



ECS Botanic Holdings Ltd

Australia's leading organic medicinal cannabis company

H1 FY26 RESULTS

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H1 FY26 at a Glance – Inflection Achieved

A PLATFORM FOR SUSTAINABLE GROWTH

ASX Code	ECS
Ordinary Shares	1,596m
Performance Rights	27.5m
Options exp 15 Jun 2028	843.8m
Options exp 31 Dec 2029	20m
Market cap (Fully diluted @ 0.6 cents)	\$14.9m
Debt (31 Dec 2025)	\$1.91m
Cash (31 Dec 2025)	\$1.31m
Undrawn Finance Facilities (31 Dec 2025)	\$3.67m
Top 20 Holdings	41%

Major Shareholders	
Windpac Pty Ltd	5.5%
Schoerie Fides Pty Ltd	4.2%
Flowerday Holdings Pty Ltd	3.4%
Super Secret Pty Ltd	3.4%
Keach Securities & Investments Pty Ltd	2.7%
Harbour Capital Asset Mgmt Pty Ltd	2.3%



H1 FY26 Revenue
\$11.3m (+16.5% YoY)



Two consecutive
quarters of **positive
operating cash flow**



B2C now > 60% of revenue

Infrastructure investment
phase complete



ESG Credentials:

Certified Organic NASAA
100 KW solar energy
Low energy cultivation

Strategic repositioning now translating into earnings and cash flow

H1 FY26 Financial Performance



Revenue & Earnings

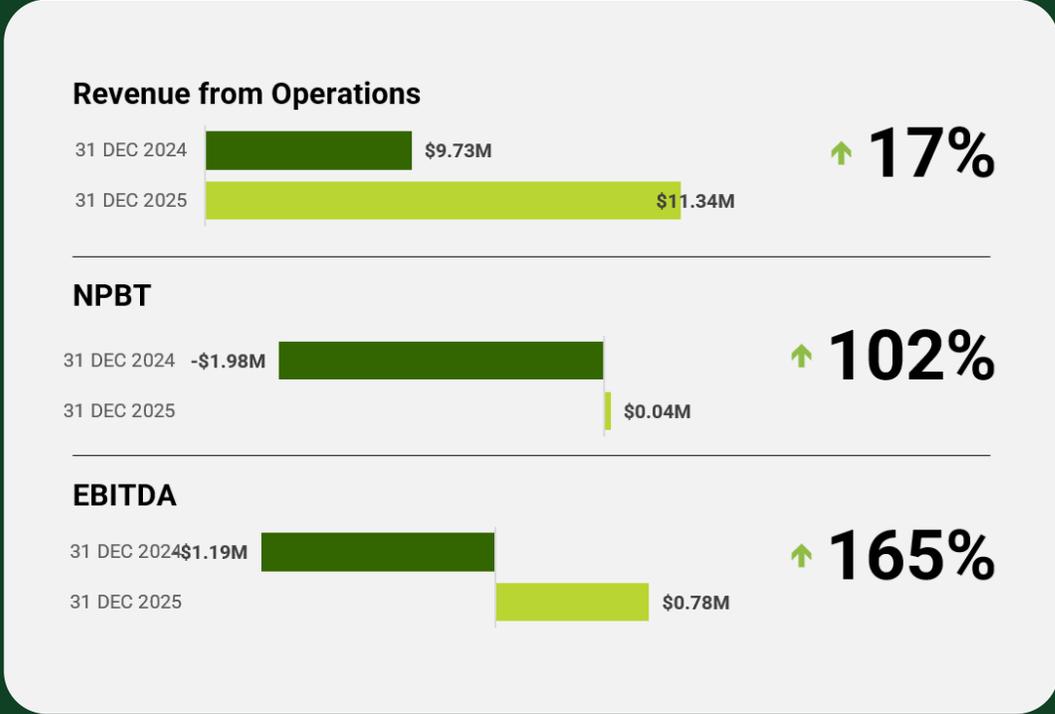
- Revenue from continuing operations: \$11.3m (+16.5% YoY)
- EBITDA: \$0.8m, reflecting improved gross margins and operating leverage
- Profit before tax: \$0.04m (vs \$1.98m loss PCP)



Statutory Adjustment

- \$880k non-cash impairment of deferred tax assets
- No impact on EBITDA or operating cash flow
- Strengthens balance sheet conservatism

Underlying operating performance materially improved



Cash Flow Turnaround – Structural Improvement



Operating Cash Flow

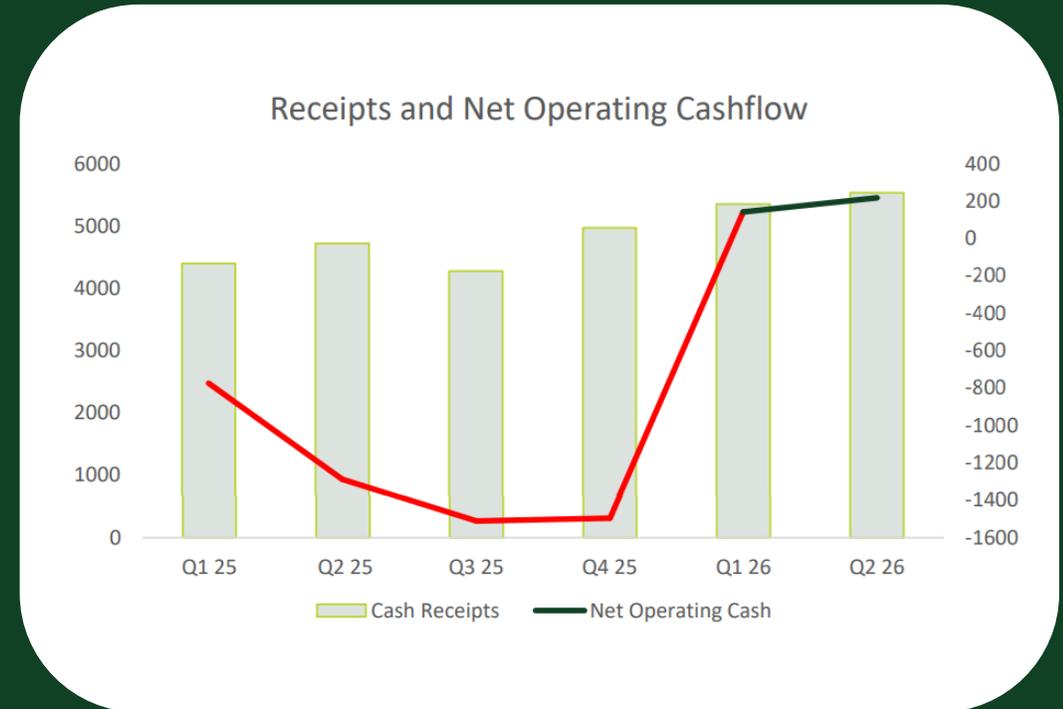
- Two consecutive quarters of positive operating cash flow
- ~\$1.5m improvement vs December 2024 quarter
- Material reduction in working capital volatility



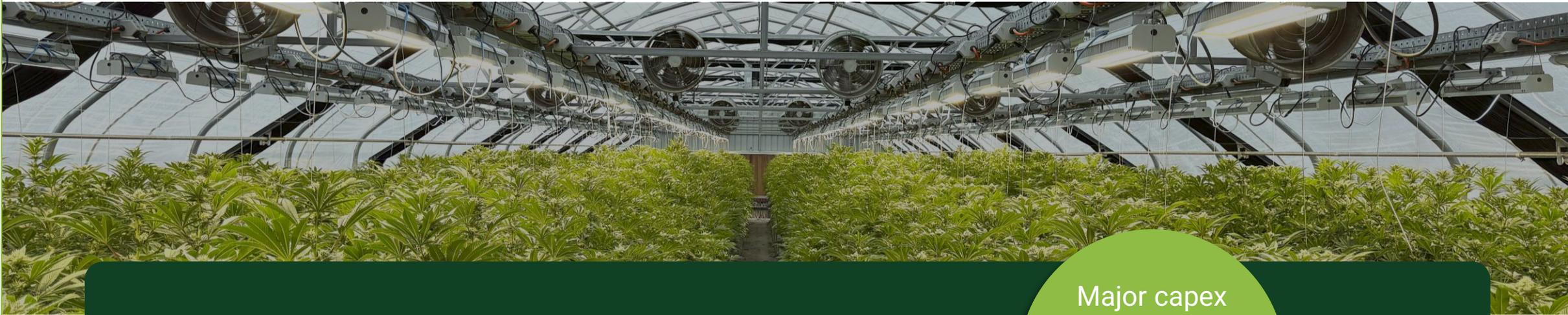
What Drove the Improvement

- Stronger contribution from branded direct-to-consumer (“B2C”) products
- Improved gross margin capture through retail positioning
- Completion of major infrastructure capex
- Tighter cost control across labour and manufacturing
- Improved production planning alignment with sales

Positive cash flow now embedded in the operating model



Operational Platform Complete



- 26 Protective Cropping Enclosures (PCEs) fully operational
- 9 new PCEs with underfloor heating & lighting
- 12-month growing capability established
- New 460m³ curing room commissioned
- Dedicated drying room for outdoor crop completed
- Live rosin capability installed

Major capex cycle complete – focus now on optimising returns

B2C Strategy Delivering Results

Branded B2C products now >60% of revenue

Revenue mix shift reducing exposure to wholesale price compression

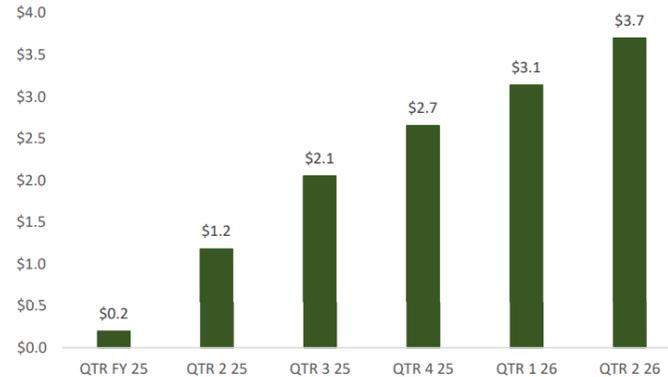
Improved gross margin capture via retail positioning

Expanded national distribution footprint

Strong prescriber and pharmacist engagement

Capturing retail margin is protecting profitability in a falling price environment

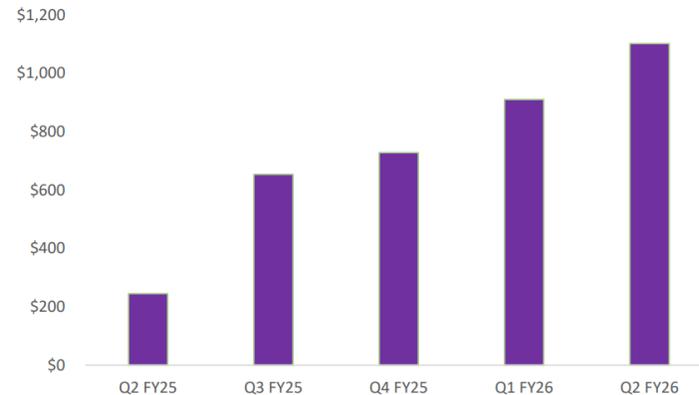
Overall B2C sales in Millions



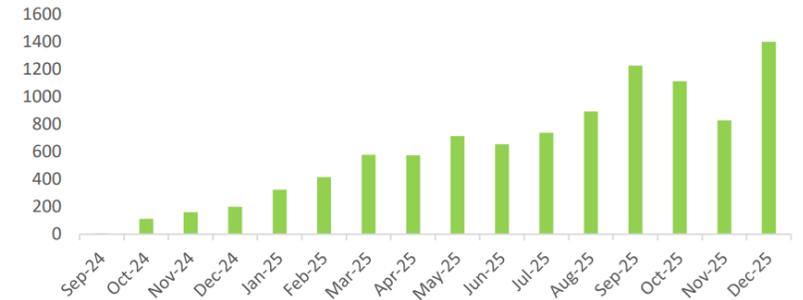
Avani Advanced (VESIsorb) Units Sold Per Month



Growth in OzSun Flower in \$'000



ECS Capsules Sold Per Month (Units)



Product Expansion Driving Growth

ECS now offers a diversified range of products aligned to prescribing trends:

OzSun Value Range

- Sugar-free THC and balanced gummies launched
- Strong prescriber reception
- Positioned for volume-led growth

AVANI & AVANI Advanced

- Continued traction in capsules and oils
- VESIsorb formats support lower-dose, high bioavailability approach

AVANI AVA – Women’s Health

- Launched late in the half
- Targeted formulations across flower, capsules, cream and pessaries
- Expanding prescriber conversations into new patient segments



2023

RAP Legacy
Veterans brand



Jul
2024

AVANI Flower



Sep
2024

AVANI Capsules



Nov
2024

OzSun Value
Brand Flower



Jan
2025

VESIsorb CBD
Capsules



May
2025

OzSun Oils



Jun
2025

VESIsorb THC
Capsules



Jun
2025

Terp Hogz
Premium Capsules



Q1
FY26

30% Flower



Q2
FY26

Pastilles,
AVANI AVA

A diversified portfolio across price tiers and formats reduces product risk and increases share of wallet

Managing Through Price Compression

- Australian dried flower prices declined >20% over past 12 months
 - Lower-tier products now priced ~30% below prior year levels
 - ECS mitigated impact through:
 - B2C margin capture
 - Low-cost outdoor and mixed-light production
 - Yield improvements from new PCE design
 - Disciplined cost control
- **Employment costs reduced 5.2% YoY despite wage increases**

Margin dollars
prioritised over
pure revenue
growth



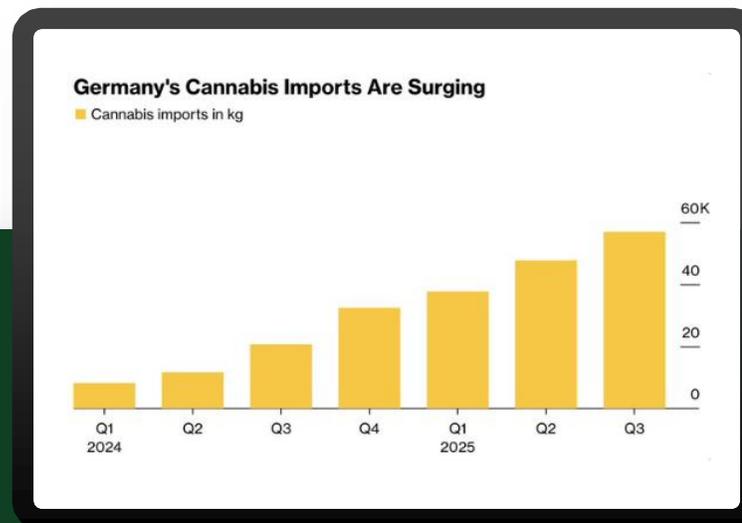
Germany Expansion – Disciplined Entry



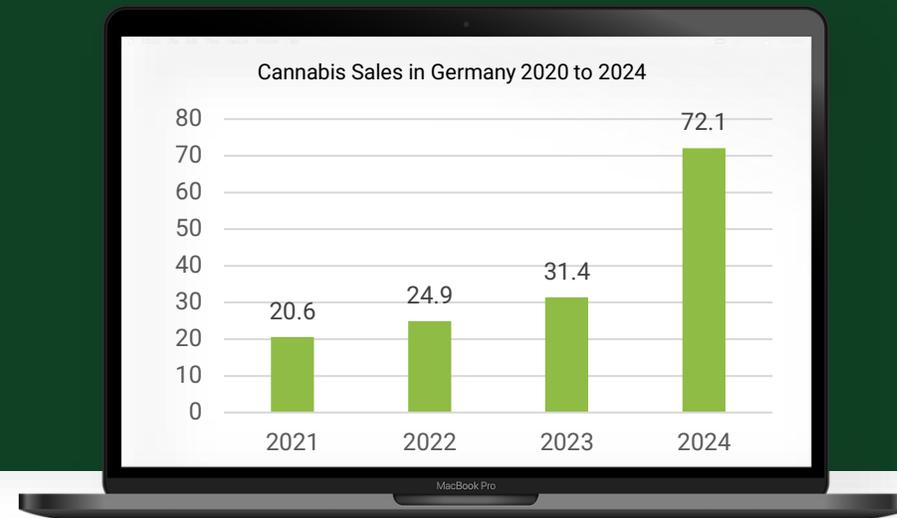
Strategic distribution partnership with Nimbus Health

- Import permit secured; export permit pending
- OzSun positioned as a value, volume-led brand
- Outdoor, organic Australian provenance
- Non-exclusive distribution model for flexibility

Strategy: replicate Australian B2C value model in Europe's largest market



Source: Bloomberg



Source: Statista

International Optionality – US Review

- Monitoring evolving US federal regulatory environment
 - Reviewing strategic pathway for medicinal entry
 - EU-GMP accreditation and scalable production relevant
 - No material capital commitment at this stage
- **ECS preserves upside optionality while maintaining capital discipline**



Path to Sustainable Profitability



From investment phase to execution phase:

- ➔ Infrastructure expansion complete
- ➔ Capex intensity materially reduced
- ➔ Operating leverage now emerging
- ➔ Two positive cash flow quarters delivered
- ➔ Focus on:
 - Yield optimisation
 - Margin expansion
 - Cost per gram reduction
 - Product mix improvement

Our Vision and Strategic Priorities for H2 FY26

Vision

To build Australia's leading diversified and vertically integrated medicinal cannabis platform, known for branded product quality, innovation and affordability.

Strategic Priorities H2 FY26

- Expand B2C market share domestically
- Maintain and grow B2B with key Australian and export customers
- Execute Germany launch
- Increase margin contribution from branded products
- Continue cost discipline and yield improvements
- Continue product innovation (eg. VESIsorb, capsules, pastilles and in-house live rosin vapes)
- Strengthen regulatory resilience with diverse formats
- Deliver sustained positive operating cash flow and self fund new investments

Key B2B customers



Investment Highlights – Foundations Built



Positive operating cash flow established



Return to profitability achieved



Infrastructure complete and scalable



Germany expansion underway



B2C > 60% and growing



Clear operating leverage emerging



Low-cost organic production advantage



ECS enters the second half of FY26 structurally stronger and positioned for steady, disciplined growth



ECS BOTANICS HOLDINGS LTD

Contact Us

AVANI

AUSTRALIAN GROWN,
NATURALLY

OzSun

AFFORDABLE MEDICINAL
CANNABIS FOR ALL
AUSTRALIAN PATIENTS



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