



ASX Announcement

16 May 2025

Record Harvest and Expansion of Premium B2C Product Line

ECS Botanics Holdings Ltd (ASX: ECS) ("ECS" or the "Company"), a leading medicinal cannabis company, is poised to deliver a record-breaking harvest and is pleased to reaffirm confidence in its strategic direction, following a year of rapid operational progress and strong market demand.

The Company notes recent market volatility and reaffirms that there have been no material developments not previously disclosed. With record production, new product launches and expanding global distribution, ECS is well-positioned to continue its growth trajectory and deliver value to shareholders.

Highlights:

- **ECS is set to exceed FY24 production by 50% in FY25, with annual output expected to exceed 9.8 tonnes at significantly lower production costs**
- **FY25 outdoor harvest expected to reach 6 tonnes, including a record 2.6 tonnes of higher-value premium dried flower**
- **Protective Cropping Enclosures (PCEs) are forecast to deliver a record 3.8 tonnes, including over 2.5 tonnes of A-grade trimmed dried flower by 30 June 2025, supporting revenue growth and margin expansion**
- **Four premium Terphogz strains launching in June to Australian consumers**
- **ECS remains on track to achieve positive cash flow in 2025**

Production Update

FY25 marks ECS's most successful cultivation season to date, both in volume and quality. Historically, ECS's outdoor crop was used primarily for biomass and medicinal oils, yielding limited A-grade flower. This year, the 6-tonne outdoor harvest (a 50% increase on FY24) is primarily A-grade dried flower, with minimal biomass. This shift reflects ECS's ongoing productivity gains and strategic quality focus. The remaining B-grade flower will be sold under ECS's OzSun value brand.



Figure i: Trimmed outdoor FY25 flower



Production costs are significantly lower than in prior years, reinforcing the season's strong performance and the benefit of the Company's ongoing productivity focus.

As previously reported, the new PCEs are delivering exceptional results. ECS has secured commitments from both local and European customers for all PCE-grown flower, and A-grade output is expected to be 40% higher than last year. With full PCE operation anticipated for FY26, this trend of increasing A-grade output is expected to continue, supporting revenue growth and premium positioning.

Reduced costs and increased yield will positively impact margins. To enhance quality control and processing efficiency, ECS's internal construction team is building a refrigerated curing room, additional drying space, and a clean room for packaging. This project is expected to require a modest capital investment of \$200,000 and will be funded through existing cash reserves and the Company's recently-expanded loan facility with NAB.

Strategic Brand Expansion – Terphogz®

In September 2024, ECS entered an eight-year licensing and marketing agreement with renowned cannabis breeding group, Terphogz, to expand its exceptional genetics, product portfolio, and brand beyond the Californian market.

Supporting the Company's strategic shift towards expanding B2C sales, in June 2025 ECS will release four strains in Australia under the Terphogz brand; The Original Z, Zruntz, Cherry Rope and RS-40. Deep East (RS-40) and Burning Rope (Cherry Rope), the acclaimed breeders of these genetics, have collaborated closely with Terphogz and ECS to ensure these products and their genetics reflect the authenticity of the product. This will be reflected on the product labels.

ECS's UK partner, Hologram, is advancing registration for these products and expects to enter the UK market by August 2025. Regulatory milestones have also been cleared for Germany, with progress expected later in the year.

ECS is collaborating with a second iconic Californian brand with a plan to launch into the same markets in Q1 FY26.

Outlook

Sales and cash receipts are forecast to continue to increase steadily this quarter on the back of continued growth in B2C sales, the release of additional VESIsorb® products, as well as an increase in B2B sales achieved through ECS's ability to provide premium flower to the market.

The Company remains on track to return to cash flow positive status during calendar year 2025, with production, sales and strategic partnerships advancing strongly.

Authorised for release by Nan-Maree Schoerie, Managing Director

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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.