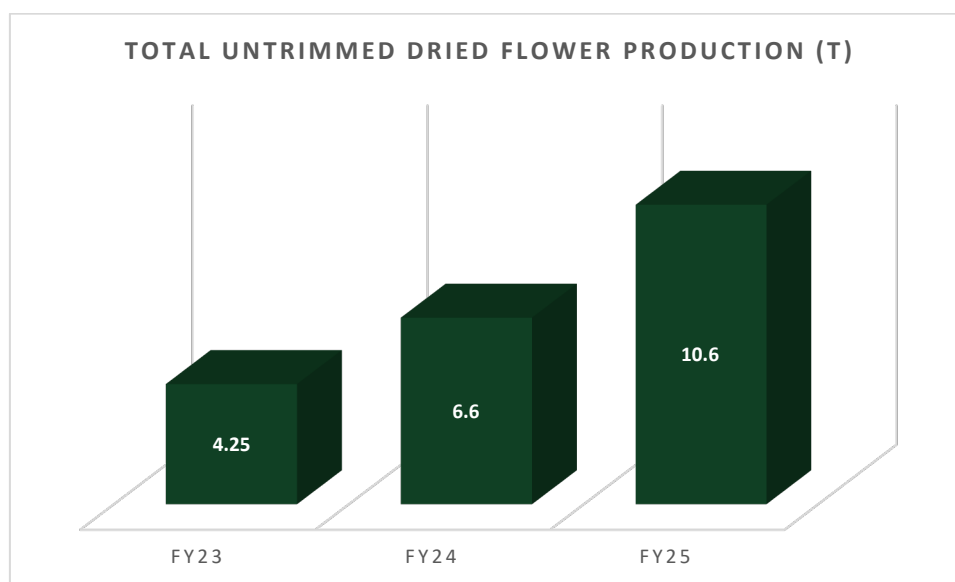
Record Harvest and Enhanced Quality Drive Strategic Allocation

FY25 marked ECS's most successful cultivation season to date, achieving significant gains in both yield and quality. The Company delivered a record 6.8-tonne outdoor harvest—up 50% from FY24—driven by ongoing productivity improvements and a continued focus on high-quality production. Notably, A-grade flower output increased by 40% year-on-year.

The entire crop comprises saleable dried flower, with strong demand secured through advance commitments from both domestic and European customers, particularly for products aligned with ECS's premium and PCE-growth segments.



Despite the larger harvest, ECS has opted to mechanically trim all outdoor flower and will not allocate any FY25 material for oil extraction. This strategic decision aims to prevent excess biomass inventory, given current oil demand trends and adequate existing extraction stock.



The Company remains focused on driving both B2C and B2B growth while capitalising on its brand, IP and sustainable cultivation capabilities to strengthen its market position in FY26 and beyond.

Production and manufacturing costs amounted to \$3.4 million. Payments to related parties of \$210k under Section 6.1 of Appendix 4C were made to Director related entities. This comprised \$149k for Director fees and \$60k for Pharmaceutical, IT consultancy, company secretarial and registered office services.

Authorised for release by Nan-Maree Schoerie, Managing Director

-ENDS-

Investors and Media

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About ECS BotaniCS Holdings Ltd

ECS BotaniCS Holdings Ltd (ASX: ECS) 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.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

ECS Botanics Holdings Limited

ABN

98 009 805 298

Quarter ended ("current quarter")

30 June 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,970	18,371
1.2 Payments for		
(a) research and development	-	(4)
(b) product manufacturing and operating costs	(3,362)	(12,431)
(c) advertising and marketing	(87)	(293)
(d) leased assets	-	-
(e) staff costs	(2,496)	(8,990)
(f) administration and corporate costs	(404)	(1,471)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	5
1.5 Interest and other costs of finance paid	(147)	(294)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	30	38
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,496)	(5,069)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(761)	(3,611)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(761)	(3,611)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	2,731	6,357
3.6	Repayment of borrowings	(139)	(462)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	2,592	5,895

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	36	3,156
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,496)	(5,069)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(761)	(3,611)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,592	5,895
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	371	371

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	371	36
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	371	36

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(210)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		
6.1	Director and consulting fees paid to Directors and/or Director related entities	\$149,107
	Company secretarial, registered office services	\$ 13,860
	Pharmaceutical and IT consultancy services fee paid to Director related entities	\$46,631

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	5,200	2,290
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	5,200	-
7.5	Unused financing facilities available at quarter end		2,910
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	<p>NAB Corporate Market Loan Facility: The facility limit was originally \$3.2 million. On 3 April 2025, NAB approved an increase to \$5.2 million to support the Company's growth, particularly in its B2C operations. The interest rate is BBSY + 3.40% (currently 7.0625%). As at 30 June 2025, \$2.29 million had been drawn, leaving \$2.91 million available.</p> <p>NAB Revolving Asset Finance: As at 30 June 2025, \$2.16 million was drawn against a \$4.8 million limit. On 1 July 2025, \$2.19 million was transferred from the Trade Finance Facility following completion of seven PCEs, bringing total drawn to \$4.34 million and leaving \$0.46 million available. The available balance will increase with monthly repayments.</p> <p>NAB Trade Finance Facility: Established with a \$3.4 million limit to fund nine PCEs. As at 30 June 2025, \$2.39 million was drawn. On 1 July 2025, \$2.19 million was transferred to Asset Finance and approximately \$200,000 repaid from cash. The facility was reset to \$0.5 million to complete the remaining two PCEs.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,496)
8.2	Cash and cash equivalents at quarter end (item 4.6)	371
8.3	Unused finance facilities available at quarter end (item 7.5)	2,910
8.4	Total available funding (item 8.2 + item 8.3)	3,281
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.19
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions: 8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 July 2025

Authorised by: The Board of ECS Botanics Holdings Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.