



C O R P O R A T E   P R E S E N T A T I O N

# ECS BotaniCS Holdings Ltd

A leading organic cultivator and  
manufacturer of medicinal cannabis

ASX : ECS

Q4 FY25 Webinar  
07 August 2025

# FY25 Final Quarter Investor Update

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*Bling Blaow*



# Sales History and Strategy

## Market Shift

- In late FY24, the Australian medicinal cannabis market dynamics changed significantly
- Several B2B customers began sourcing some of their products directly from international suppliers at discounted prices
- ECS' largest oil customer transitioned to importing directly from Canada
- This shift placed downward pressure on B2B pricing, with a 20% price decline in flower prices between FY24 and FY25

## ECS Strategic Response

- Invested in B2C capabilities to diversify revenue, capture margin and reduce reliance on price-sensitive B2B.
- Prioritized export growth, where margins are stronger although revenue/gram lower due to bulk product sales.
- Introduced capsules to offset declining oil volumes and meet evolving patient preferences.
- Partnered with leading global brand to build out portfolio

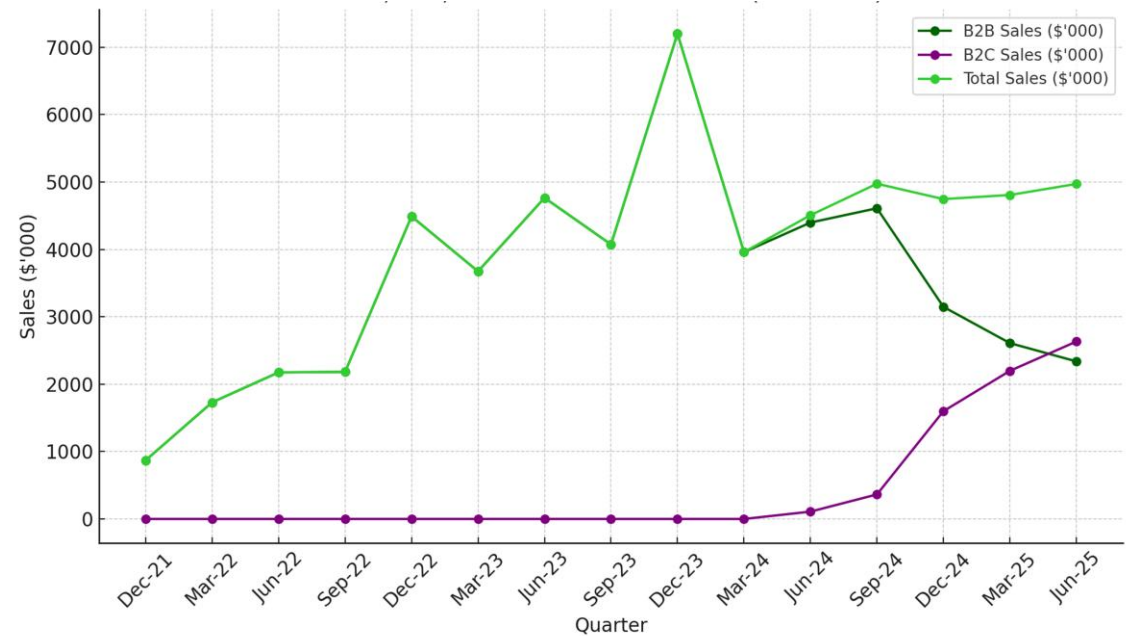
## Cost of Strategic Transition

**Increased Production:** Additional flower output requires more cultivation personnel

**Sales & Marketing Expansion:** Growth in B2C and branded channels requires investment in sales, branding, and promotional assets.

**Working Capital Impact:** B2C and consignment models require upfront inventory and increased cash flow support

## B2B and B2C and Total Sales since start up



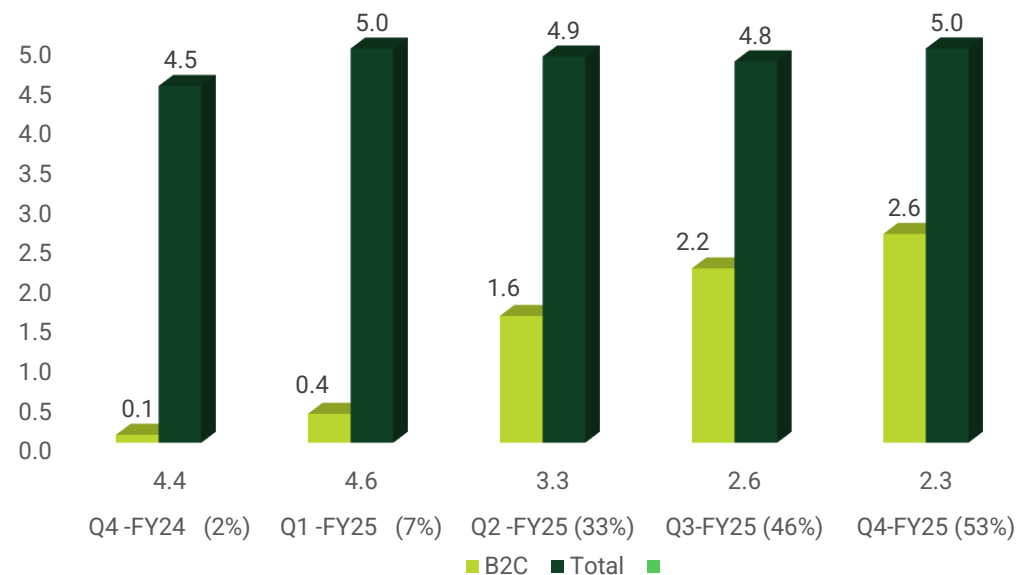
# ECS Sales Trends

**B2C launch:** Enabled ECS to recapture share and margin including building a value brand and an oils and capsules product line

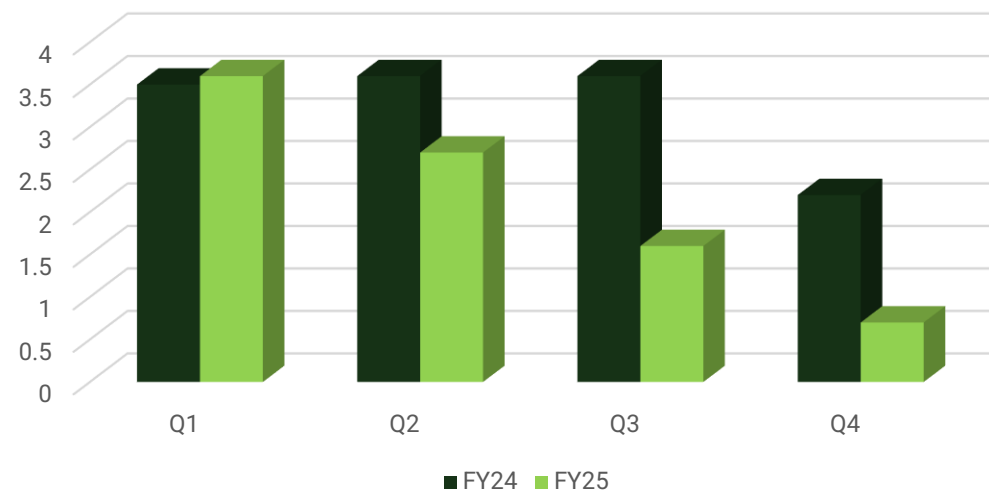
**Growth in exports:** As GMP manufacturer exports provided an alternative to crowded and relatively poorly regulated Australian market

**Opportunity Ahead:** Strong FY25 production output provides ample inventory, enabling ECS to grow the domestic B2B market with competitive pricing and consistent supply

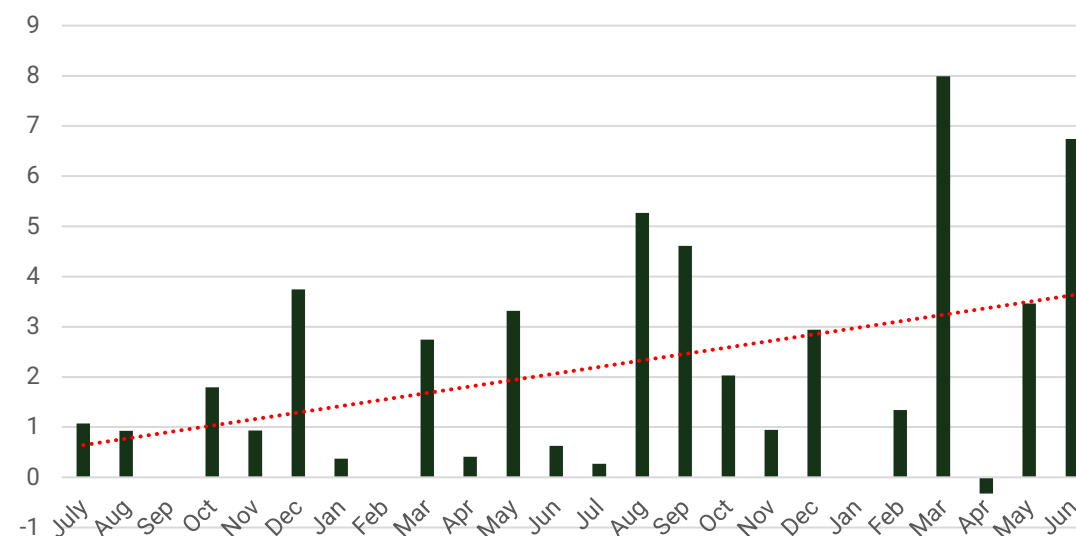
Contribution of B2C to Total Sales in \$ millions



B2B Australia in Millions



EU/UK exports in \$ millions July 24 to June 25



# Why brands matter

## Retention

- ECS manufactured white-label oils for a major customer for over two years. When that customer switched to importing oils, there was no visible change to their brand – patients remained unaware
- In the absence of strong brand equity, B2B customers are easily swayed by lower cost alternatives and face little perceived risk in switching products

## Trends

- With Medicinal Cannabis consumers may follow shifting flavour/product trends but remain loyal to trusted brands

## Medical Sales Liaisons (MSLs)

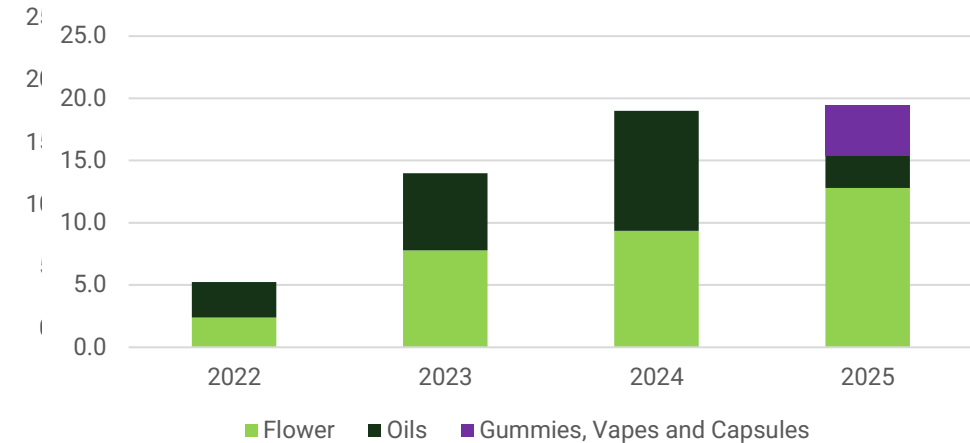
- Relationships drive loyalty – and doctors are no exception
- ECS has engaged a high-performing team of experienced MSLs, contributing directly to the Company’s rapid growth in B2C sales
- These relationships are a key driver of ECS’s strong brand performance



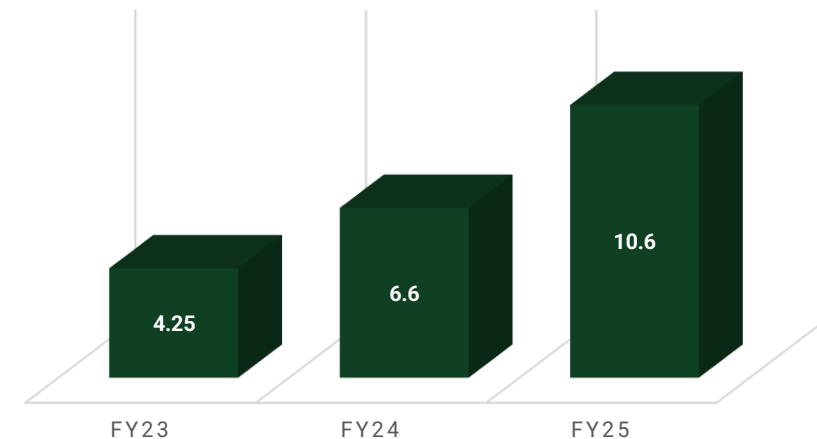
## OzSun

- The OzSun brand offers a strategic home for ECS’s sun-grown flower, particularly important as oil volumes decline
- Newly released OzSun Oils now feature a value-oriented product line, supporting broader patient access and market penetration

Product Mix (millions)  
Flower almost 70% of sales



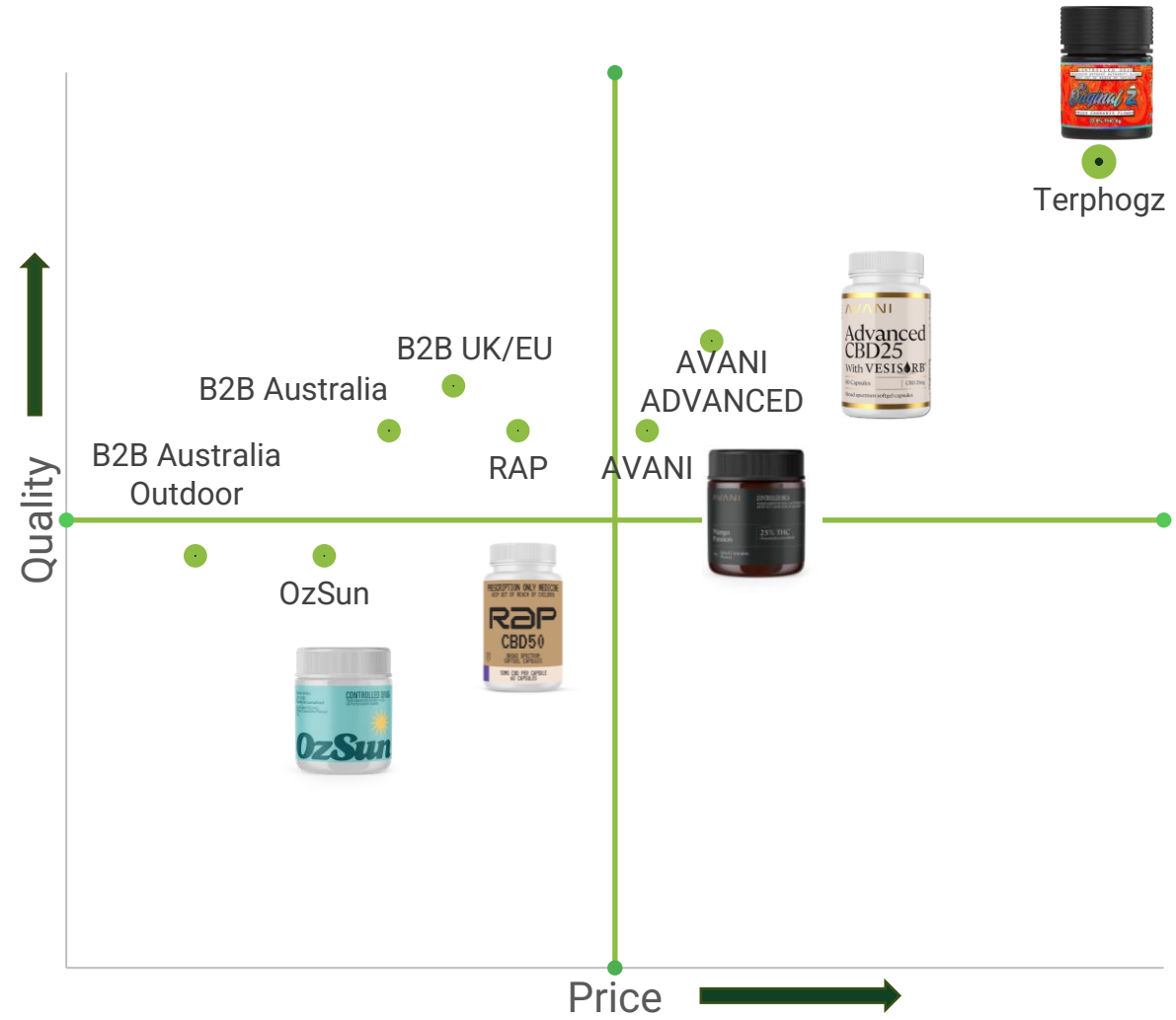
TOTAL UNTRIMMED DRIED FLOWER PRODUCTION (T)



\* Assume approx. 50-60% of quality flower remains after processing

# ECS Product Positioning

Personal use only



# Wages & Salaries

## Wages are a direct manufacturing cost

Wages increase with flower production

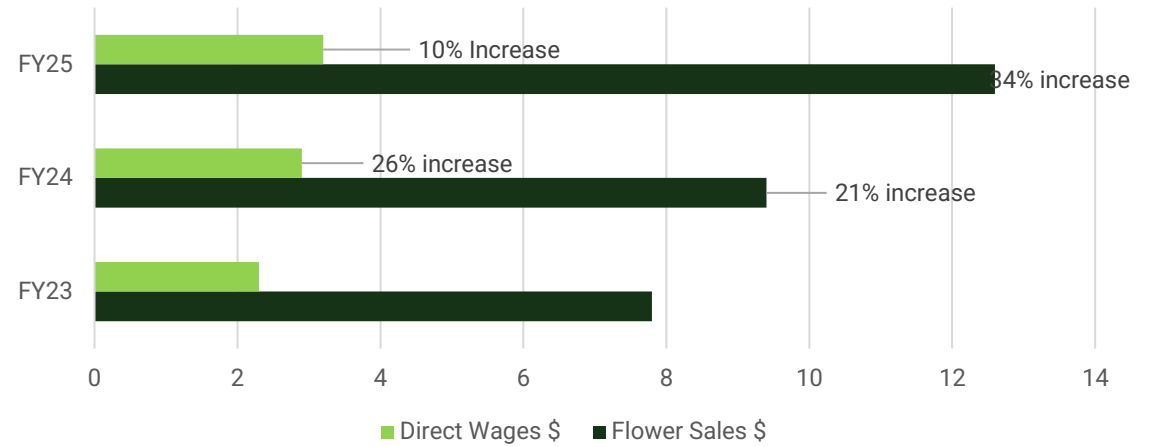
ECS have also had super increase of 0.5% and statutory increase for labour of 3.5% p.a.

- Production of flower is labour intensive requiring drying, trimming and packaging under GMP
- Oils, pastilles and capsules don't increase labour but add an equivalent amount to COGS. This would be the same for buying-in flower

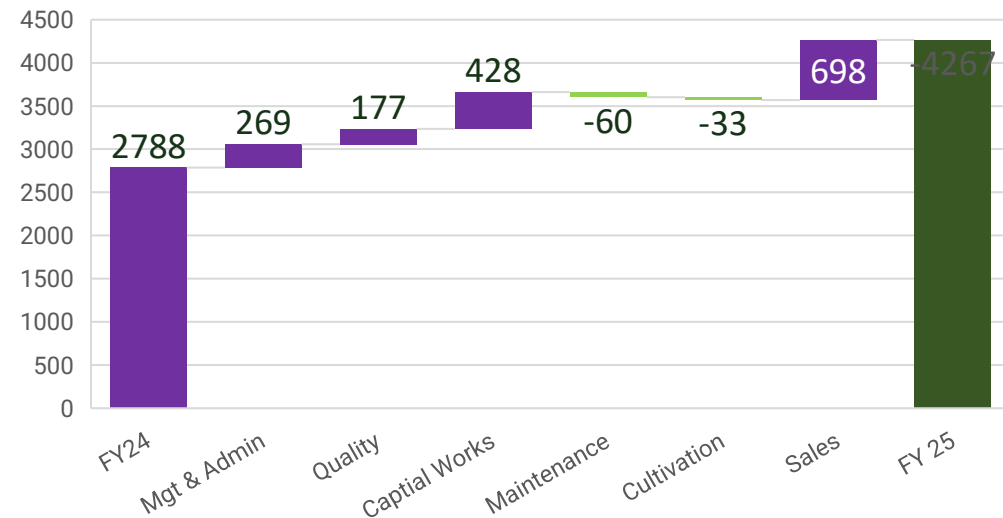
## Salaries increased by \$1.48 million (excludes super and on costs)

- \$698K relates to team of MSL's selling B2C
- \$428K relates to ECS construction team for PCE's and Store - Projects completed by October 26
- \$269K relates to additional Executive resource
- \$177k relates to additional Quality resources
- Cultivation and Maintenance have reduced

Direct Labour Efficiencies vs Flower Sold



Increase of \$1.48m Indirect Salaries and Wages FY24 vs FY25



# Road to Cash Flow Positive

## Inventory

- In a B2C model the critical success factor is having stock to avoid Doctors having to re-prescribe or pharmacies swapping the product out
- ECS had to build up consignment inventory for Capsules, Oils, Terphogz and ECS branded flower from a zero base
- Other than for new product lines stocking is now replacement only
- The record harvest means ECS has more flower to sell

## Capital Works

- The decision to use in-house resources to build PCE's meant labour was funded through operating cash and not asset loan, works will be completed in Q1 FY26

## Sales

- B2C sales are expected to continue to grow steadily with no additional investment
- B2B sales in Australia will trend upwards due to supply of additional flower
- Export will see a step change as Poland customer receives registration and new ECS genetics get added to existing customer portfolio
- Terphogz has only just launched and has a promising outlook

## Operational Efficiencies

- Projects underway to digitise batch documents and implement AI for data entry and calculations
- Maintain headcount whilst realising growth, other than Capital Works which will be eliminated
- Invested in a Drone (FY25) to reduce overtime related to outdoor crop spraying



*Refrigerated curing room*

# Update on other Initiatives

## ☐ Sun Pharma

- Sun Pharma experienced significant delays in installing extractor, now operational
- Sun Pharma obtaining organic certification
- Due to demand ECS is tempering off take to match

## ☐ VESISORB

- CBD and new THC/CBD capsules selling though well
- Requires substantial MSL support
- New THC/Capsules released early July
- VESISORB gummies not released



## ☐ Terphogz

- Successful launch in Australia, Original Z selling particularly well
- German regulator within months of accepting GMP flower from Thailand. ECS has several partners in discussion
- UK partner declined due to volume commitments. Looking at alternative model similar to Australia
- NZ contract agreed



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# Related Entities

## PharmOut (Invoiced \$24K in F25\* and \$32K for FY24)

- Leading Pharmaceutical and MC regulatory & engineering expert; designed ECS facility & secured license in record time
- Preferential large-pharma rates + significant pro bono support
- Urgent GMP staff coverage to avoid supply disruption
- Free GMP training & certification for all ECS staff
- All engagements approved independently of ECS MD

\* Additional \$89K for seconded employee with no margin added

## Qiksolv (Invoiced \$57K in FY25 and \$52K in FY24)

- No development costs for Quality Management System – also used by other pharma & MC companies.
- Implemented ECS's Quality Management System at no cost. Upgrades and adds and removes users
- Provides IT and network/security system support including setting up new users
- Manages domains and webmaster
- Provided project management and implementation support for ERP and CRM
- Implementing digital batch documentation & AI projects which will substantially reduce costs.
- 24/7 support + 1 day/week commitment, includes payment for licences etc

## Why This Benefits ECS

- Significant cost savings & access to specialist expertise
- Trusted proven providers who have a vested interest in ECS's success
- Services assist with compliance, operational efficiency & cost-effectiveness

# Strategic Roadmap

## Delivering on a Clear Strategy to Drive Value

2018-2020 →

2021-2023 →

2024-2026 →

2027-2029

### Developing Capability and Confidence

- ✓ Established in 2018
- ✓ ODC Licenced in 2019
- ✓ TGA Licenced in 2020
- ✓ First Cultivation 2020

### Focused, Expanding and Growing Revenue

- ✓ Acquired Murray Meds
- ✓ Exporting to NZ and UK
- ✓ Focussed Victoria operations
- ✓ Organic certification
- ✓ Added 12 Greenhouses
- ✓ Positive EBITDA
- ✓ >A\$50m in sales contracts
- ✓ Established an expert team
- ✓ >4 tonnes production

### Drive Profitability, Innovation and Expansion

- ✓ Add 9 more greenhouses and light/heating for all year growing capability
- Scale to >13 tonnes production in line with licensed capacity
- ✓ Scale exports into existing and new markets to be >30% of Revenue
- ✓ Launch and build Avani B2C brand
- ✓ Leverage IP with VESIsorb® and Genetics through Avani brand
- ✓ Launch Californian brands
- ~~Vertically integrated manufacturer of Oils, Capsule, Vapes and Pastilles~~
- Largest Australian exporter of flower

### Leading Australian Medicinal Cannabis Company and Largest Exporter

- Exporting to Asia and North America
- Exports >60% of Revenues
- Avani recognised as the leading brand in multiple markets
- ARTG listing for Avani Rapid medicinal cannabis capsules
- Carbon Neutral
- Organic Investment in expansion
- Most profitable Australian Cannabis Company

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# Contact Us

# AVANI

AUSTRALIAN GROWN,  
NATURALLY

# OzSun

AFFORDABLE MEDICINAL  
CANNABIS FOR ALL  
AUSTRALIAN PATIENTS



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