

ECS Botanics Holdings Limited (ACN 009 805 298)

Loyalty Options Prospectus

This Prospectus contains the following offers:

- (a) a pro-rata non-renounceable entitlement issue of one (1) Loyalty Option (exercisable at \$0.011 and expiring 30 months from the date of issue) for every six (6) Shares held by those Shareholders registered at the Record Date (**Loyalty Offer**);
- (b) an offer of up to 300,000,000 Placement Options to Placement Participants (and/or their respective nominees) on the basis of one (1) free-attaching listed Option (exercisable at \$0.011 and expiring 30 months from the date of issue) for every one (1) Placement Share subscribed for and issued under the Placement (**Placement Options Offer**); and
- (c) an offer of up to 14,500,000 Joint Lead Manager Options (exercisable at \$0.011 and expiring 30 months from the date of issue) to the Joint Lead Managers (and/or their respective nominees) (**Joint Lead Manager Options Offer**)

(together, the **Offers**).

The Offers are not underwritten.
The Offers closes at 5.00pm (AWST) on 4 February 2026.

Important Notice

This is an important document and should be read in its entirety.

This Prospectus is a transaction-specific prospectus issued in accordance with section 713 of the Corporations Act. If you have any queries about any part of the Prospectus, please contact your professional adviser without delay. The Options offered by this Prospectus should be considered speculative.

Corporate Directory

Directors

Jeremy King (Non-Executive Chairman)
Nan-Maree Schoerie (Managing Director)
Michael Nitsche (Non-Executive Director)

Company Secretary

Mauro Piccini

Registered Office

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Murrabit West
VIC 3579

Telephone: 1300 833 988
Email: info@ecs-botanics.com
Website: <https://ecs-botanics.com/>

ASX Code

ECS

Share Registry*

Automic Group
Level 5, 191 St Georges Terrace
Perth WA 6000

Telephone: 1300 288 664 (within Australia) or
+61 (2) 9698 5414 (outside Australia)

Solicitors

Nova Legal
Level 2, 50 Kings Park Road
West Perth WA 6005

Auditors*

William Buck
Level 20, 181 William Street
Melbourne Vic 3000

Joint Lead Managers to the Placement*

GBA Capital Pty Ltd
Level 6, 190 St Georges Terrace,
Perth WA 6000

Canaccord Genuity (Australia) Limited
Exchange Tower, Level 23/2 The Esplanade,
Perth WA 6000

** These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.*

Contents

IMPORTANT INFORMATION.....	4
TIMETABLE AND IMPORTANT DATES.....	6
1. DETAILS OF THE OFFERS.....	7
2. RISK FACTORS.....	12
3. PURPOSE AND EFFECT OF THE OFFERS	17
4. RIGHTS ATTACHING TO SECURITIES.....	21
5. ADDITIONAL INFORMATION	25
6. DIRECTORS' AUTHORISATION	32
7. DEFINITIONS.....	33

IMPORTANT INFORMATION

GENERAL

This Prospectus is dated 14 January 2026 and was lodged with ASIC on that date. Neither ASIC nor ASX, nor any of their officers, take any responsibility for the contents of this Prospectus.

This Prospectus expires 13 months from the date it was lodged with ASIC. No New Options will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. An application will be made to ASX for the quotation of the New Options the subject of this Prospectus in accordance with the timetable set out at the commencement of this Prospectus.

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is issued pursuant to section 713 of the Corporations Act. Section 713 allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities or options to acquire continuously quoted securities. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all information that would be included in a prospectus for an initial public offering.

This document is important and it should be read in its entirety. The New Options to be issued pursuant to this Prospectus should be viewed as a speculative investment and Eligible Shareholders should refer to the Section 2 for details of certain risk factors which are considered to be relevant for the purposes of the Offers. Eligible Shareholders should consult their stockbroker, solicitor, accountant or other professional adviser if necessary.

No person is authorised to give any information or to make any representation in relation to the Offers which is not contained in this Prospectus and any such information may not be relied upon as having been authorised by the Directors.

A copy of this Prospectus can be downloaded from the Company's website at <https://ecs-botanics.com/>. The offer constituted by an electronic version of this Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia. Any Shareholder may obtain a hard copy of this Prospectus by contacting the Company.

A number of terms and abbreviations used in this Prospectus have defined meanings set out in Section 7.

OVERSEAS SHAREHOLDERS

The distribution of this Prospectus in jurisdictions outside of Australia and New Zealand may be restricted by law and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the applicable securities law.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of New Options these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offers are not being extended and New Options will not be issued to Shareholders with a registered address which is outside Australia and New Zealand.

This Prospectus does not, and is not intended to, constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer or issue. This Prospectus has not been, nor will it be lodged, filed or registered with any regulatory authority under the securities laws of any other country.

RISK FACTORS

Refer to Section 2 for details of the risks associated with an investment in the Company. As with any securities investment, there are risks associated with investing in the Company. Investors should be aware that an investment in the Company involves risks that may be greater than risks associated with an investment in some other companies. The principal risks that could affect the financial and market performance of the Company are detailed in Section 2 of this Prospectus. The New Options on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, investors should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

The Board aims to manage these risks by carefully planning its activities and implementing risk control measures. Some of the risks are, however, highly unpredictable and the extent to which they can be effectively managed is limited.

Risks of investing in the Company's existing assets and general risks are set out in Section 2 of this Prospectus.

Careful consideration should be given to all matters raised in this Prospectus and the relative risk factors prior to applying for New Options offered for subscription under this Prospectus. Investors should consider the risk factors described in Section 2, together with the information contained elsewhere in this Prospectus, before deciding whether to apply for New Options.

TARGET MARKET DETERMINATION

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the various target markets for the offer of New Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website at <https://ecs-botanics.com/>. By making an application for New Options under this Prospectus, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

TIMETABLE AND IMPORTANT DATES

EVENT	DATE
Announcement of Loyalty Offer and lodgement of Appendix 3B	Thursday, 13 November 2025
Lodgement of Prospectus with ASIC and ASX	Wednesday, 14 January 2026
Ex date	Monday, 19 January 2026
Record Date for determining Shareholders entitled to participate in the Loyalty Offer	Tuesday, 20 January 2026
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders, and Company announces that this has occurred	Friday, 23 January 2026
Opening date of the Loyalty Offer	Friday, 23 January 2026
Last day to extend Closing Date of the Loyalty Offer	Friday, 30 January 2026
Closing Date (5.00pm AWST)*	Wednesday, 4 February 2026
Securities quoted on a deferred settlement basis	Thursday, 5 February 2026
Announcement of results of the Loyalty Offer	Wednesday, 11 February 2026
Last day for the Company to issue the Loyalty Options under the Loyalty Options Offer and lodge an Appendix 2A	Wednesday, 11 February 2026
Issue date of the New Options under the Placement Option Offer and Joint Lead Manager Options Offer	Wednesday, 11 February 2026

* The Directors may extend the Closing Date of the Loyalty Offer by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the New Options are expected to commence trading on ASX may vary.

**Quotation of the New Options is subject to the Company satisfying the quotation requirements set out in Chapter 2 of the ASX Listing Rules.

1. DETAILS OF THE OFFERS

The New Options offered under this Prospectus will be issued on the same terms and conditions as set out in Section 4.2 of this Prospectus. Subject to the quotation requirements of the ASX Listing Rules, the New Options issued under this Prospectus will form a new class of listed security of the Company.

Details of the purpose and effect of the issue of the New Options are set out in Section 3.

All of the Shares issued upon the future exercise of the New Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for a summary of the rights and liabilities attaching to Shares.

1.1 Loyalty Offer

The Loyalty Offer is being made as a pro-rata non-renounceable entitlement issue of one (1) Option (exercisable at \$0.011 and expiring thirty (30) months from the issue date) (**Loyalty Option**) for every six (6) Shares held by those Shareholders registered at the Record Date for nil consideration and no funds will be raised from the issue of the Loyalty Options. In the calculation of any Entitlement, fractions will be rounded down to the nearest whole number.

As at the date of this Prospectus, the Company has 40,000,000 unlisted Options which may be exercised prior to the Record Date in order to participate in the Loyalty Offer. Please refer to Section 3.3 for information on the exercise price and expiry date of the Options currently on issue.

The number of Loyalty Options to which you are entitled as an Eligible Shareholder is shown on the accompanying personalised Entitlement and Acceptance Form. Eligible Shareholders do not need to return their personalised Entitlement and Acceptance Form and no action is required from Eligible Shareholders to take up their Entitlement under the Loyalty Offer. The Company will accept the Loyalty Offer on behalf of all Eligible Shareholders up to their full Entitlement.

No funds will be raised from the issue of the Loyalty Options as the Loyalty Options will be issued for nil consideration.

1.2 Placement Options Offer

On 13 November 2025, the Company announced a capital raising via a placement to raise up to approximately \$1.95 million (before costs) (**Placement**) through the issue of up to 300 million Shares at an issue price of \$0.0065 each (**Placement Share**) to institutional and sophisticated investors (**Placement Participants**), together with one (1) free attaching Option (exercisable at \$0.011 and expiring thirty (30) months from the issue date) (**Placement Options**) for one (1) Placement Share subscribed for and issued. The Placement Options will be issued subject to shareholder approval at the Company's General Meeting to be held on 8 January 2026.

This Prospectus invites the Placement Participants (and/or their respective nominees) to apply for a total of up to 300,000,000 Placement Options (**Placement Options Offer**). All Placement Participants will be sent a copy of this Prospectus, together with an Application Form. Only the Placement Participants can participate in the Placement Options Offer. Placement Participants do not need to return their Application Form as the Company will accept the Placement Options Offer on behalf of all Placement Participants.

No funds will be raised from the issue of the Placement Options as the Placement Options are free-attaching to the Placement Shares on a 1:1 basis.

1.3 Joint Lead Manager Options Offer

Canaccord Genuity (Australia) Limited and GBA Capital Pty Ltd acted as joint lead managers (**Joint Lead Managers**) to the Placement and are entitled to receive a fee equal to 6% of total funds raised and 14,500,000 Options on the same terms as the Placement Options (**Joint Lead Manager Options**) pursuant to a joint lead manager mandate between the Company and the Joint Lead Managers (**Joint Lead Manager Mandate**). The Joint Lead Manager Options will be issued subject to shareholder approval at the Company's General Meeting to be held on 8 January 2026.

This Prospectus invites the Joint Lead Managers (and/or their respective nominees) to apply for a total of up to 14,500,000 Joint Lead Manager Options (**Joint Lead Manager Options Offer**). The Joint Lead Managers will be sent a copy of this Prospectus, together with an Application Form. Only the Joint Lead Managers can participate in the Joint Lead Manager Options Offer. The Joint Lead Managers do not need to return their Application Form as the Company will accept the Joint Lead Manager Options Offer on behalf of the Joint Lead Managers.

No funds will be raised from the issue of the Joint Lead Manager Options as the Joint Lead Manager Options will be issued to the Joint Lead Managers (and/or their respective nominees) as part consideration for lead managing the Placement. Refer to Section 5.4 for further details regarding the material terms of the Joint Lead Manager Mandate.

1.4 Minimum Subscription

There is no minimum subscription under the Offers.

1.5 Opening and Closing Dates

The Offers will open for receipt of acceptances on **Friday, 23 January 2026**.

The Offers will close at **5:00pm (AWST) on Wednesday, 4 February 2026** or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine and provided that the Company gives ASX notice of the change at least 3 Business Days prior to the Closing Date.

1.6 How to Accept the Offer

Only the Placement Participants and Joint Lead Managers will be provided a copy of this Prospectus and an Application Form in respect of the Placement Options Offer and the Joint Lead Manager Options Offer. No action is required from the Placement Participants and the Joint Lead Manager in respect of the Placement Options Offer and the Joint Lead Manager Options Offer as the Company will accept the Placement Options Offer and the Joint Lead Manager Options Offer on behalf of the Placement Participants and the Joint Lead Managers respectively.

The Loyalty Offer is only open to Eligible Shareholders. The Company reserves the right to determine whether a Shareholder is an Eligible Shareholder. No action is required from Eligible Shareholders to take up their Entitlement under the Loyalty Offer as the Company will accept the Loyalty Offer on behalf of all Eligible Shareholders up to their full Entitlement.

1.7 Non-renounceable

The Loyalty Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

1.8 Underwriting

The Offers are not underwritten.

1.9 ASX Listing

Application for Official Quotation of the New Options offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. The New Options will only be admitted to Official Quotation if the quotation requirements under the ASX Listing Rules are satisfied. If the quotation requirements are not satisfied or ASX otherwise does not grant Official Quotation of the New Options, the New Options will be issued on an unquoted basis.

The fact that ASX may grant Official Quotation to the New Options is not to be taken in any way as an indication of the merits of the Company or the New Options now offered for subscription.

1.10 Issue of New Options

New Options issued pursuant to the Offers will be allotted in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Holding statements for New Options issued under the Offers will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus as soon as practicable after their issue.

1.11 CHESS and Issuer Sponsorship

The Company will not be issuing option certificates. The Company is a participant in Clearing House Electronic Sub-Register System (**CHESS**), for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Options allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

1.12 Risks

As with any securities investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in Section 2 of this Prospectus. The New Options on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, investors should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice.

1.13 Overseas Shareholders

The Offers do not, and are not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of New Options these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offers are not being extended and New Options will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

New Zealand

The Offers are not being made to the public in New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the Offers are being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Nominees and custodians

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident in other jurisdictions are responsible for ensuring that applying for New Options under the Offers do not breach regulations in the relevant overseas jurisdiction.

1.14 Representations

If you are issued New Options under the Offers, you will be deemed to have:

- (a) has received a printed or electronic copy of this Prospectus accompanying the form and has read it in full;
- (b) agreed to be bound by the terms of this Prospectus and the Constitution;
- (c) obtained all necessary approvals and complied with all relevant laws and regulations for the purposes of Section 1.13 (to the extent that they are applicable) and confirms its eligibility in respect of an offer of securities under the applicable Offer;
- (d) declared that all details and statements in the Application Form are complete and accurate;
- (e) declared that it is over 18 years of age and has full legal capacity and power to perform all of its rights and obligations under the Application Form;
- (f) acknowledged that once the Application Form is returned or payment is made its acceptance may not be varied or withdrawn;
- (g) agreed to being issued the number of new securities that it applies for (or such other number issued in accordance with this Prospectus);



- (h) authorised the Company to register it as the holder(s) of the Options issued to it under the applicable Offer;
- (i) acknowledged that the information contained in this Prospectus is not investment advice or a recommendation that the Options are suitable for it, given its investment objectives, financial situation or particular needs; and
- (j) authorised the Company and its officers or agents to do anything on its behalf necessary for the new securities to be issued to it, including correcting any errors in its Application Form or other form provided by it and acting on instructions received by the share registry using the contact details in the Application Form.

1.15 **Taxation**

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them by consulting their own professional tax advisers. Taxation consequences will depend on particular circumstances. Neither the Company nor any of its officers accept any liability or responsibility in respect of the taxation consequences of the matters referred to above or any other taxation consequences connected with an investment in the securities of the Company.

1.16 **Privacy Disclosure**

By continuing to hold Shares or Options in the Company, you agree to provide personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required for the application for Options, the Company may not be able to accept or process your application.

1.17 **Enquiries**

This document is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional adviser without delay.

If you have any questions regarding your Entitlement or the Loyalty Offer, please contact the Company's Share Registry, Automic Group on 1300 288 664 (within Australia) or +61 (2) 9698 5414 (outside Australia), from 8.30am (AWST) to 5.00pm (AWST), Monday to Friday.

2. RISK FACTORS

2.1 Introduction

The New Options offered under this Prospectus should be considered speculative because of the nature of the Company's business.

Whilst the Directors recommend that Shareholders take up their entitlement to New Options, there are however numerous risk factors involved. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which the New Options will trade (subject to satisfying ASX of the quotation requirements) or the underlying Shares.

The following is a summary of the more material matters to be considered and should be read in conjunction with specific matters referred to in the Company's announcements and reports. However, the summary is not exhaustive and potential investors should examine the contents of this Prospectus in its entirety and consult their professional advisors regarding an investment in the Company.

2.2 Company specific

(a) Regulatory Risk

ECS Botanics is licenced by the Therapeutic Goods Administration, the Federal Office of Drug Control (ODC) and the Victorian Department of Health and Human Services.

Failure to comply with our licence terms and conditions could result in a fine, a suspension of our operations or in extreme circumstances a loss of our licence.

ECS has a TGA manufacturing licence that it has held for 4 years. The TGA undertakes audits to renew the licence. In the event of a major breach ECS would have to correct the deficiencies in an assigned period. During this period ECS would not be able to export product causing loss of sales and possible loss of contract.

A major security breach as a result of failure by the Company to adhere to agreed security arrangements could result in a suspension or termination of the ODC licence.

(b) Risks associated with product quality

Product that does not comply with the Quality standards (TGO93) or medicine labelling requirements (TGO91) could result in damage to our customers' brands or in extreme circumstances a product recall.

As Cannabis flower is a botanical product with a limited shelf life the risk of imperfect flower that meets the TGO93 still exists, and customer complaints are received and investigated.

(c) Risk of a serious workplace safety incident

Farm-related safety incidents are one of the highest causes of workplace fatalities in Victoria and ECS sees safety as our highest priority. Incidents causing death or serious injury will negatively impact the company's operations. Additional risk is created by undertaking in-house construction of the PCE's.

(d) Competitive Risk from Imports

The medicinal cannabis industry is undergoing rapid growth and an increasing volume of demand which could lead to oversupply and price erosion. The ODC allows large volumes of imports from low cost countries such as Thailand and Columbia which add to the existing high levels of product imported from Canada due to Canadian market being over stocked and selling below cost. If these trends continue ECS may find it difficult to compete in both local and export markets.

(e) Agricultural Risks

Risk associated with agriculture are inherent to the industry. These risks relate to weather events, pests' and disease all of which may impact flower yield. By constructing more PCE's the company is reducing this risk. Loss of yield may adversely impact ECS' revenue, profit and business operations.

Pollination of Cannabis by Hemp cultivation results in seed formation and reduces the product quality, yield and price.

(f) Contract Manufacture Risk

ECS relies on third parties to undertake certain manufacturing activities such as extraction, formulation, manufacture of soft gel caps pastilles and bottling oils. If a contract manufacturer was unable to perform these activities supply may be disrupted which could impact ECS' revenue, profit and business operations.

(g) Loss of key customers and distributors

ECS Botanics are reliant on various third-party contract (binding and non-binding) throughout its business operations.

To the extent that ECS cannot obtain and/or retain customer or distributor contracts (due to disputes, increased competition or changes in the market), ECS' revenue, profitability and growth, additional, financial performance may be materially and adversely affected.

(h) Uncontracted arrangements risk

A large proportion of ECS' B2B business relationships are the subject to agreements which are subject to standard terms and conditions rather than comprehensive agreements which protect ECS' interest (as is considered standard in the medicinal cannabis industry).

Given the nature of these contractual relationships, it is not possible for ECS to contractually guarantee consistency of sales volumes, price or terms going forward.

Further, there is a risk that these customer relationships may not be able to be maintained, or new relationships may not be formed on terms acceptable to the Company.

(i) Reputation, trade marks and protection of intellectual property.

ECS has entered into contracts for the use of IP such as VESIsorb. This provides ECS with a unique product technology. Although the agreement is for a further 8 years there is a risk of another similar or better technology being developed which would reduce the value proposition.

ECS's key brands are protected.

(j) Risk of adverse future regulatory changes

The operations of ECS Botanics are subject to a variety of laws, regulations, and guidelines in its market, at federal and state levels including (but not limited to) product content requirements, labelling and packaging, regulations.

The sales of medicinal cannabis products are considered an unapproved medicine. If the medical regulator (APHRA or AMA) determine that stricter controls on prescribing is required, the market size will reduce and potentially ECS's revenue.

(k) Insurance

ECS will endeavour to maintain insurance to mitigate the risks that the Company will face. However, ECS cannot insure against all risks, or guarantee that the level of insurance cover it obtains will be adequate, either because appropriate or necessary cover is not available or because Directors consider the required premiums to be excessive in relation to the benefits that would accrue.

If ECS incurs losses or liabilities for which it is uninsured, this may have a negative impact on the Company's financial performance and ability to operate its business.

(l) Counterparty and credit risk

The business operations of ECS require the involvement of a number of third parties, including suppliers, contractors. Not being able to reach a binding agreement with a third party, financial failure, default, or contractual non-performance on the part of such third parties including failure to pay amounts due to ECS pursuant to its agreements, may have a material impact on the operations and performance of the Company.

(m) Product price risk

ECS' business is subject to Australian and overseas medicinal cannabis prices.

Prices of cannabis vary and are affected by a variety of local and global factors that are beyond the control of the Company.

These factors include (but are not limited to) local and global supply and demand, production costs, weather and environmental conditions, governing authority regulations and flux (such as local and global growing programs and policies, sanctions and barriers), and also local and global plant diseases. Cannabis prices are also affected by general local and global economic conditions.

Adverse changes in cannabis prices may have an adverse impact on ECS' operations and business.

(n) Unforeseen risks

There may be other risks which Directors or management are unaware of at the time of issuing this Prospectus which may impact on ECS, its operations and/or the valuation and performance of ECS.

2.3 General risks

(a) Equity market conditions

Securities listed on the stock market can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such

companies. The market price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

General factors that may affect the market price of Shares include economic conditions in both Australia and internationally (particularly Australian, US and Chinese economic conditions), investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(b) Climate change

Climate Change presents physical and transition risks arising from increased frequency and severity of extreme weather events, temperature variability and potential pressure on water availability, which may impact crop yields, quality, harvest timing and operating costs. In addition, evolving climate-related regulation, energy market volatility and broader ESG expectations may increase compliance, reporting and cost pressures over time. These factors could contribute to operational disruption, input cost variability and financial performance volatility if not effectively managed.

(c) Force majeure

Events completely out of the control of ECS have the potential to negatively impact the Company's operations including, for example, war, political unrest, riot, extreme weather conditions, strikes, explosion, terrorist activity and product sabotage.

(d) Litigation risks

The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(e) Reliance on key personnel

The Company's operational success will depend substantially on the continuing efforts of senior executives. The loss of services of one or more senior executives may have an adverse effect on the Company's operations. Furthermore, if the Company is unable to attract, train and retain key individuals and other highly skilled employees and consultants, its business may be adversely affected. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(f) General economic and political risks

Changes in the general economic and political climate in Australia and on a global basis may impact on economic growth, such as, interest rates, the rate of inflation, taxation and tariff laws and domestic security, which may affect the value and viability of any activities that may be conducted by the Company.

(g) Shareholders may be diluted

In the event that the Company elects in the future to issue shares or to raise further capital to fund investments or acquisitions, Shareholders may have their shareholding

diluted as a result of such share issues or capital raising. Any capital raising or share issue must be conducted in accordance with the Listing Rules and the limits on the securities that a listed company may issue in any 12-month period.

(h) **Unforeseen expenditure risks**

Expenditure may need to be incurred which has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, however if such expenditure is subsequently required or incurred, this may adversely impact budgeted expenditure proposals by the Company.

(i) **Corporate and business taxation**

ECS is currently subject to a range of taxation obligations, potentially including income taxes (Australia federal, state and municipal income taxes), indirect taxes (Australian Goods and Services Tax), payroll taxes, superannuation and pension obligations, property taxes, and other taxes and levies.

There is potential for changes to any domestic tax laws. Any change to the current rates of taxes imposed on ECS is likely to affect returns to shareholders.

Any change in tax rules and tax arrangements or their implementation could have an adverse effect on the level of shareholder returns.

2.4 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Options offered under this Prospectus.

Therefore, the underlying Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers regarding an investment in the Company.

3. PURPOSE AND EFFECT OF THE OFFERS

3.1 Purpose of the Offers

The primary purposes of this Prospectus are to:

- (a) issue the New Options under the Offers;
- (b) obtain Quotation of the New Options;
- (c) facilitate secondary trading of the New Options issued under the Offers; and
- (d) facilitate secondary trading of any Shares issued upon exercise of the New Options issued under the Offers.

Section 707(3) of the Corporations Act generally requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

The Company is precluded from issuing a 'cleansing notice' in respect of the New Options as they are not in a class of securities that were quoted securities at all times in the past three (3) months. This Prospectus has also been prepared for the offer of the New Options so the relief provided under *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80*, with respect to the on-sale provisions of section 707 of the Corporations Act, is available. If the New Options are issued with disclosure under this Prospectus, then the Shares issued upon the exercise of any of the New Options can be on-sold within 12 months of their issue without a disclosure document being required for that on-sale, as the New Options are issued with disclosure and the exercise of the New Options does not involve any further offer. Consequently, the Company has issued this Prospectus in respect of the Offers to the Placement Participants or Joint Lead Managers. Issuing the New Options under this Prospectus will enable persons who are issued the New Options to on-sell their New Options, and any Shares issued on exercise of the New Options pursuant to *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80*. The purpose of the Loyalty Offer is also to recognise the support and loyalty the Company has received from its Shareholders to date. Refer to Section 5.10 for details of the estimated expenses of the Loyalty Offer.

3.2 Financial effect of the Offers

There will be no net proceeds from the Offers, after the costs of the Offers have been met. The Company will meet the expenses of the Offer from its existing cash reserves. The effect of the Offers on the Company's financial position will be a net decrease in cash held of approximately \$53,166 (exclusive of GST).

If all New Options are issued and exercised, the Company will receive approximately \$6,385,591. However, there is no certainty that any New Options will be exercised, and the proportion exercised will depend on the Share price relative to the exercise price during the exercise period. It is anticipated that any funds raised by the exercise of New Options will be used toward continued development of the Company's existing projects and for working capital. The application of funds will depend on when the New Options are exercised and the status of the Company's projects and requirements at the relevant time.

The above is a statement of current intentions as at the date of this Prospectus. As with any budget, intervening events (such as project and general market risk factors affecting the Company) and new circumstances have the potential to affect the ultimate way funds will be applied. The Directors reserve the right to alter the way funds are applied on this basis.

3.3 Effect on capital structure

The effect of the Offers on the capital structure of the Company, assuming all New Options offered under the Prospectus are issued (ignoring the effects of rounding of fractional Entitlements, and assuming no further Securities are issued prior to the Record Date), is set out below.

Security	Number
Shares¹	
Shares on issue as at the date of this Prospectus	1,596,049,567
Total Shares on issue on completion of the Offers	1,596,049,567
Options	
Unlisted Options on issue as at the date of this Prospectus ²	40,000,000
Loyalty Options to be issued pursuant to the Loyalty Offer ³	266,008,261
Placement Options to be used pursuant to the Placement Options Offer ⁴	300,000,000
Joint Lead Manager Options to be issued pursuant to the Joint Lead Manager Options Offer ⁵	14,500,000
Total Options on issue on completion of the Offers	620,508,261
Performance Rights	
Performance Rights on issue as at the date of this Prospectus	17,500,000
Total Performance Rights on issue on completion of the Offers	17,500,000

Notes:

- 1 The rights and liabilities attaching to the Shares are summarised in Section 4.1.
- 2 Comprising:
 - (a) 20,000,000 unlisted Options (ASX: ECSAH) exercisable at \$0.033 and expiring on 28 February 2026; and
 - (b) 20,000,000 unlisted Options (ASX: ECSAI) exercisable at \$0.024 and expiring on 31 December 2029.
- 3 Exercisable at \$0.011 and expiring thirty (30) months from the issue date. The Company will apply for Official Quotation of the Loyalty Options offered under this Prospectus. The full terms and conditions of the Loyalty Options are set out in Section 4.2.
- 4 Exercisable at \$0.011 and expiring thirty (30) months from the issue date. The Company will apply for Official Quotation of the Placement Options offered under this Prospectus. The full terms and conditions of the Placement Options are set out in Section 4.2.
- 5 Exercisable at \$0.011 and expiring thirty (30) months from the issue date. The Company will apply for Official Quotation of the Joint Lead Manager Options offered under this Prospectus. The full terms and conditions of the Joint Lead Manager Options are set out in Section 4.2.

3.4 Effect on control of the Company

The Company is of the view that the Offers will not affect the control (as defined by section 50AA of the Corporations Act) of the Company as only Options are being issued. No investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offers.

There will be no change to any Shareholder's voting power as a result of the issue of the New Options under this Prospectus. Where the New Options are exercised into Shares, the voting power of the Shareholders who exercise the Options will increase. The likelihood of Options being exercised is dependent on the price of Shares from time to time until the Options expire.

3.5 Potential dilution

No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However, Shareholders should note that if they do not participate in the Offers, their holdings are likely to be diluted if New Options are issued and subsequently exercised (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution from the Offer may impact Shareholders is set out in the table below:

Holder	Shareholding as at Record date	% at Record Date	Entitlement under Loyalty Offer	% if full Entitlement taken up	% if no Entitlement taken up
Shareholder 1	5,000,000	0.31%	833,333	0.31%	0.27%
Shareholder 2	2,500,000	0.16%	416,666	0.16%	0.13%
Shareholder 3	1,000,000	0.06%	166,666	0.06%	0.05%
Shareholder 4	750,000	0.05%	125,000	0.05%	0.04%
Shareholder 5	500,000	0.03%	83,333	0.03%	0.03%

Notes:

- 1 The table is based on a share capital of 1,596,049,567 as at the date of this Prospectus and assumes that all New Options are issued and that no other Shares are issued, including on exercise of existing Options or conversion of existing Performance Rights.
- 2 The dilutionary effect shown in the table is the maximum percentage on the assumption that all New Options issued are exercised. In the event that not all New Options are subsequently exercised after being issued, the dilution effect for each Shareholder not accepting their Loyalty Options would be a lesser percentage.

3.6 Details of substantial holders

Based on public information as at the date of this Prospectus, the persons who (together with their associates) have a relevant interest in 5% or more of Shares are set out below:

Shareholder	Shares	%
Nan Maree Schoerie and associates ¹	121,166,667	7.59
Windpac Pty Ltd	109,723,710	6.87

Notes:

- 1 Comprising:
 - (a) 54,166,667 Shares held indirectly by Flowerday Holdings Pty Ltd <Flowerday Farm Hold Disc A/C>, an entity of which Ms Schoerie is a director; and
 - (b) 67,000,000 Shares held indirectly by Schoerie Fides Pty Ltd <Schoerie SMSF A/C>, an entity of which Ms Schoerie is a beneficiary.

The Offers will have no effect on the quantity of Shares held by these substantial holders as only Options are being issued.

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4. RIGHTS ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares being the underlying securities of the New Options to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative or if a determination has been made, by direct vote;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote (even though he or she may represent more than one member); and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall (or where a Direct Vote has been lodged), in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares, shall have such number of votes being equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable in respect of those Shares (excluding amounts credited).

(c) Dividend rights

Subject to and in accordance with the Corporations Act, the Listing Rules, the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares. The Directors may rescind a decision to pay a dividend if they decide, before the payment date, that the Company's financial position no longer justifies the payment.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time and payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Restricted Securities**

The Company shall comply in all respects with the requirements of the Listing Rules with respect to Restricted Securities.

Without limiting the generality of the above:

- (i) a holder of Restricted Securities must not Dispose of, or agree or offer to Dispose of, the Securities during the escrow period applicable to those Securities except as permitted by the Listing Rules or the ASX;
- (ii) if the Restricted Securities are in the same class as quoted Securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored subregister and are to have a Holding Lock applied for the duration of the escrow period applicable to those Securities;
- (iii) the Company will refuse to acknowledge any Disposal (including, without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those Securities except as permitted by the Listing Rules or the ASX;
- (iv) a holder of Restricted Securities will not be entitled to participate in any return of capital on those Securities during the escrow period applicable to those Securities except as permitted by the Listing Rules or the ASX; and
- (v) if a holder of Restricted Securities breaches a Restriction Deed or a provision of this Constitution restricting a Disposal of those Securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those Securities for so long as the breach continues.

(e) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. No member is obliged to accept any Shares, securities or other assets in respect of which there is any liability.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(f) **Shareholder liability**

As the Shares issued will be fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(g) Transfer of Shares

Subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules, the Shares are freely transferable.

(h) Variation of rights

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4.2 Terms and conditions of Loyalty Options, Placement Options and Joint Lead Manager Options

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraph (j), the amount payable upon exercise of each Option is \$0.011 (**Exercise Price**).

(c) Expiry Date

Each Option will expire at 5:00 pm (AWST) on the date that is thirty (30) months from the date of issue. An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Following the Exercise Date and within the time period specified by the ASX Listing Rules, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of a holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

5. ADDITIONAL INFORMATION

5.1 Company Update

Details of the Company's current activities are set out in the announcements made by the Company to the ASX and are available from the ASX, or the Company's website at <https://ecs-botanics.com/>.

In accordance with the Company's business model and strategy, the Company will continue to identify and review other commercial opportunities for the Company which complement the Company's existing projects and activities. The Company will keep the market informed in accordance with its continuous disclosure obligations.

5.2 Continuous Reporting and Disclosure Obligations

As the Company is admitted to the official list of ASX, the Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information is publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants is also managed through disclosure to ASX. In addition, the Company posts information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Investors are encouraged to check and monitor any further announcements made by the Company to ASX prior to securities being issued under the Offers. To do so, please refer to the Company's ASX announcements platform via www.asx.com.au.

By virtue of section 713 of the Corporations Act, the Company is entitled to issue a "transaction-specific" prospectus in respect of the Offers.

In general terms, a "transaction-specific prospectus" is only required to contain information in relation to the effect of the issue of securities on the Company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company.

As a disclosing entity under the Corporations Act, the Company states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report of the Company for the financial year ended 30 June 2025;
 - (ii) any half-year financial report of the Company lodged with ASIC after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC; and

(iii) all continuous disclosure notices given by the Company after the lodgement of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC (see below).

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules that investors or their professional advisers:

(a) would reasonably require for the purpose of making an informed assessment of:

- (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
- (ii) the rights and liabilities attaching to the securities the subject of this Prospectus; and

(b) would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Offers. If investors require further information in relation to the Company, they are recommended to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

The following announcements have been lodged with ASX in respect of the Company since the Company lodged its annual financial report for the financial year ended 30 June 2025 on 29 August 2025.

Date	Title
14 January 2026	Quarterly Activities/Appendix 4C Cash Flow Report
8 January 2026	Results of Meeting
16 December 2025	ECS BOTANICS ADVANCES PREPARATIONS FOR US MARKET ENTRY
4 December 2025	ECS launches Woman Health Brand
1 December 2025	Letter to Shareholders
1 December 2025	Notice of Extraordinary General Meeting/Proxy Form
21 November 2025	ECS Launches Sugar-Free Gummies as B2C Sales Surpass 60%
20 November 2025	Results of Meeting
20 November 2025	Cleansing Statement
20 November 2025	Application for quotation of securities – ECS
13 November 2025	Proposed issue of securities – ECS
13 November 2025	ECS successfully completes \$1.95m placement
11 November 2025	Trading Halt
13 October 2025	ECS FY25 results investor presentation

Date	Title
7 October 2025	Letter to Shareholders
7 October 2025	Notice of Annual General Meeting/Proxy Form
7 October 2025	Quarterly Activities/Appendix 4C Cash Flow
12 September 2025	Annual General Meeting Date and Director Nomination
29 August 2025	ECS FY25 Results
29 August 2025	Appendix 4G & Corporate Governance Statement
29 August 2025	Appendix 4E & Annual Report

5.3 Market Price of Shares and Options

The highest and lowest closing prices of Shares on the ASX during the 3 months preceding the date of this Prospectus, and the closing price on the trading day before the date of this Prospectus, are set out below.

Shares (ASX: ECS)

	Price	Date
Highest	\$0.009	15 – 16 October 2025; 21 October 2025; 27 October 2025
Lowest	\$0.005	17 – 18 September 2025; 22 September 2025; 20 – 27 November 2025; 1 – 2 December 2025; 4 – 5 December 2025; 9 – 12 December 2025
Last	\$0.006	13 January 2026

It is not possible to predict what the value of New Options or Shares will be following the Offers and the Directors do not make any representations as to such matters.

The last trading price of Shares (ASX: ECS) on ASX prior to the Prospectus being lodged is not a reliable indicator as to the potential trading price of the New Options or Shares after implementation of the Offers.

5.4 Joint Lead Manager Mandate

The Company engaged Canaccord Genuity (Australia) Limited and GBA Capital Pty Ltd under a single Joint Lead Manager Mandate to act as joint lead managers. Pursuant to the Joint Lead Manager Mandate, the following has been agreed between the Company and the Joint Lead Managers:

- (a) **(Services):** the Joint Lead Managers agree to provide lead manager services to the Company in respect of the Placement.

(b) **(Fees)**: as consideration for the Services, the Company has agreed to:

- (i) **(Management Fee)**: pay a management fee of 3.0% of the total amount raised under the Placement (plus GST);
- (ii) **(Capital Raising Fee)**: pay a capital raising fee of 3.0% of the total amount raised under the Placement (plus GST); and
- (iii) **(Lead Manager Options)**: issue to the Joint Lead Manager (and/or their respective nominees), subject to Shareholder approval:
 - (A) 10,000,000 Options exercisable at \$0.011 each on or before the date that is thirty (30) months from the date of issue **(Lead Manager Options)** on raising a minimum of \$1.5 million under the Placement, and
 - (B) for every additional \$1.0 million raised, an additional 10,000,000 Lead Manager Options (or part thereof).

The Joint Lead Manager Mandate is otherwise on terms and conditions that are considered standard for an agreement of this nature.

5.5 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

5.6 Directors' Interests

Other than as set out below or elsewhere in this Prospectus, no Director has, or had within two years before lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or securities or otherwise) and no benefits have been given or agreed to be given to any Director:

- (a) to induce him to become, or to qualify him as, a Director; or
- (b) for services rendered by him in connection with the formation or promotion of the Company or the Offer.

Remuneration

The remuneration (including superannuation unless stated otherwise) paid or due to be paid to the Directors for the two financial years prior to the date of this Prospectus, and proposed to be paid to the Directors for the current financial year (on an annualised basis), is set out below.

Director	FY 2024	FY 2025	FY 2026
Jeremy King ¹	\$86,554	\$85,019	\$89,600

Michael Nitsche ²	\$39,960	\$40,140	\$40,320
Nan Maree Schoerie ³	\$520,836	\$436,796	\$363,748

Notes:

- 1 Jeremy King was appointed as a director on 11 January 2017. For FY2024 he received a salary of \$55,333, superannuation payments of \$6,087 and equity based payments of \$25,134. For FY2025 he received a salary of \$76,250 and superannuation payments of \$8,769. For FY2026, Mr King is entitled to receive a salary of \$89,600.
- 2 Michael Nitsche was appointed as a director on 25 March 2019. For FY2024 he received a salary of \$36,000 and superannuation payments of \$3,960. For FY2025 he received a salary of \$36,000 and superannuation payments of \$4,140. For FY2026, Mr Nitsche is entitled to receive a salary of \$40,320.
- 3 Nan Maree Schoerie was appointed as a director on 15 March 2021. For FY2024 she received a salary of \$317,150, annual leave payments of \$12,425, superannuation payments of \$34,886, long service leave payments of \$5,828 and equity based payments of \$150,547. For FY2025 she received a salary of \$376,903, a reversal of annual leave payments in the sum of \$26,409, superannuation payments of \$38,754, long service leave payments of \$18,278 and equity based payments of \$29,271, totalling \$436,796. For FY2026, Ms Schoerie is entitled to receive a salary of \$363,748.

Further information relating to the remuneration of Directors can be found in the Company's annual financial report for the financial year ended 30 June 2025, which was announced to ASX on 29 August 2025.

Securities

The securities in which the Directors and their associates have or are proposed to have relevant interests in at the date of this Prospectus are set out below.

Director	Shares	Options	Performance Rights ⁴	Entitlement to Loyalty Options
Jeremy King ¹	6,098,485	10,000,000	–	1,016,414
Michael Nitsche	–	–	–	–
Nan Maree Schoerie ²	121,166,667	10,000,000	7,500,000	20,194,445

Notes:

- 1 Comprising:
 - (a) 6,098,485 Shares held indirectly by Bushwood Nominees Pty Ltd, an entity of which Mr King is a director, and
 - (b) 10,000,000 unquoted options (exercisable at \$0.024 and expiring on 31 December 2029) held directly by Mr King.
- 2 Comprising:
 - (a) 54,166,667 Shares, 7,500,000 Performance Rights and 10,000,000 unquoted options (exercisable at \$0.024 and expiring on 31 December 2029) held indirectly by Flowerday Holdings Pty Ltd <Flowerday Farm Hold Disc A/C>, an entity of which Ms Schoerie is a director; and
 - (b) 67,000,000 Shares held indirectly by Schoerie Fides Pty Ltd <Schoerie SMSF A/C>, an entity of which Ms Schoerie is a beneficiary.

5.7 Related party transactions

There are no related party transactions entered into that have not otherwise been disclosed in this Prospectus.

5.8 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offer.

Nova Legal has acted as solicitors to the Company in relation to the Offer. The Company estimates it will pay Nova Legal \$10,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, Nova Legal has been paid fees totalling \$17,420.48 (excluding GST and disbursements) for legal services provided to the Company.

Automic Pty Ltd has been appointed to conduct the Company's share registry functions and to provide administrative services in respect of the procession of Entitlement and Acceptance Forms received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

5.9 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, any persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;

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- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

Nova Legal has given its written consent to being named as the solicitors to the Company in this Prospectus.

Automic Pty Ltd has given its written consent to being named as the share registry to the Company in this Prospectus.

5.10 Estimated expenses of the Offer

The estimated cash costs of the Offer (exclusive of GST) are set out below:

Item	Amount (\$)
ASIC lodgement fee	\$3,206
ASX quotation fee	\$19,960
Legal fees	\$10,000
Printing, registry and other expenses	\$20,000
Total	\$53,166

5.11 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on the number set out in the Corporate Directory to this Prospectus and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website as set out in the Corporate Directory to this Prospectus.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement.

6. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



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Nan-Maree Schoerie
Managing Director
ECS Botanics Holdings Limited

7. DEFINITIONS

\$ means the lawful currency of the Commonwealth of Australia.

AWST means Australia Western Standard Time as observed in Perth, Western Australia.

Applicant means a Shareholder who applies for New Options pursuant to the Offer or a Shareholder or other party who applies for Options pursuant to the Offer.

Application Form means an Entitlement and Acceptance Form or Application Form for the Placement Options Offer or Joint Lead Manager Options Offer as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means ECS Botanics Holdings Ltd (ACN 009 805 298).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholders means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date and have a registered address in Australia or New Zealand.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Joint Lead Manager Mandate has the meaning given in Section 1.3.

Joint Lead Manager Option has the meaning given in Section 1.3 and issued on the terms and conditions set out in Section 4.2.

Joint Lead Manager Options Offer has the meaning given in Section 1.3..

Joint Lead Managers has the meaning given in Section 1.3.

Loyalty Offer means the non-renounceable offer of Loyalty Options, the subject of this Prospectus.

Loyalty Option has the meaning given in Section 1.1 and issued on the terms and conditions set out in Section 4.2.

New Option means the Loyalty Option, Placement Option and Joint Lead Manager Option.

Offers means the Loyalty Offer, Placement Options Offer and Joint Lead Manager Options Offer.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement has the meaning given in Section 1.2.

Placement Options Offer has the meaning given in Section 1.2 and issued on the terms and conditions set out in Section 4.2.

Placement Options has the meaning given in Section 1.2.

Placement Participants has the meaning given in Section 1.2.

Placement Shares has the meaning given in Section 1.2.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Section means a section of this Prospectus.

Securities means Shares and/or Options, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.