

# ECS Botanics Holdings Ltd (ASX:ECS)



ASX Announcement

28 April 2026

## Q3 FY26 Investor Update Third Consecutive Positive Cash Flow Quarter

ECS Botanics Holdings Ltd (ASX: ECS) ("ECS" or the "Company"), a leading medicinal cannabis company, provides the following update on activities and cash flow for the quarter ended 31 March 2026 (Q3 FY26).

### Highlights:

- **Third consecutive quarter of positive operating cash flow, delivering \$118k for Q3 FY26 from cash receipts of \$4.5m**
- **Positive cash flow maintained as ECS gains market share in contracting sector**
- **B2C revenue of \$3.4m (~71% of total revenue), up 55% YoY, reflecting continued market share gains**
- **Initial OzSun shipments cleared for Germany, with commercial volumes to follow this quarter**
- **First commercial oil shipment to New Zealand imminent, marking further international expansion**
- **Total available funding of ~\$4.9m at quarter end, providing flexibility to support growth initiatives**

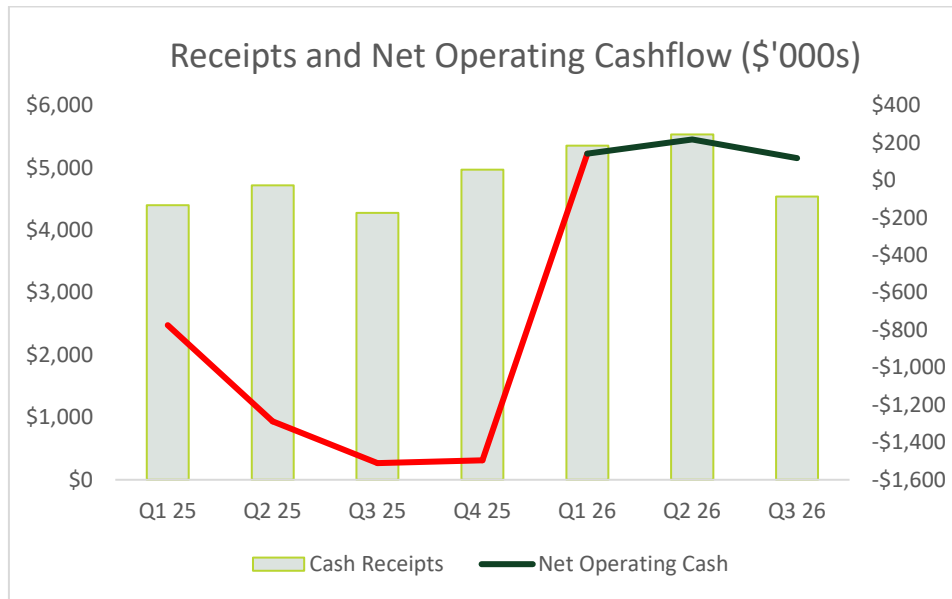
### Operational Highlights

ECS delivered a resilient operating performance during Q3 FY26, with revenue of \$4.81 million broadly stable on the prior corresponding period despite a material contraction in overall industry volumes (see 'Market Conditions and Industry Context' section below).

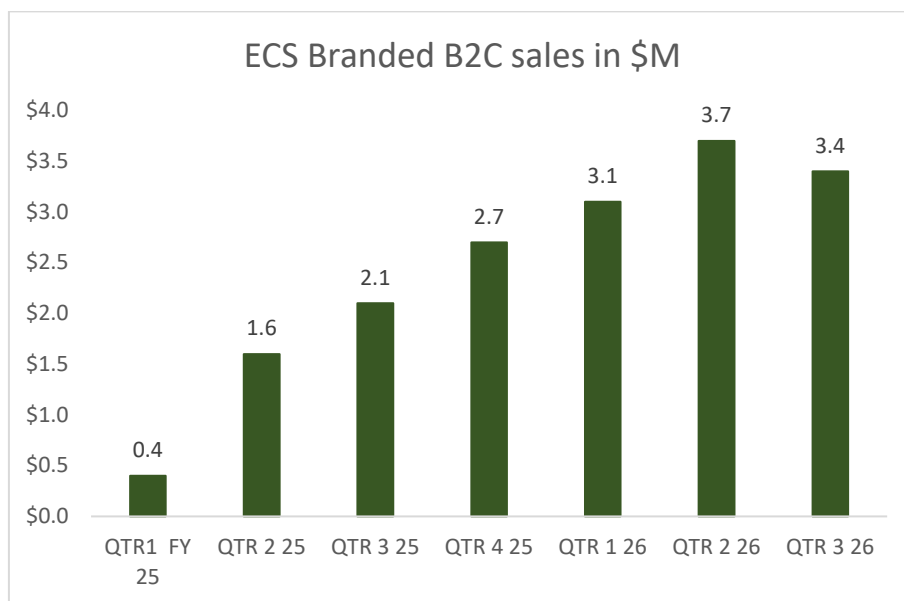
During the quarter, the Company achieved positive operating cash flow of \$118k, representing its third consecutive cash flow positive quarter and reflecting improved gross margins, disciplined cost management and the continued shift toward higher-margin branded sales.



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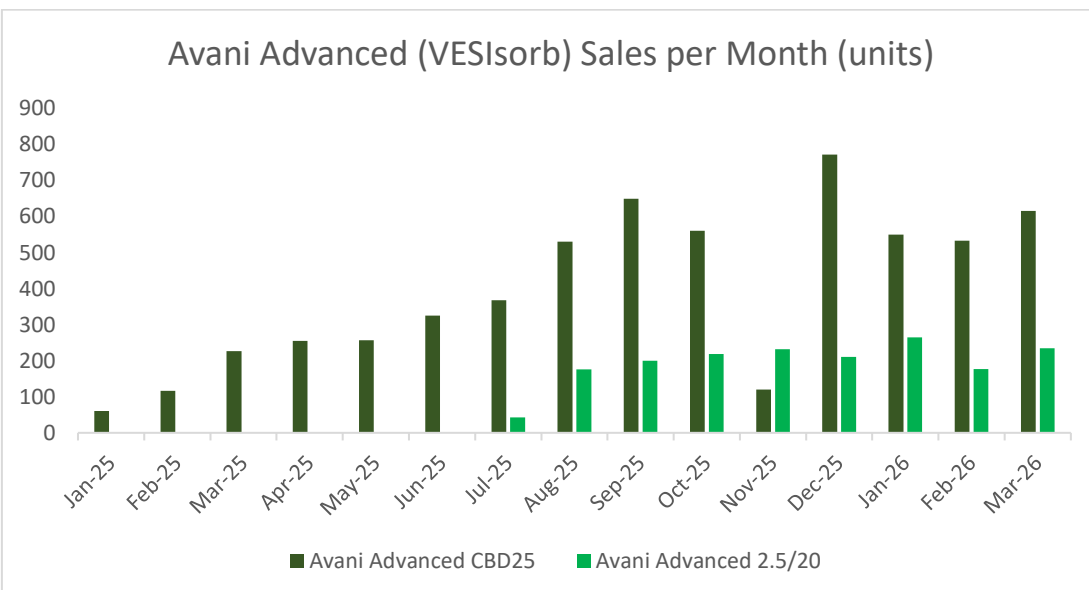
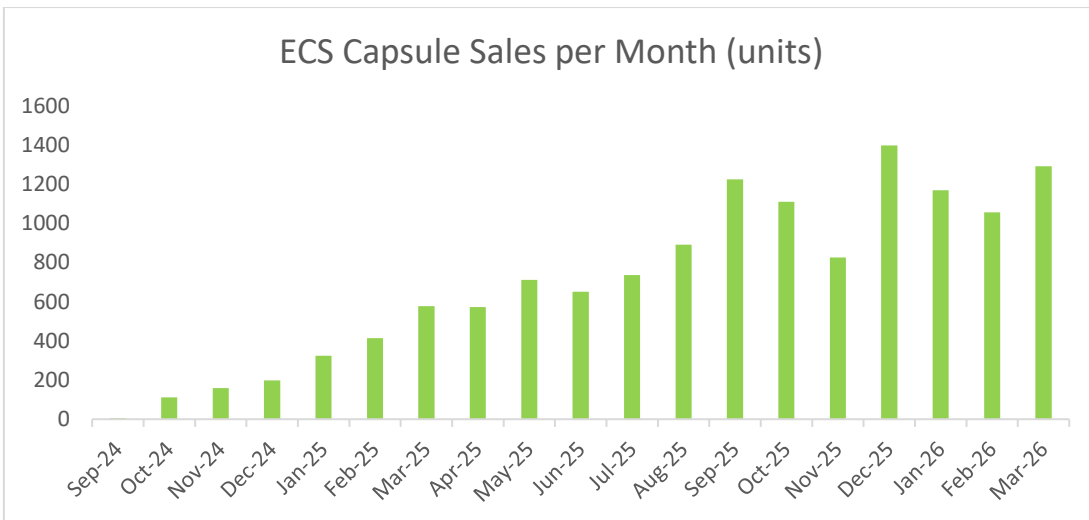
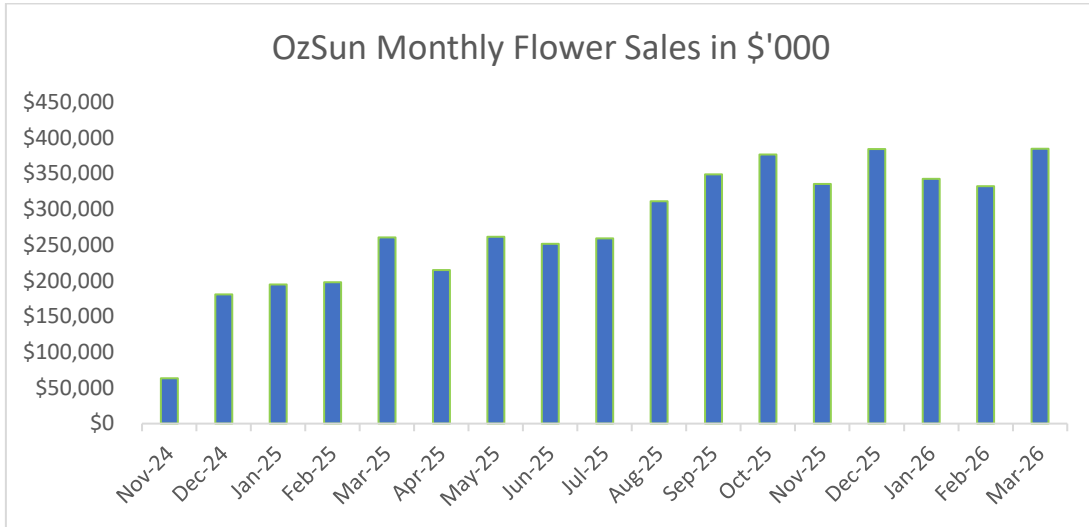
Branded B2C sales remained strong at \$3.4 million, representing approximately 71% of total revenue and increasing 55% year-on-year. This performance underscores ECS’s continued success in gaining market share and increasing penetration of its branded product portfolio.



Growth in the quarter was supported by increased sales across key product categories, including capsules, OzSun products and VESIsorb-based formulations. The Company also continued to broaden its product offering, launching the “Aussie Smalls” range to monetise smaller and lower-grade flower, supporting inventory optimisation while expanding ECS’s presence in the value segment of the market.



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ECS also progressed its differentiated product pipeline, with its AVANI AVA THC:CBD pessary scheduled for launch in early May. The launch will be supported by targeted prescriber education initiatives, including a national medical science liaison program and a clinical webinar led by Medical Advisory Board member Dr Charlotte Middleton in June.

### **Commercial and International Expansion**

During the quarter, ECS advanced its international strategy across key markets.

In Germany, initial OzSun flower batches successfully passed regulatory testing, with commercial shipments following the receipt of export permits, under the Company's previously announced partnership with Nimbus Health. These products will be distributed nationally via Nimbus's pharmacy network and digital platform, providing ECS with scalable access to Europe's largest medicinal cannabis market.

In New Zealand, ECS is preparing to deliver its first commercial shipment of medicinal cannabis oils to its long-standing partner, NUBU Pharmaceuticals. The initial shipment of a balanced THC:CBD formulation represents an important milestone in expanding ECS's GMP-certified manufacturing capabilities into additional product formats and export markets. The companies anticipate adding further oils to the portfolio shortly, which is expected to further enhance NUBU's KIKUYA product offering in the New Zealand market.

*Founder and CEO Mark Dye said, "NUBU & ECS will celebrate our 5th year working together in July, and it's great to see the relationship between the companies continue to expand - this time into new formats. The team and I are excited about our first delivery of oils - as are our customers, and we look forward to even more product extensions in the future."*

Domestically, ECS continued to expand its distribution footprint and prescriber engagement, supporting sustained demand for its branded portfolio.

### **Cultivation and Production**

The Company's outdoor cultivation program is progressing well, with harvest underway and expected to be completed by the end of April.

Despite a period of extreme heat, with temperatures exceeding 40°C for an extended period, the crop has performed strongly. ECS's regenerative farming practices, including the use of mulch, living ground cover and overhead irrigation, have supported plant health and resilience under challenging conditions.

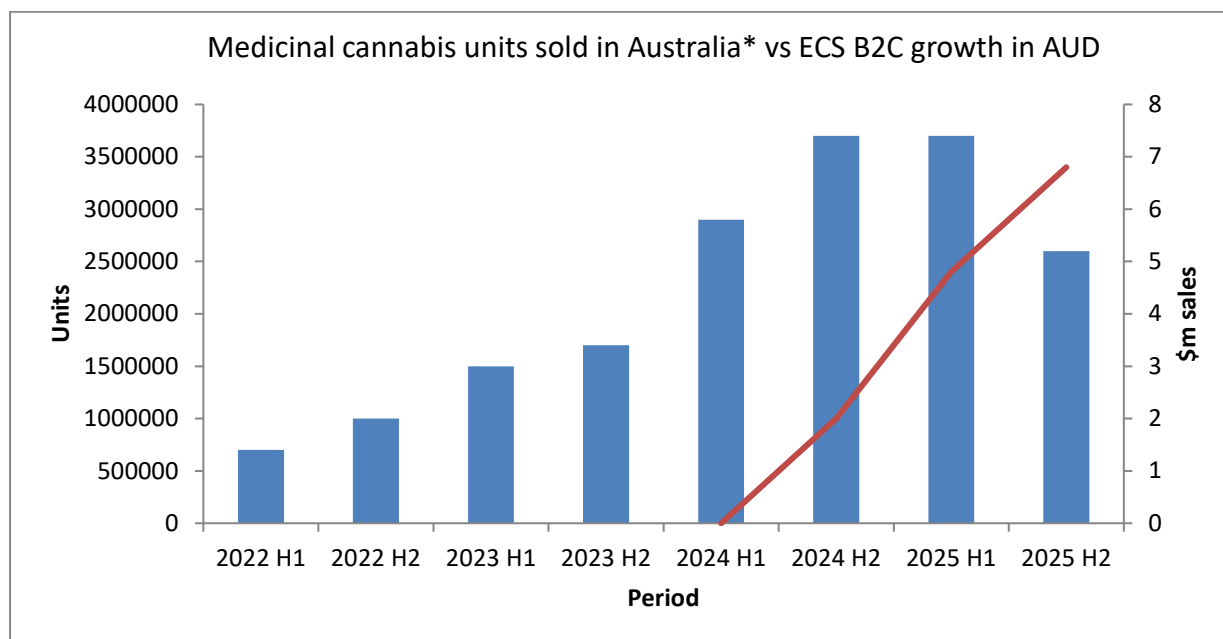
Flower quality from new cultivars is tracking above prior seasons, and together with improved harvesting techniques, is expected to support high-quality output for both domestic and export markets.

### **Market Conditions and Industry Context**

During the quarter, new data released by the Penington Institute highlighted a significant shift in the Australian medicinal cannabis market, with sales declining by approximately 28.5% in the second half of



2025 following increased regulatory enforcement targeting high-volume prescribers and clinics. The impact of this shift is demonstrated by the below chart from the Penington Institute's latest report on medicinal cannabis sales and regulatory enforcement.



\*Penington Institute data

While these changes have materially reduced overall market volumes in the short term, ECS believes they represent a positive structural shift for the industry.

The tightening of regulatory oversight is expected to improve prescribing standards, reduce inappropriate usage and support the long-term sustainability of the sector. Importantly, these changes favour compliant, pharmaceutical-grade operators with strong governance, product quality and established prescriber relationships.

Against this backdrop, ECS's ability to maintain stable revenue, grow B2C sales and deliver continued profitability reflects ongoing market share gains and the strength of its strategic focus.

### Financial Position

Cash receipts from customers totalled \$4.5 million for the quarter. ECS reported net operating cash inflow of \$118k and ended the quarter with cash and cash equivalents of \$1.7 million.

The Company also maintained access to \$3.2 million in undrawn financing facilities, resulting in total available funding of approximately \$4.9 million at quarter end.

For the purpose of ASX Listing Rule 4.7C.3, production and manufacturing costs amounted to \$1.9 million, and payments to related parties under Section 6.1 of Appendix 4C totalled \$174k, made to Director-related entities. These comprised \$120k for Director fees, \$22k for pharmaceutical and IT



consultancy services, and \$32k for company secretarial, registered office and finance management services.

## Outlook

ECS enters the final quarter of FY26 with strong operational momentum and a clear pathway to continued growth, supported by an increasing contribution from higher-margin branded products and expanding international sales channels.

Key near-term catalysts include:

- commencement of commercial shipments of OzSun into Germany
- scale-up of the AVANI AVA women's health range
- continued expansion of the OzSun and value-oriented product portfolio
- growth in export sales, including initial New Zealand oil shipments

The Company is also planning the relaunch of Terphogz and further international expansion of OzSun in the coming months.

ECS Managing Director, Nan-Maree Schoerie, said:

*"We are pleased to deliver a third consecutive quarter of positive operating cash flow while maintaining stable revenue in a market that has contracted materially. This reflects the strength of our strategy and our disciplined execution."*

*"While recent regulatory changes have impacted overall market volumes, we believe they represent a positive shift toward higher-quality prescribing and improved industry standards, which increasingly favour operators focused on compliance, quality and patient outcomes. With strong momentum in our B2C portfolio, new product launches and international expansion underway, we are well positioned to continue building on this foundation."*

Authorised for release by Nan-Maree Schoerie, Managing Director

-ENDS-

### Investors and Media

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### About ECS Botanic Holdings Ltd

ECS Botanic 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.

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

#### Name of entity

ECS Botanics Holdings Limited

#### ABN

98 009 805 298

#### Quarter ended ("current quarter")

31 March 2026

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	4,541	15,431
1.2 Payments for		
(a) research and development	(30)	(56)
(b) product manufacturing and operating costs	(1,896)	(7,221)
(c) advertising and marketing	(133)	(301)
(d) leased assets	-	-
(e) staff costs	(2,141)	(6,318)
(f) administration and corporate costs	(347)	(1,022)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(116)	(375)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	240	340
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>118</b>	<b>478</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(176)	(1,140)
(d) investments	-	-
(e) intellectual property	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(176)</b>	<b>(1,140)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,950
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(134)
3.5	Proceeds from borrowings	792	5,026
3.6	Repayment of borrowings	(292)	(4,805)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>500</b>	<b>2,037</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,304	371
4.2	Net cash from / (used in) operating activities (item 1.9 above)	118	478

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(176)	(1,140)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	500	2,037
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,746</b>	<b>1,746</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,746	1,304
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,746</b>	<b>1,304</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(174)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		
6.1	Director and consulting fees paid to Directors and/or Director related entities	\$ 120,077
	Company secretarial, registered office services	\$ 32,051
	Pharmaceutical & Labour Hire and IT consultancy services fee paid to Director related entities	\$ 22,270

7. <b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	5,200	2,039
7.2 Credit standby arrangements	-	-
7.3 Other (provide details)	-	-
7.4 <b>Total financing facilities</b>	5,200	-
7.5 <b>Unused financing facilities available at quarter end</b>		3,161
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p><b>NAB Corporate Market Loan Facility:</b> The facility limit is currently 5.2M, the interest rate is BBSY + 3.40% (currently 7.257%). As of 31 March 2026, \$2.0 million had been drawn, leaving \$3.16 million available.</p> <p><b>NAB Revolving Asset Finance:</b> The facility limit is \$4.80 million, with \$4.706 million utilised as of 31 March 2026, leaving \$94K available. The Company repays the facility with monthly repayments of approximately \$116K, which will continue to free up the facility for future Capex.</p> <p><b>NAB Trade Finance Facility:</b> As at 31 March 2026, the remaining limit on the NAB Trade Finance Facility was \$1.1 million, with \$319K drawn to fund the new vault. The facility has since been fully repaid using the Asset Finance Facility and was subsequently closed on 1 April 2026.</p>		

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	118
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,746
8.3 Unused finance facilities available at quarter end (item 7.5)	3,161
8.4 Total available funding (item 8.2 + item 8.3)	4,907
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>N/A</b>
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 April 2026

Authorised by: The Board of ECS Botanics Holdings Limited  
(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.