

ECS Botanics Holdings Ltd (ASX:ECS)



ASX Announcement

29 August 2025

ECS Botanics Delivers B2C Growth and Expanded Product Range as Investment Strategy Gains Traction

ECS Botanics Holdings Ltd (ASX: ECS) ("ECS" or the "Company"), a leading medicinal cannabis company, today released its FY25 financial results, highlighting significant progress across its operational, sales and strategic objectives.

The year was marked by ECS's successful transition to a hybrid B2C and B2B model, underpinned by industry-leading cultivation outcomes and growing consumer recognition of its Avani brand and differentiated product offerings.

Highlights:

- **Total revenue of \$19.5 million, down 5% from FY24 (\$20.5 million), reflecting ongoing transition to B2C sales**
- **Annual B2C sales reached \$6.8 million following launch in May 2024 – contributing 53% of total sales in Q4 FY25**
- **Record full-year harvest of 10.6 tonnes, up 61% year-on-year, with significant uplift in A-grade flower**
- **Protective cropping enclosures (PCEs) drove a 40% increase in premium output**
- **Top 15 brand ranking in Australia (Nostradata), with over 800 prescribers engaged**
- **Expansion of product portfolio including capsules, oils, pastilles and Terphogz premium flower**
- **Positive operating cash flow expected in H1 FY26 following an encouraging start to Q1, supported by \$2.9 million undrawn loan capacity**

Strategic Focus

Throughout FY25, ECS invested in scale, quality and brand. Its vertically integrated operations and low-cost outdoor cultivation underpinned strong gross margins, while its diversified product formats aligned well with shifting regulatory guidance from AHPRA. The company also expanded its IP and product offerings via its exclusive licensing agreement with Terphogz and is supporting clinical validation efforts through a sleep apnoea trial at the University of Western Australia.



Operational Highlights

FY25 marked ECS's most successful cultivation year to date. The Company delivered a record 10.6 tonnes of dried flower, supported by productivity gains and the continued rollout of its protective cropping enclosures (PCEs). These enclosures enabled a 40% increase in A-grade flower output compared to the prior year, with the entire PCE-grown harvest already committed to customers across local and European markets. This consistent quality uplift highlights ECS's ongoing investment in agronomic practices and quality control infrastructure.

ECS's B2C sales gained considerable momentum across the year, culminating in a 20% quarter-on-quarter increase to \$2.6 million in Q4 FY25. This performance reflects the growing strength of ECS's Avani and OzSun brands, supported by an expanding portfolio that now includes capsules, oils, pastilles and dried flower. The launch of three premium Terphogz strains commencing in June added further depth to the Company's flower offering and positioned ECS to capture increased market share in the premium B2C segment.

Recognition from pharmaceutical data provider Nostradata confirmed ECS's progress in brand building, ranking the Company among Australia's top 15 medicinal cannabis brands within a field of over 100 market participants. More than 800 prescribers are now engaged with ECS's product range, reinforcing the Company's reach and relevance in clinical settings.

Financially, ECS strengthened its balance sheet during FY25, securing an increased loan facility with NAB. As at 30 June 2025, \$2.9 million of the \$5.2 million facility remained undrawn, providing flexibility to support the Company's ongoing growth initiatives into FY26.

Statutory Result Impacted by Non-Cash Goodwill Write-Down

While the lead indicators in ECS's operating performance in FY25 are very positive, the statutory result reflects a prudent reset of the balance sheet. During the year, the Company undertook a full write-down of goodwill and intangible assets together with a comprehensive review and revaluation of inventory. An independent consultant's value-in-use model indicated an impairment of \$0.5 million; however, following auditor guidance, management elected to fully impair goodwill and intangible assets totalling \$2.9 million.

In addition, a non-cash impairment of \$4.9 million was recorded against inventory, primarily due to a 50% reduction in the carrying value of biomass and the reclassification of older flower into biomass. Importantly, these adjustments are non-cash in nature and have no impact on the Company's cash flows or underlying operating performance. The Company reported a Net Loss After Tax of \$5.7 million, reflecting \$7.8 million in combined impairments and the recognition of a \$1.17 million deferred tax benefit, which can be utilised in future periods when the Company returns to profitability.

This reset reflects a conservative reassessment of asset values in line with current market dynamics, rather than any deterioration in the performance of the core business, which continues to grow in line with expectations. The action underscores ECS's disciplined approach to financial reporting and balance sheet integrity, ensuring a stronger foundation for future growth.



Managing Director Comment

Nan-Maree Schoerie, ECS Managing Director, said:

"FY25 was a transformative year for ECS. We scaled our operations, expanded our product portfolio and embedded B2C as a strong and sustainable growth engine. Our record harvest and brand recognition confirm the strength of our unique cultivation model and market positioning. Following a strong start to Q1, we enter FY26 with momentum, financial flexibility and a clear strategy to grow our presence in both domestic and international markets."

The full FY25 results for announcement to the market are available on the ECS website and ASX platform.

Authorised for release by Nan-Maree Schoerie, Managing Director

-ENDS-

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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.