ASX Announcement

20 July 2026

Fourth Consecutive Positive Operating Cash Flow Quarter

ECS Botanics Holdings Ltd (ASX: ECS) ("ECS" or the "Company"), a leading medicinal cannabis company, provides the following activities and cash flow update for the quarter ended 30 June 2026 (Q4 FY26).

Highlights:

- **Fourth consecutive quarter of positive operating cash flow, delivering $310k in Q4 FY26 from customer receipts of $5.1 million**
- **FY26 operating cash flow of $788k, representing a $5.9 million turnaround from the $5.1 million outflow recorded in FY25**
- **Customer receipts increased 12% quarter-on-quarter (QoQ) to $5.1 million**
- **Branded B2C revenue increased 31% year-on-year (YoY) to $3.45 million and represented approximately 71% of quarterly revenue**
- **Unaudited FY26 revenue of approximately $21.0 million, an increase of 8% YoY**
- **Cultivation performance strengthened, with FY26 outdoor trimmed flower yield increasing 12% with improved flower quality and PCE production rising 43%, supported by new PCEs and improved genetics, cultivation practices and harvesting techniques**
- **European expansion advanced, with OzSun's initial German shipment selling out within weeks and ECS's first Polish product application progressing to product-labelling review ahead of expected supply by the end of CY26**
- **ECS launched Gelonoidz #20, the first Australian-grown Terphogz product, expanding the Company's premium branded portfolio**
- **Quarter-end cash of $1.7 million and undrawn corporate loan facilities of $2.8 million provided total available funding of approximately $4.5 million**

Financial and Operational Performance

ECS delivered positive operating cash flow of $310k during Q4 FY26, an increase from $118k in the March quarter and its fourth consecutive positive operating cash flow quarter.

Customer receipts increased to $5.1 million, up 12% quarter-on-quarter from $4.5 million and broadly consistent with the prior corresponding period.

The Q4 result represents a $1.8 million year-on-year improvement in operating cash flow compared with the $1.5 million outflow recorded in Q4 FY25. This improvement was achieved despite quarterly cash receipts and revenue remaining broadly stable, reflecting the benefits of ECS's higher-margin branded product mix, disciplined cost management and the completion of its major infrastructure investment program.

For FY26, ECS generated customer receipts of $20.5 million, an increase of 12% from $18.4 million in FY25. The Company delivered positive full-year operating cash flow of $788k, representing a $5.9 million turnaround from the $5.1 million outflow recorded in FY25.

This improvement reflects the cumulative impact of ECS's strategic repositioning towards branded products, improved operating efficiency and greater utilisation of its established cultivation and manufacturing platform.

During Q4, ECS invested $108k in property, plant and equipment and repaid $251k of borrowings. Closing cash remained broadly stable at $1.7 million.

Branded Product Strategy

Total quarterly revenue was $4.85 million, broadly stable compared with both the March quarter and the prior corresponding period.

Branded B2C revenue increased 31% year-on-year to $3.45 million and represented approximately 71% of total quarterly revenue. This growth substantially offset continued softness in lower-margin B2B channels and further improved ECS's revenue mix.

The performance reinforces the progress of ECS's strategy to increase the contribution from its own brands, capture a greater share of the retail margin and reduce its exposure to wholesale flower price compression.

B2B revenue was $1.41 million during the quarter. ECS continues to maintain established domestic and international B2B relationships, with export markets expected to represent an increasingly important component of this channel.

Independent prescription analytics from NostraData, which captures a subset of the Australian medicinal cannabis market, indicate ECS branded volumes increased 18.1% over the past six months. This compares with an estimated 15.8% decline across the broader market captured in the NostraData dataset, highlighting the relative strength of ECS's branded portfolio.

Product Innovation and Portfolio Expansion

ECS continued to expand its product portfolio across value, premium and differentiated finished-dose categories during the quarter.

AVANI AVA Women's Health

The AVANI AVA THC:CBD pessary launched in early May, marking the first commercial product release from ECS's dedicated women's health portfolio.

The launch has been supported by a national education program, including educational meetings and a clinical webinar led by ECS Medical Advisory Board Member Dr Charlotte Middleton. Attendance at educational events has been strong, with prescriber engagement and sales in line with the Company's expectations for the launch phase.

ECS continues to evaluate additional products for the AVANI AVA range, with the objective of addressing underserved patient needs through targeted formulations and dosage formats.

OzSun Value Portfolio

The OzSun range continued to support ECS's growth in the value segment of the Australian medicinal cannabis market.

Aussie Smalls, launched during the March quarter, enables ECS to commercialise smaller flower that may otherwise have achieved a lower-value use. The product supports inventory optimisation while broadening the OzSun price ladder for cost-conscious patients.

Since the launch, Aussie Smalls has exceeded the Company's expectations and has been strongly embraced by both prescribers and patients seeking a high-quality, value-focused Australian-grown product. In addition to expanding ECS's branded offering, the product has improved inventory utilisation by creating additional value from smaller flower that may previously have been directed to lower-value applications.

Terphogz Relaunch

On 22 June 2026, ECS launched Gelonoidz #20, the first Australian-grown Terphogz product.

The premium dried flower product was developed through ECS's phenotype selection program using licensed Terphogz genetics and features a 23% THC label claim and total terpene content of approximately 2.8%.

The selected phenotype and finished flower quality were reviewed and endorsed by Terphogz. ECS believes Gelonoidz #20 represents the highest-quality flower produced by the Company to date and demonstrates the ability of its mixed-light cultivation platform to commercialise globally recognised premium genetics at scale.

Initial commercial production has been completed, with further cultivation underway to support domestic demand and future export opportunities.

Initial patient interest has been encouraging following the recent launch, with patients providing positive feedback on the unique qualities of the genetics.

ECS expects up to three Terphogz cultivars to become available during FY27, further expanding the Company's premium branded portfolio.

Commercial and International Expansion

Germany

During June, OzSun launched commercially in Germany through ECS's strategic partnership with Nimbus Health.

The initial commercial shipment sold out within weeks of release. The entire shipment of OzSun was procured by three pharmacies, providing encouraging early indications of the market demand in Europe's largest medicinal cannabis market.

The German rollout represents an important step in ECS's strategy to replicate its Australian own-brand model in selected international markets through established local partners.

New Zealand

During the quarter, ECS dispatched its first commercial shipment of medicinal cannabis oil to NUBU Pharmaceuticals in New Zealand.

The shipment comprised of 1000 units of 10THC:10 CBD oil and expanded the parties' longstanding commercial relationship into additional product formats.

The initial shipment has been well received, with NUBU Pharmaceuticals placing a repeat order following the successful commercial launch. The early market response provides encouraging validation of ECS's finished-dose portfolio and supports the Company's strategy to expand its export offering beyond dried flower.

Poland

Following an extended registration process, the Polish regulator has approved ECS's first medicinal cannabis product, with product labelling now undergoing final review. Subject to completion of the labelling review and customary import requirements, ECS expects to commence commercial supply of flower into Poland by the end of CY26. In parallel, the Company intends to commence registration of additional products, expanding the potential ECS portfolio available in the Polish market.

Cultivation and Production

ECS completed its FY26 outdoor harvest during the quarter.

The outdoor crop performed strongly despite periods of extreme heat earlier in the growing season. ECS's regenerative cultivation practices, including mulch, living ground cover and overhead irrigation, supported crop resilience and plant health under challenging conditions.

The outdoor harvest produced 6.0 tonnes of dried biomass and 3.1 tonnes of trimmed flower, compared with 6.8 tonnes of dried biomass and 2.7 tonnes of trimmed flower in FY25. Year-on-year dry-weight comparisons are impacted by a change in harvesting methodology, with approximately 30% of the FY26 outdoor crop wet-trimmed and tray-dried to support sales demand.

Management's focus during the cultivation season was to improve flower quality and increase the proportion of production suitable for higher-value domestic and export flower markets. The revised outdoor harvesting technique has improved recovery, with FY26 on track to achieve an increase of 12%

in trimmed flower yield compared with FY25. This improvement is driven by cultivation, genetics and harvest improvements, which has also delivered an improved flower quality.

The Company produced 43% more greenhouse flower. The 26 Protective Cropping Enclosures (PCEs) produced 5.3 tonnes of untrimmed dried flower compared to 3.7 tonnes in FY25.

With its major infrastructure program now largely complete, ECS remains focused on increasing asset utilisation, improving yields, reducing production costs and generating stronger returns from its existing cultivation and manufacturing platform.

Market Conditions and Industry Context

The Australian medicinal cannabis market continued to experience price competition, increased regulatory scrutiny and a lower-volume operating environment.

ECS believes improved regulatory enforcement and prescribing standards are necessary to support the long-term credibility and sustainability of the sector.

Against this backdrop, the 31% year-on-year increase in ECS's branded B2C revenue demonstrates the resilience of the Company's portfolio and the progress of its pharmaceutical-style prescriber engagement model.

ECS continues to differentiate through Australian-grown and certified-organic cultivation, broad product choice, established prescriber relationships and pharmaceutical-grade manufacturing standards.

Subsequent Event: German GMP Guidance

Subsequent to quarter end, ECS noted new Good Manufacturing Practice guidance issued by Germany's Hesse State Office for Health and Care.

The guidance clarifies regulatory expectations for medicinal cannabis manufacturing and underscores the need for validated, GMP-compliant processing across critical post-harvest stages. It also tightens microbiological specifications, making compliance increasingly difficult without irradiation. ECS had already commenced process improvements to meet the lower specifications ahead of the regulations taking effect.

ECS believes the development reinforces the strategic rationale behind its investment in an integrated cultivation and GMP manufacturing platform and may strengthen the Company's position as it expands in Germany and other regulated European markets.

Financial Position

ECS ended the quarter with cash and cash equivalents of $1.697 million. The Company had $2.811 million available under its corporate loan facilities, providing total available funding of approximately $4.508 million at 30 June 2026. Corporate debt drawn at quarter end was $2.389 million.

For the purpose of ASX Listing Rule 4.7C.3, product manufacturing and operating costs totalled $2.119 million during the quarter.

Payments to related parties and their associates under section 6.1 of Appendix 4C totalled $176k, comprising $136k in director and consulting fees and superannuation, $14k for company secretarial, registered office and finance management services and $26k for pharmaceutical and IT consultancy services.

Outlook

ECS enters FY27 having completed a material transition in its financial and operating profile.

The Company delivered four consecutive quarters of positive operating cash flow during FY26, increased customer receipts and generated a $5.9 million year-on-year improvement in operating cash flow.

With the major infrastructure investment phase largely complete, ECS's priorities for FY27 are to:

- Continue growing branded B2C sales in Australia
- Scale OzSun in Germany and pursue selected international opportunities for OzSun
- Increase export revenue across flower and finished-dose products in existing and new markets
- Expand the AVANI AVA and Terphogz portfolios
- Improve yields, asset utilisation and production efficiency
- Maintain disciplined cost and capital management
- Sustain positive operating cash flow while selectively funding growth initiatives

ECS believes its combination of low-cost Australian cultivation, certified-organic production, integrated GMP manufacturing and established branded products provides a strong foundation for continued growth.

ECS Botanics Managing Director, Nan-Maree Schoerie, said:

"FY26 was a year of great improvement for ECS. We delivered four consecutive quarters of positive operating cash flow and a $5.9 million turnaround in full-year operating cash flow while continuing to invest in our products, brands and international growth opportunities.

"Our shift towards higher-margin branded sales, disciplined cost management and focus on extracting greater value from our cultivation and manufacturing platform are now translating into sustained cash generation.

"The June quarter also demonstrated the next stage of the ECS strategy. OzSun launched in Germany, where the initial shipment sold out within weeks, and we introduced the first Australian-grown Terphogz product into the premium segment.

"With our major infrastructure investment behind us, our focus in FY27 is on increasing utilisation of the platform we have built, scaling branded sales and growing our presence in international markets. We believe ECS is well positioned to continue improving returns from its established asset base."

Authorised for release by Nan-Maree Schoerie, Managing Director

-ENDS-

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About ECS Botanics Holdings Ltd

ECS Botanics Holdings Ltd (ASX: ECS) is an Australian medicinal cannabis cultivator and manufacturer located in north-west 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. Licensed by the Australian Therapeutic Goods Administration to manufacture GMP-certified products to PIC/S-equivalent standards, 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	**Quarter ended ("current quarter")**
98 009 805 298	30 June 2026

Consolidated statement of cash flows	**Current quarter $A'000**	**Year to date (12 months) $A'000**
1. Cash flows from operating activities		
1.1 Receipts from customers	5,101	20,532
1.2 Payments for		
(a) research and development	(31)	(87)
(b) product manufacturing and operating costs	(2,119)	(9,340)
(c) advertising and marketing	(96)	(397)
(d) leased assets	-	-
(e) staff costs	(2,194)	(8,512)
(f) administration and corporate costs	(243)	(1,265)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(108)	(483)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	340
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	**310**	**788**

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(108)	(1,248)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
	(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)	-	-
2.6	**Net cash from / (used in) investing activities**	**(108)**	**(1,248)**

3.	**Cash flows from financing activities**		
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	350	5,026
3.6	Repayment of borrowings	(601)	(5,056)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**(251)**	**1,786**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,746	371
4.2	Net cash from / (used in) operating activities (item 1.9 above)	310	788

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(108)	(1,248)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(251)	1,786
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,697**	**1,697**

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	1,697	1,746
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,697**	**1,746**

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	(176)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

6.1	Director and consulting fees paid to Directors and/or Director related entities	$ 136,423
	Company secretarial, registered office services	$ 13,860
	Pharmaceutical & Labour Hire and IT consultancy services fee paid to Director related entities	$ 25,907

7.	**Financing facilities** *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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	5,200	2,389
7.2	Credit standby arrangements	-	-
7.3	Other (provide details)	-	-
7.4	**Total financing facilities**	5,200	-

7.5	**Unused financing facilities available at quarter end**	2,811

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.

NAB Corporate Market Loan Facility:

The facility limit is currently 5.2M, the interest rate is BBSY + 3.40% (currently 7.747%). As of 30 June 2026, $2.39 million had been drawn, leaving $2.81 million available.

NAB Revolving Asset Finance:

The facility limit is $4.80 million, with $4.424 million utilised as of 30 June 2026, leaving $376K available. The Company repays the facility with monthly repayments of approximately $120K, which will continue to free up the facility for future Capex.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	310
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,697
8.3	Unused finance facilities available at quarter end (item 7.5)	2,811
8.4	Total available funding (item 8.2 + item 8.3)	4,508
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	**N/A**

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.

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: 20 July 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.