ECS BOTANICS HOLDINGS LIMITED
ABN: 98 009 805 298

RESULTS FOR ANNOUNCEMENT TO THE MARKET
FOR THE YEAR ENDED 30 JUNE 2026

(Previous corresponding period is the year ended 30 June 2025)

KEY INFORMATION	30-Jun-26 $	30-Jun-25 $	% Change
Revenue from ordinary activities	21,408,236	19,522,833	10%
Profit (Loss) from ordinary activities after tax attributable to members	(1,905,191)	(5,733,099)	67%
Net profit (loss) attributable to members	(1,905,191)	(5,733,099)	67%

DIVIDEND INFORMATION

No dividend has been proposed or declared

NET TANGIBLE ASSETS PER SECURITY	30-Jun-26	30-Jun-25
	Cents	Cents
Net tangible assets per security	1.42	1.75

EARNINGS PER SHARE	30-Jun-26 Cents	30-Jun-25 Cents
Basic earnings (loss) per share	(0.1309)	(0.4435)
Diluted earnings (loss) per share	(0.1309)	(0.4435)

This report is based on, and should be read in conjunction with, the attached financial report for the year ended 30 June 2026 for ECS Botanics Holdings Limited.

ECS BOTANICS HOLDINGS

2026

Annual Report

Contents

FY2026 Year Report June 2026 Highlights.

ECS

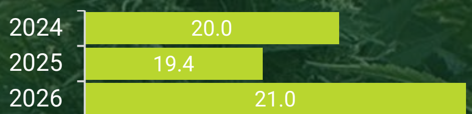
Cultivating Excellence, Harvesting Success

Summary of Financial Results	FY 2026	FY2025	Movement
Revenue (incl Other Income)	$21.4m	$19.5m	Up 10%
Net Operating Cash Flow	$0.5m	($5.1m)	Improved by $5.6m
EBITDA	$0.6m	($5.2m)	Improved by $5.8m
EBIT	($0.5m)	($6.6m)	Improved by $6.1m
Loss before income tax	($1.0m)	($6.9m)	Improved by $5.9m
Loss after income tax	($1.9m)	($5.7m)	Improved by $3.8m

FY 2026 Highlights

8%

Trading Revenue ($m)

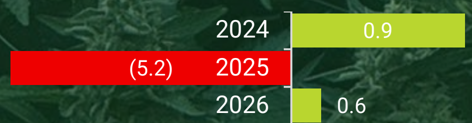


67%

NPAT ($m)

111%

EBITDA ($m)



6%

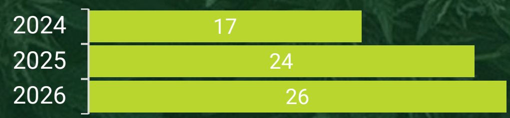
Production (Tonnes)

3%

Gross Profit ($m)

8%

PCEs (Number)



Message from the Managing Director

Dear Shareholders

FY2026 marked a material improvement in **ECS Botanics'** financial and operating performance. The Company delivered positive EBITDA, four consecutive quarters of positive operating cash flow, continued growth in higher-margin branded products and early commercial validation in international markets. With the major infrastructure investment phase largely complete, ECS enters FY2027 focused on extracting greater value from the cultivation and manufacturing platform already established.

FY2026 was an important year for ECS Botanics and demonstrated the progress made in repositioning the Company as a more commercially focused, cash-generative medicinal cannabis business.

Sales revenue increased 10% to $21.4 million and EBITDA improved by $5.8 million to positive $0.6 million, compared with an EBITDA loss of $5.2 million in FY2025. EBIT improved by $6.1 million to a loss of $0.5 million, while the loss before tax reduced to $1.0 million from $6.9 million in the prior year.

Importantly, the improvement was also evident in cash generation. ECS delivered four consecutive quarters of positive operating cash flow and generated positive operating cash flow of $0.5 million for FY2026, representing a $5.6 million turnaround from the $5.1 million outflow recorded in FY2025.

This improvement was achieved while revenue continued to grow and while ECS invested in its brands, product portfolio and international market development. It reflects the cumulative benefits of our shift towards higher-margin branded products, disciplined cost and capital management and greater utilisation of the cultivation and manufacturing platform built over previous years. Gross profit including fair value gain in biological assets remained at 50%.

ECS recognised non-cash impairment charges of $2.5 million relating to inventory and $0.8 million relating to receivables. These adjustments reflect a prudent reassessment of carrying values in response to changing market conditions and do not impact cash generation. Excluding these non-cash items, the Group would have reported a positive pre-tax result of approximately $2.3 million.

The medicinal cannabis sector continued to evolve rapidly during the year. In Australia, the market experienced increased regulatory scrutiny, changing prescribing dynamics, softer volumes in parts of the market and ongoing pricing pressure. These conditions affected many industry participants. They also reinforced the importance of quality, compliance and strong commercial execution.

ECS has consistently taken a long-term approach. Our strategy is not based on chasing short-term market opportunities. It is based on developing sustainable competitive advantages through certified organic cultivation, GMP manufacturing, strong governance, trusted brands and products that meet the needs of patients and healthcare professionals.

Branded products driving the business

The continued growth of ECS's branded portfolio was one of the most important developments during FY2026.

Branded B2C revenue increased 101% year-on-year to $13.7 million and represented approximately 65% of the annual revenue. This growth helped offset continued softness in lower-margin B2B channels and demonstrates the progress of our strategy to capture more of the value associated with the products we cultivate and manufacture.

Independent prescription analytics from NostraData also indicated that ECS branded volumes increased 18.1% over the six months to June 2026, compared with an estimated 15.8% decline across the broader market captured by that dataset.

We believe this relative performance reflects the increasing strength of our portfolio, our engagement with healthcare professionals and our ability to provide products across different price points and dosage formats.

We have long believed that sustainable value in medicinal cannabis will come from differentiated products, reliable supply, trusted brands and direct engagement with healthcare professionals and patients.

OzSun remained central to our value offering and continued to strengthen its position as an Australian-grown medicinal cannabis brand. Aussie Smalls, launched during FY2026, exceeded our initial expectations and has provided an effective way to broaden the OzSun price ladder while generating greater value from smaller flower that may otherwise have been directed to lower-value applications.

We continued to invest in innovation across the portfolio, with the launch of AVANI AVA in May marking ECS's entry into the women's health category. The initial THC pessary was supported by a national healthcare professional education program, with prescriber engagement and early sales in line with our expectations for the launch phase.

At the premium end of the portfolio, we launched Gelonoidz #20 in June as the first Australian-grown Terphogz product. The product was developed through ECS's phenotype selection program using licensed Terphogz genetics and demonstrates the quality now being achieved through our mixed-light cultivation platform. We expect up to three Terphogz cultivars to become available during FY2027.

Together, these initiatives are creating a broader branded portfolio spanning value, premium and differentiated finished-dose products and reducing ECS's reliance on commodity wholesale flower.

International expansion gaining commercial validation

International expansion remained a key strategic priority during FY2026.

ECS has invested over several years in cultivation, quality systems and GMP manufacturing capabilities that can support supply into highly regulated international markets. During FY2026, we began to see increasing commercial validation of that investment.

OzSun launched commercially in Germany in June through our partnership with Nimbus Health, giving ECS access to Europe's largest medicinal cannabis market. The initial shipment sold out within weeks, with the entire shipment procured by three pharmacies. While still early in the development of the market, this response provides encouraging initial validation of our strategy to replicate the value-led OzSun model in selected international markets.

In New Zealand, ECS dispatched its first commercial shipment of 1,000 units of 10THC:10CBD medicinal cannabis oil to NUBU Pharmaceuticals, expanding our longstanding relationship beyond dried flower. Importantly, NUBU placed a repeat order following the commercial launch, providing further early validation of our finished-dose export strategy.

We also achieved an important regulatory milestone in Poland. Following an extended registration process, the Polish regulator approved ECS's first medicinal cannabis product. Product labelling is undergoing final review and, subject to completion of that process and customary import requirements, commercial flower supply is expected to commence by the end of CY2026. We also intend to pursue registration of additional products in that market. These initiatives provide further diversification and reduce reliance on any single market.

Our international strategy remains deliberately disciplined. We are focused on markets where ECS can compete through quality, regulatory compliance, reliability and product differentiation, rather than pursuing volume for its own sake.

Extracting greater value from our operating platform

FY2026 also demonstrated continued improvement in the productivity of our cultivation assets.

Outdoor trimmed flower yield increased 12% to 3.1 tonnes during the year, while production from the Company's 26 Protective Cropping Enclosures (PCEs) increased 43% to 5.3 tonnes of untrimmed dried flower.

These outcomes reflect improvements across genetics, cultivation practices and harvesting techniques, with management increasingly focused on improving the proportion of production suitable for higher-value domestic and export flower markets.

The major infrastructure investment program undertaken over previous years is now largely complete. This changes the operating focus of the business.

Our priority is no longer simply to add capacity. It is to increase utilisation of the assets we have built, improve yield and product quality, reduce production costs and generate stronger returns from the cultivation and manufacturing platform already in place.

Our regenerative cultivation practices and certified-organic production remain important components of that platform. They support crop resilience and sustainable production while providing ECS with a point of differentiation in increasingly competitive domestic and international markets.

A more mature and disciplined industry

The Australian medicinal cannabis market continued to evolve during FY2026, with greater regulatory scrutiny, changing prescribing behaviour, softer volumes in parts of the market and ongoing price competition.

These conditions have created challenges across the sector, particularly for business models heavily exposed to undifferentiated wholesale flower.

ECS supports greater regulatory oversight and responsible prescribing standards. We believe the longer-term development of the sector will increasingly favour businesses that can demonstrate product quality, reliable supply, robust quality systems and pharmaceutical-grade manufacturing.

This aligns with the investment ECS has made in certified-organic cultivation and integrated GMP manufacturing.

Subsequent to year end, new German GMP guidance provided further clarity around manufacturing expectations for medicinal cannabis supplied into that market. ECS believes the development reinforces the strategic rationale for operating an integrated cultivation and GMP manufacturing platform, positioning the Company well to expand in Germany and other regulated European markets.

Prudent year-end asset review

The FY2026 statutory result also includes provisions and write-downs recognised following the Company's year-end review of asset carrying values and recoverability.

These included approximately $2.52 million relating to inventory, biomass and resin and approximately $0.82 million relating to the recoverability of amounts receivable from the sale of the extractor to Sun Pharmaceutical Industries.

The inventory adjustments reflect current pricing, market demand and the assessed recoverable value of certain biomass and resin principally associated with medicinal cannabis oil production. The Sun Pharmaceutical Industries provision reflects a prudent assessment of recovery risk. ECS continues to assess the matter through its established finance, legal and governance processes.

These adjustments affected the statutory result but do not represent current-period operating cash outflows. The Company considers the year-end review an appropriate and disciplined approach to ensuring that the balance sheet reflects current market conditions and the assessed recoverability of its assets.

After these adjustments, ECS reported a FY2026 loss after tax of $1.9 million, an improvement of $3.8 million from the $5.7 million loss recorded in FY2025.

Importantly, the provisions do not alter the substantial improvement in the underlying operating performance of the business.

Sales revenue grew, EBITDA became positive, operating cash flow improved by $5.6 million and ECS continued to invest in branded products and international market development.

Entering FY2027 with momentum

Subsequent to year end, ECS also announced the planned launch of two 2g OzSun all-in-one rosin blend inhalation products in Australia.

The products expand OzSun into an additional higher-margin finished-dose format and will be supplied under a capital-efficient consignment arrangement that does not require material capital expenditure. Expected gross margins are broadly consistent with ECS's higher-margin AVANI portfolio.

The launch illustrates the approach we intend to take to growth in FY2027: use the platform, brands and distribution capabilities already established to pursue attractive commercial opportunities without returning to a period of heavy capital investment.

Our priorities for FY2027 are to:

- Continue growing branded B2C sales in Australia
- Scale OzSun in Germany and pursue selected international opportunities
- Increase export revenue across flower and finished-dose products
- Expand the AVANI AVA and Terphogz portfolios
- Improve cultivation yields, asset utilisation and production efficiency
- Maintain disciplined cost and capital management

FY2026 demonstrated that the strategy developed over recent years is beginning to translate into measurable financial and commercial outcomes.

There remains considerable work ahead and the medicinal cannabis sector will continue to evolve. However, ECS enters FY2027 with a materially stronger operating profile, a broader branded portfolio, improving utilisation of its established asset base and growing exposure to international markets.

Our focus is now on execution – converting those advantages into sustainable earnings, cash generation and long-term value for shareholders.

On behalf of the Board, I would like to thank our employees for their dedication and resilience, our healthcare partners and customers for their support, and our shareholders for their continued confidence in ECS Botanics.

Nan-Maree Schoerie
Managing Director

FY 2026 Timeline of Product Launches.

2023
- RAP Legacy Veterans brand

Q4 2024
- Avani Flower

Q1 2025
- Avani Capsules

Q2 2025
- OzSun Value Brand Flower
- Siam Solace Super Boof

Q3 2025
- VESIsorb CBD Capsules

Q4 2025
- OzSun Oils
- VESIsorb THC Capsules
- Terp HogzPremium Flower

Q3 2026
- OzSun CBD50 Gummies
- Avani AVA Pink Zushi
- Avani Ava THC5 Capsules
- OzSun Midday 27%

Q4 2026
- Aussie Smalls
- Avani AVA Pessaries
- OzSun Germany

Q1 FY27
- Terphogz Gelanoidz #20
- OzSun All-in-One Vapes

Corporate Directory.

Board of Directors	
Mr. Jeremy King	Non-Executive Chair
Mr. Michael Nitsche	Non-Executive Director
Ms. Rachel Swift*	Non-Executive Director
Ms. Nan Maree Schoerie	Managing Director

*On 4 August 2025, Ms. Rachel Swift resigned to take up an Executive role.

Company Secretary
Mr. Mauro Piccini

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Murrabit West
VIC 3579
Telephone: 1300 169 775
Website: https://ecs-botanics.com/

Stock Exchange Listing
Listed on the
Australian Securities Exchange
(ASX Code: ECS)

Auditors
RSM Australia
Level 27, 120 Collins Street
Melbourne VIC 3000

Bankers
National Australia Bank Limited
2 Carrington Street
Sydney NSW 2000

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

Share Registry
Xcend Pty Ltd
Level 2, 477 Pitt St
Haymarket NSW 2000
Telephone: 02 8591 8509

Directors' Report.

The Directors of ECS Botanics Holdings Ltd ("ECS" or "the Company") present their report, together with the financial statements of the Company and controlled entities ("The Group") for the year ended 30 June 2026.

Directors

The names and particulars of the Group's directors in office during the financial year and at the date of this report are as follows. Directors held office for this entire year unless otherwise stated.-

Jeremy King | Non-Executive Chair

Bachelor of Law

Mr. King is a corporate lawyer and adviser with over 20 years' experience in domestic and international legal, financial, and corporate matters. Mr. King is a director of a boutique corporate advisory and compliance business where he specialises in corporate and strategic advice and managing legal issues associated with clients. He spent several years in London where he worked with Allen and Overy LLP and Debevoise & Plimpton LLP and has extensive experience, particularly in relation to cross border private equity, leveraged buy-out acquisitions and acting for banks, financial institutions, and corporate issuers in respect of various debt and equity capital raisings. He regularly advises ASX listed companies on corporate and commercial matters.

Mr. King held the following directorships in other ASX listed companies:

Executive Director of C29 Metals Limited from 8 December 2022 to 20 March 2024

Non-Executive Director of Smart Parking Limited from 1 August 2012

Non-Executive Director of Redcastle Resources Limited from 8 June 2016 and

Non-Executive Director of Sultan Resources Limited from 16 May 2018

Non-Executive Director of Burgundy Diamond Mines Limited from 28 March 2024

Michael Nitsche | Non-Executive Director

Graduate Diploma of Applied Finance, Wealth Management, Diploma of Financial Services.

Michael is the founder and Executive Director of ARQ Capital, a boutique corporate advisory firm based in Perth, Western Australia. He has extensive experience in equity capital markets, particularly advising on deal structuring for IPO's, equity capital raisings, mergers, and acquisitions.

From 2011 to 2014 Michael served as Institutional Advisor and Associate Director at two of Australia's most respected stockbroking firms. Michael has held directorships that span public and private boards across multiple market sectors. He holds a post graduate Diploma in Applied Finance with a major in Wealth Management through FINSIA.

Mr. Nitsche does not hold and has not held a directorship in any other public listed company over the past three years.

Rachel Swift | Non-Executive Director

DPhil (Oxon), FRSPH, FCHSM, GAICD, CHE

A Rhodes Scholar, Dr Swift brings nearly 20 years of experience in the healthcare sector, with a focus on health innovation, strategy, and governance. Her previous roles include senior positions at The Boston Consulting Group, and she currently serves on several boards within the healthcare and medical research fields. Dr. Swift's background includes expertise in public health, digital health, and medical research, which will be invaluable as ECS continues to grow within the medicinal cannabis industry.

In addition to her executive and board roles, Dr Swift has held academic appointments at the Universities of Oxford and Adelaide. She is a Fellow of the Royal Society of Public Health and the Australasian College of Health Service Management, a Certified Health Executive, and a graduate of the Australian Institute of Company Directors (AICD).

Directors' Report.

On 4th August 2025, Dr Swift resigned from the Company to accept an executive role with another organisation.

Nan Maree Schoerie | Managing Director
National Diploma of Analytical Chemistry
Nan has held Australian business leader positions of large organisations such as GE, ThermoFisher and Ventia, having shown an ability to deliver extraordinary bottom- and top-line growth across different geographies and industries. Nan's passion for delivering customer value and her determination to deliver outcomes resulted in enviable customer retention rates whilst regularly securing large annuity contracts, some valued at over $200m.
As Managing Director Nan is responsible for managing the overall business, ensuring the safety and wellbeing of employees, building a high performing Company culture, ensuring high levels of Customer satisfaction, and delivering on the Group's financial objectives. In addition, Nan works with the board to provide strategic guidance, and ensure good governance.
Ms. Schoerie has not held any other directorships in other ASX listed companies in the past three years. Nan has a National Diploma in Analytical Chemistry and is a Graduate of the Australian Institute of Company Directors (GAICD).

Mauro Piccini | Company Secretary
Bachelor of Accounting and Taxation
Mauro Piccini is a corporate advisor at Mirador Corporate, where he specialises in corporate advisory, company secretarial and financial management services. He spent 7 years at the ASX and possesses core competencies in publicly listed and unlisted company secretarial, administration and governance disciplines. Mauro is currently the Company Secretary of Aurum Resources Limited (ASX: AUE), Red Mountain Mining Ltd (ASX:RMX), and Queensland Pacific Metals Limited (ASX:PM1). Mauro started his career in the Perth office of Ernst and Young where he spent several years in their assurance division and is a Chartered Accountant and member of the Governance Institute of Australia.

Production Cost Reduction FY2026 v FY2025.

33% ✓

Reduction
Protective Cropping Enclosure average production cost/gram

44% ✓

Reduction
Outdoor average production cost/gram

Year-on-Year Production Improvements.

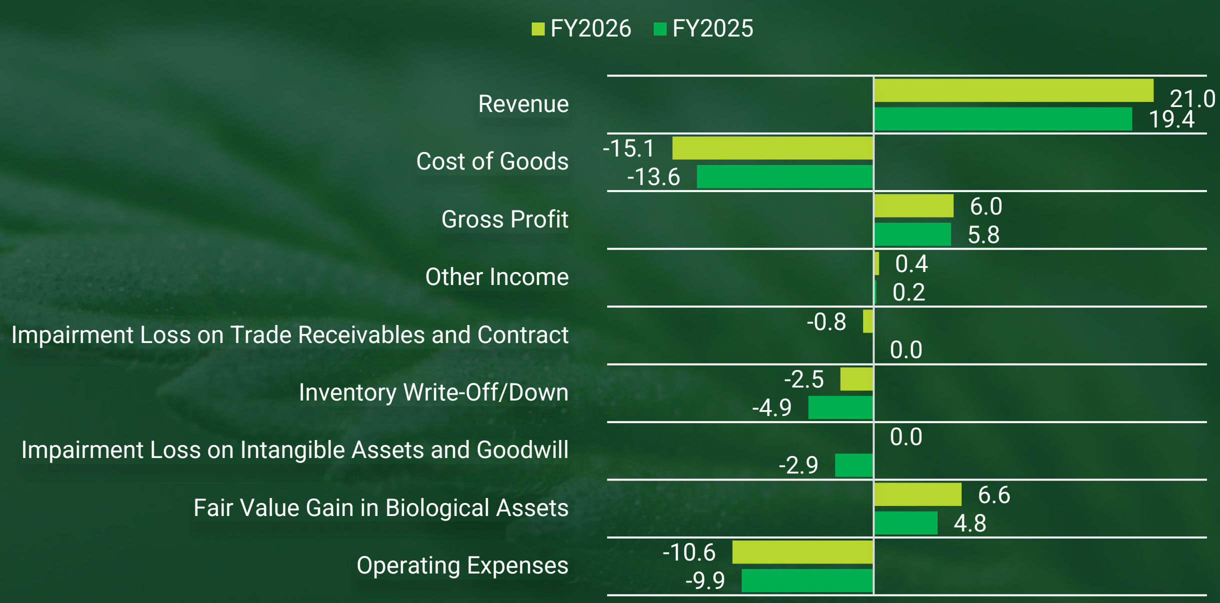
43% ✓

Increase
Protective Cropping Enclosure production

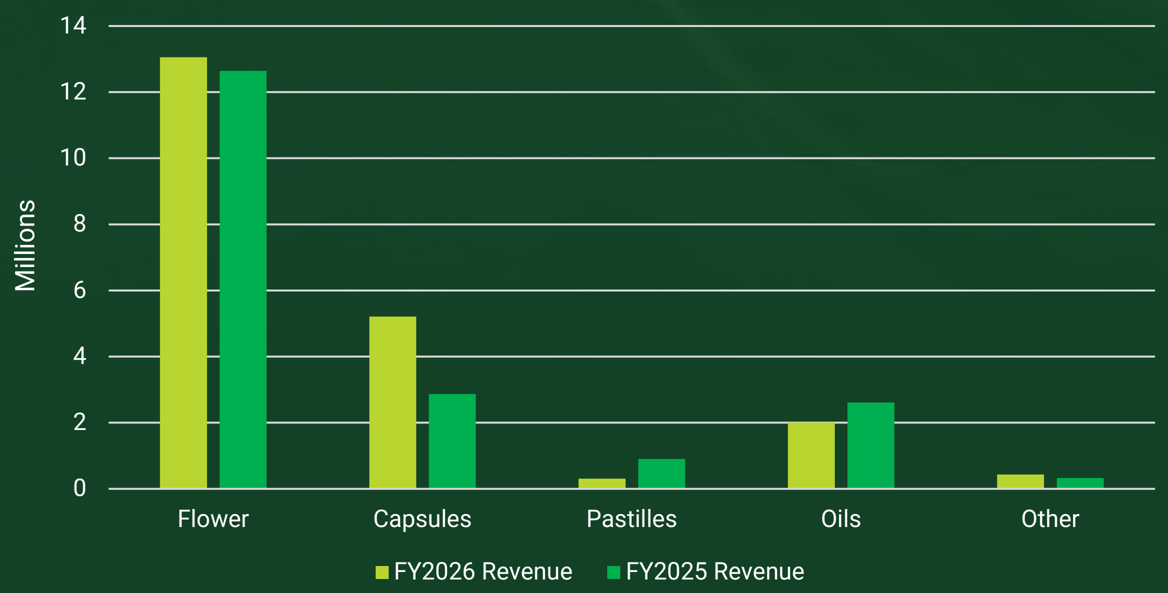
12% ✓

Increase
Outdoor trimmed flower yield

Financial Performance of continued operations $ million.



FY2026 vs FY2025 Revenue Mix



Directors' Report.

Interests in shares and options of the company and related bodies corporate

The following table sets out each current Director's relevant interest in shares and options of the Company or a related body corporate as at the date of this report.

Director	Ordinary Shares	Share Options	Performance Rights
Mr. Jeremy King	6,098,485	10,000,000	-
Mr. Michael Nitsche	-	-	-
Ms. Rachel Swift**	-	-	-
Ms. Nan-Maree Schoerie	121,166,667	10,000,000	3,750,000*
Total	**127,265,152**	**20,000,000**	**3,750,000**

*One tranche of 3,750,000 Rights expiring on 30 June 2027.
** On 4 August 2025, Ms. Rachel Swift resigned, and the 4,500,000 options were cancelled.

Review and Results of Operations

Principal Activities

ECS Botanics Holdings Ltd is an Australian medicinal cannabis cultivator and manufacturer based in Northwest Victoria. The Group employs innovative and sustainable cultivation methods, incorporating regenerative and organic horticultural practices alongside renewable energy initiatives to deliver consistent, high-quality medicine.

Licensed by the Therapeutic Goods Administration to manufacture PIC/S GMP-certified products, ECS has established itself as a leading producer and supplier of affordable, premium-grade medicinal cannabis. The Company services both the Australian market and key international markets, positioning itself as a trusted partner in the global medicinal cannabis industry.

Cash and Funding

At 30 June 2026, the Group had $1,693,447 in cash.

- **NAB Corporate Market Loan Facility:**
  The Group has access to a facility of $5.2 million, of which $2.39 million was drawn at 30 June 2026, providing undrawn funding capacity of $2.81 million. Interest rate on the facility is BBSY + 3.40% (currently 7.747%). The facility expires on 30 July 2027 and is secured by security interests over the assets and undertakings of ECS Botanics Holdings Ltd and Flowerday Farms Pty Ltd, together with a guarantee and indemnity provided by Flowerday Farms Pty Ltd.
- **NAB Revolving Asset Finance:**
  As at 30 June 2026, $4.42 million was drawn against a $4.8 million limit, leaving $376K available. On 1 July 2025, $2.19 million was transferred from the Trade Finance Facility following completion of seven PCEs. The Group repays the facility with monthly repayments of approximately $120K, which will continue to free up the facility for future Capex.

Directors' Report.

Sales and Marketing

ECS continued to strengthen its commercial platform during FY2026, with growth in its own-brand portfolio increasingly supporting revenue quality, margin capture and diversification across products, dosage forms and markets.

The Company continued to build a portfolio spanning value, mainstream and premium segments, allowing ECS to participate across a broad range of prescribing requirements and price points while reducing its reliance on commodity wholesale flower.

OzSun became ECS's largest brand by revenue during FY2026, contributing 39.6% of total sales. OzSun's growth continued to demonstrate the Company's ability to combine its Australian-grown product offering, vertically integrated operations and low-cost cultivation platform with competitive pricing in an increasingly price-sensitive market. During FY2026, ECS also broadened the OzSun portfolio through products including Aussie Smalls, which exceeded the Company's initial expectations and improved inventory utilisation by creating additional value from smaller flower that may otherwise have been directed to lower-value applications.

The shift towards branded products was also evident in the June quarter, when branded B2C revenue increased 31% year-on-year to $3.45 million and represented approximately 71% of quarterly revenue. Independent prescription analytics from NostraData, which capture a subset of the Australian medicinal cannabis market, indicated that ECS branded volumes increased 18.1% over the six months to June 2026, compared with an estimated 15.8% decline across the broader market captured in the dataset.

Flower remained the Company's largest product category during FY2026, contributing 63.4% of the overall Group revenue. Non-flower products, including capsules, oils, gummies and other finished-dose formats, contributed 36.6% of revenue. This broader product mix provides ECS with exposure to changing prescribing preferences while reducing reliance on a single dosage form.

The Company continued to expand its portfolio during the year. In May 2026, ECS launched the first commercial product under AVANI AVA, its dedicated women's health portfolio. The launch was supported by healthcare professional education initiatives, with prescriber engagement and early sales in line with the Company's expectations for the launch phase.

At the premium end of the flower market, ECS launched Gelonoidz #20 in June 2026 as the first Australian-grown Terphogz product. Developed through ECS's phenotype selection program using licensed Terphogz genetics, the launch expanded the Company's premium offering and demonstrated the quality being achieved through its mixed-light cultivation platform. ECS expects up to three Terphogz cultivars to become available during FY2027.

ECS continued to support its branded product strategy through its Medical Science Liaison (MSL) team, with a focus on healthcare professional education, product knowledge and long-term prescriber engagement. This pharmaceutical-style approach remains an important component of the Company's strategy to support appropriate product adoption and build sustainable brand awareness in the Australian medicinal cannabis market.

The Australian market remained highly competitive during FY2026, with increased regulatory scrutiny, softer industry volumes and continued pricing pressure, including competition from imported products. Against this backdrop, ECS continued to differentiate through Australian-grown product, certified-organic cultivation, GMP manufacturing, a broad branded portfolio and established engagement with healthcare professionals.

Directors' Report.

International markets also became an increasingly important component of ECS's commercial strategy during FY2026.

OzSun launched commercially in Germany in June through ECS's partnership with Nimbus Health. The initial shipment sold out to Pharmacies within weeks, providing encouraging early validation of ECS's strategy to replicate its Australian own-brand model in selected international markets.

In New Zealand, ECS dispatched its first commercial shipment of 1,000 units of 10THC:10CBD medicinal cannabis oil to NUBU Pharmaceuticals, broadening the parties' existing relationship beyond dried flower. A repeat order was subsequently placed following the commercial launch.

The Company also achieved an important regulatory milestone in Poland, where the regulator approved ECS's first medicinal cannabis product. Product labelling is undergoing final review and, subject to completion of that process and customary import requirements, ECS expects commercial flower supply to commence by the end of CY2026.

These developments provide ECS with greater geographic and product diversification and support the Company's strategy of targeting regulated international markets where its Australian-grown provenance, manufacturing standards and product portfolio can provide a competitive advantage.

Subsequent to year end, ECS announced the planned Australian launch of two 2g OzSun all-in-one rosin blend inhalation products. The new Day and Night products extend OzSun into an additional finished-dose format and are expected to generate gross margins broadly consistent with the Company's higher-margin AVANI portfolio.

The products will be supplied under a capital-efficient consignment arrangement with Canadian GMP-licensed manufacturer Ichor Inc, with no material capital expenditure required by ECS. The launch is scheduled for August 2026 and represents a further extension of the Company's strategy to grow higher-margin branded products while selectively expanding its portfolio without significant additional capital investment.

Operations

FY2026 represented an important transition for ECS's operating platform. Following significant investment in cultivation, manufacturing and post-harvest infrastructure in prior years, the Company's focus shifted increasingly towards improving utilisation, product quality, yield and returns from the asset base already established.

Cultivation performance strengthened during the year. The FY2026 outdoor harvest produced 3.1 tonnes of trimmed flower, an increase of 12% compared with FY2025. The Company's 26 Protective Cropping Enclosures produced 5.3 tonnes of untrimmed dried flower, representing a 43% increase from 3.7 tonnes in FY2025.

These improvements reflected continued progress in genetics selection, cultivation practices and harvesting techniques. Management's focus during FY2026 was not solely on increasing production volumes, but also on improving flower quality and increasing the proportion of production suitable for higher-value domestic and export markets.

The outdoor crop performed strongly despite periods of extreme heat during 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.

ECS also continued to refine harvesting and post-harvest processes. Approximately 30% of the FY2026 outdoor crop was wet-trimmed and tray-dried to support sales demand, contributing to improved recovery

Directors' Report.

of trimmed flower. ECS continued to optimise drying, curing, trimming and storage processes to support product quality, consistency and efficient handling as production volumes increased.

The expanded Protective Cropping Enclosure network remains central to the Company's mixed-light cultivation strategy. The 26 PCEs provide greater environmental protection and production flexibility than outdoor cultivation alone and support year-round production capability. Continued improvements in genetics, environmental management and cultivation techniques contributed to the increased FY2026 output.

With the major infrastructure investment program now largely complete, ECS's operational priorities have shifted from adding capacity towards increasing asset utilisation, improving yields and product quality, reducing production costs and generating stronger returns from existing cultivation and manufacturing infrastructure. This focus delivered meaningful operating efficiencies during FY2026, with average production costs per gram declining by 33% across the Protective Cropping Enclosure network and by 44% for outdoor cultivation compared with FY2025. The reductions reflected improved yields, increased production volumes, ongoing process optimisation and greater utilisation of the Company's established cultivation and post-harvest infrastructure.

ECS also continued developing higher-value manufacturing capabilities during FY2026. Pilot-scale production of live rosin was successfully completed during the year, demonstrating an additional processing capability and supporting the Company's longer-term objective of participating further along the medicinal cannabis value chain through differentiated finished products.

The Company's vertically integrated model combines Australian cultivation with post-harvest processing and GMP-certified manufacturing. ECS continues to undertake key production and manufacturing activities within its established quality systems, supporting product consistency and the Company's ability to supply regulated domestic and international markets.

Certified-organic cultivation and regenerative farming practices remain important elements of the operating model. In addition to supporting sustainable production and crop resilience, these capabilities provide differentiation as ECS expands its branded portfolio and seeks to grow in regulated export markets.

Subsequent to year end, ECS noted new GMP guidance issued by Germany's Hesse State Office for Health and Care, which clarified manufacturing expectations for medicinal cannabis supplied into that market. ECS believes the guidance reinforces the strategic rationale for the Company's investment in an integrated cultivation and GMP manufacturing platform and supports its positioning as it pursues further growth in Germany and other regulated international markets.

Entering FY2027, the Company's operational focus is therefore increasingly on extracting greater commercial value from the platform already built through improved utilisation, higher-quality output, greater manufacturing activity and disciplined investment in product and market opportunities.

Directors' Report.

Non-Financial Material Operating Risks

The Company operates within a highly regulated, agricultural and pharmaceutical environment. The following matters represent the principal non-financial risks that may materially affect the Group's operations, reputation, growth prospects and financial performance. The risks described below are not exhaustive and may change as the business, market and regulatory environment evolve.

Risk Area	Mitigation
Regulatory Risk	○ ECS Botanics is licenced by the Therapeutic Goods Administration, the Office of Drug Control 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 regularly engages with the regulators and has open and productive dialogue at the highest level. ECS has been subject to announced and unannounced audits, which resulted in improvement recommendations by the auditors. The Group has a dedicated Regulatory Officer.
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. ○ Pollination of Cannabis by living cannabis plants cultivation results in seed formation and reduces the product quality. ECS has engaged with the local living cannabis plants producers to create a 25 km exclusion zone around the facility, including in NSW. ○ ECS maintains Insurance covering Public Liability and Product Liability up to $20 million. The Group also holds Product Recall and Product Contamination cover, each subject to policy limits and conditions. These insurances help mitigate the financial impact of product quality failures, contamination events and product recalls. Quality complaints are reviewed regularly by management and investigated in accordance with TGA requirements.
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 Group's operations. ○ The Group has a Safety Management Committee and reviews all identified hazards and incident reports. The Group undertakes on-the-job safety training and our safety procedures apply equally to contractors and staff. ○ The Group has identified all critical risks, including mental health and introduced Critical Risk Protocols which go above and beyond our standard safety policies and procedures. ECS

Directors' Report.

	is committed to protecting our employees and our environment from harm. ○ Additional risk is created by undertaking in-house construction of the PCE's. Risk assessments and additional safety protocols have been introduced for the construction team.
Competitive Risk	○ The medicinal cannabis industry is undergoing rapid growth, with increasing cultivation capacity across the sector which may lead to product oversupply and pricing pressure. The Group is actively working with industry bodies and the Office of Drug Control to mitigate this risk. ECS is mitigating the risk by diversifying its product portfolio to range between very medicinal products and more adult use as well as value brands to premium brands
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 Group is reducing this risk. ○ Loss of yield may adversely impact ECS' revenue, profit and business operations. ○ The Group maintains Farm Insurance covering key farm assets, machinery, infrastructure and selected farming operations. The Group has also expanded its Protected Cropping Environments (PCEs) to reduce exposure to weather events, pests and disease.
Manufacture and Supply Chain Risk	○ ECS relies on third parties to undertake certain manufacturing activities such as extraction, formulation and bottling. ○ ECS relies on domestic and international transportation providers to deliver products and raw materials. ECS maintains Marine Cargo and Transit Insurance covering domestic and international shipments. ○ Supply chain disruptions, transportation incidents or delays may adversely impact revenue, customer relationships and operational performance. The Group actively manages supplier and logistics relationships to reduce disruption risks and maintain continuity of supply.

The risks noted above are not intended to be a list of all risk factors that could impact the business of ECS.

The Group maintains a comprehensive insurance programme, including Public and Product Liability, Product Recall, Product Contamination, Cyber, Marine Transit, Farm and Corporate Travel insurance. The Board periodically reviews the adequacy of insurance coverage.

Directors' Report.

Debt Financing

NAB Corporate Market Loan Facility:
The Group has access to a facility of $5.2 million, of which $2.39 million was drawn at 30 June 2026, providing undrawn funding capacity of $2.81 million. Interest rate on the facility is BBSY + 3.40% (currently 7.747%).

NAB Revolving Asset Finance:
As at 30 June 2026, $4.42 million was drawn against a $4.8 million limit, leaving $376K available. On 1 July 2025, $2.19 million was transferred from the Trade Finance Facility following completion of seven PCEs. The Group repays the facility with monthly repayments of approximately $120K, which will continue to free up the facility for future Capex.

Cash

The Group held a cash balance of $1,693,447 as at 30 June 2026.

Financial Performance

The financial results of the Group for the year ended 30 June 2026 are:

	30-Jun-26 $	30-Jun-25 $
Cash and cash equivalents	**1,693,447**	373,597
Net assets/(liabilities)	**22,729,020**	22,627,487
Revenue including other income	**21,408,236**	19,522,833
Net loss before tax	**(1,030,406)**	(6,909,909)

Dividends

No dividends have been paid or declared by the Group since the end of the previous financial year.

No dividend is recommended in respect of the current financial year.

Significant Changes in the State of Affairs

There were no significant changes in The State of Affairs during the reporting period.

Events After Reporting Date

Management has reviewed events occurring after 30 June 2026 up to the date of authorisation of these financial statements. No subsequent events have occurred that require adjustment to, or disclosure in, these financial statements.

Board Appointments and Resignations

Ms. Rachel Swift joined the Group's Board on 1 October 2024 and resigned on 4 August 2025.

Directors' Report.

Directors' Meetings

The number of Directors' meetings held during the financial year and the number of meetings attended by each Director during the time the Director held office are:

Director	Number Eligible to Attend	Number Attended
Mr. Jeremy King	5	5
Mr. Michael Nitsche	5	5
Ms. Rachel Swift	1	1
Ms. Nan-Maree Schoerie	5	5

In addition to the scheduled Board meetings, Directors regularly communicate by telephone, email or other electronic means, and where necessary, circular resolutions are executed to effect decisions. Due to the size and scale of the Group, there is no Remuneration and Nomination Committee or Audit Committee at present. Matters typically dealt with by these Committees are, for the time being, managed by the Board. For details of the function of the Board, please refer to the Corporate Governance Statement.

Environmental Regulation

ECS Botanics Holdings Limited is subject to significant environmental regulation. The relevant authorities are kept updated and, to the best of the directors' knowledge and belief, all responsibilities under the regulations have been discharged and there have been no breaches of any environmental regulation.

Remuneration Report (Audited)

This remuneration report for the year ended 30 June 2026 outlines the remuneration arrangements of The Group in accordance with the requirements of the Corporations Act 2001 ("the Act") and its regulations. This information has been audited as required by section 308(3C) of the Act.

The Remuneration Report details the remuneration arrangements for Key Management Personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing, and controlling the major activities of The Group, directly or indirectly, including any Director (whether executive or otherwise) of the Parent company.

Key Management Personnel Disclosed in this Report

Key Management Personnel of the Group during the year:

Mr. Jeremy King	Non-Executive Chair
Mr. Michael Nitsche	Non-Executive Director
Ms. Rachel Swift	Non-Executive Director
Ms. Nan-Maree Schoerie	Managing Director
Mr. Xiao Dong (Arthur) Sun	Chief Financial Officer
Mr. Nicholas Thomas	Chief Operating Officer

*On 4 August 2025, Ms. Rachel Swift resigned to take up an executive role.

Directors' Report.

There have been no other changes after reporting date and up to the date that the financial report was authorised for issue.

The Remuneration Report is set out under the following main headings:

A	Remuneration Philosophy
B	Remuneration Governance, Structure and Approvals
C	Voting of shareholders at last year's Annual General Meeting
D	Details of Remuneration
E	Service Agreements
F	Share-based Compensation
G	Equity Instruments Issued on Exercise of Remuneration Options
H	Other Transactions with KMP

A. Remuneration Philosophy

KMP have authority and responsibility for planning, directing, and controlling the activities of the Group. KMP of the Group comprise of the Board of Directors, the Chief Financial Officer, and the Chief Operating Officer.

The Group's broad remuneration policy is to ensure the remuneration package reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining, and motivating people of the highest quality. No remuneration consultants were employed during the financial year.

B. Remuneration Governance, Structure and Approvals

The nature and amount of remuneration is collectively considered by the Board of Directors with reference to relevant employment conditions and fees commensurate to a company of comparable size and level of activity, with the overall objective of ensuring maximum stakeholder benefit from the retention of high performing Directors.

1. **Executive Remuneration Structure**
   The nature and amount of remuneration of executives are assessed on a periodic basis with the overall objective of ensuring maximum stakeholder benefit from the retention of high-performance Directors.

   The main objectives sought when reviewing executive remuneration are that the Group has:
   - Coherent remuneration policies and practices to attract and retain Executives;
   - Executives who will create value for shareholders;
   - Competitive remuneration offered benchmarked against the external market; and
   - Fair and responsible rewards to Executives having regard to the performance of the Group, the performance of the Executives and the general pay environment.
   - When Performance Rights are provided, the binomial and Monte Carlo option valuation models are used to value the Rights. The value of each Right was then multiplied by the number of Rights expected to vest to provide us with a valuation of each tranche. The probability of continuous employment was then applied to determine the number of Rights expected to vest.

Directors' Report.

2. Executive Remuneration Approvals

The Group aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within The Group and aligned with market practice. Executive contracts are reviewed annually by the Board, in the absence of a Remuneration Committee, for their approval. The process consists of a review of company, business unit and individual performance, relevant comparative remuneration internally and externally and where appropriate, external advice independent of management.

Executive remuneration and incentive policies and practices must be aligned with The Group's vision, values and overall business objectives. Executive remuneration and incentive policies and practices must be designed to motivate management to pursue The Group's long-term growth and success and demonstrate a clear relationship between The Group's overall performance and performance of the executives.

3. Non-executive Remuneration Approvals

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board of Directors. The Board of Directors may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The maximum annual aggregate remuneration is currently set at $300,000.

C. Voting of Shareholders at Last Year's Annual General Meeting

ECS Botanics Holdings Limited received 85% approval on its remuneration report for the 2026 financial year.

Directors' Report.

D. Details of Remuneration

Details of the nature and amount of each major element of the remuneration of each KMP of the Group during the financial year are:

Table 1 – Remuneration of KMP of the Group for the year ended 30 June 2026 is set out below:

	Short-term Employee Benefits				Post-Employment	Long - term benefits	Share Based Payments	Total
30-Jun-26	**Salary & fees**	**Other benefits**	**Non-monetary benefits**	**Annual Leave**	**Super-annuation**	**Long service leave**	**Performance rights**	
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Directors								
Jeremy King	80,000	-	-	-	9,600	-	-	89,600
Michael Nitsche	36,000	-	-	-	4,320	-	-	40,320
Nan Maree Schoerie	329,647	-	-	25,732	30,000	11,933	18,300	415,612
Rachel Swift*	5,208	-	-	-	625	-	-	5,833
Other KMP								
Xiao Dong (Arthur) Sun	238,525	-	-	18,618	28,623	5,004	41,168	331,939
Nicholas Thomas	247,144	31,280	-	18,901	29,657	1,026	33,431	361,439
Total	**936,524**	**31,280**	**-**	**63,252**	**102,825**	**17,963**	**92,899**	**1,244,743**

*On 1 October 2024, Ms. Rachel Swift was appointed as a non-executive director, she resigned on 4 August 2025.

During the reporting period ended 30 June 2026, The Group issued two tranches of Performance Rights totalling 10,000,000 Rights to the Chief Operating Officer. The Rights were issued on 20 January 2026. ECS management internally assessed the fair value of the Rights in accordance with AASB 2 Share-based Payment using a share price-based valuation methodology. As the vesting conditions are non-market performance conditions linked to EBITDA targets, expected vesting probabilities were incorporated into the valuation. The total grant-date fair value of the Rights was determined to be $47,018 of which $33,431 was expensed during this reporting period. The terms of the Rights issued and key valuation inputs used are summarised below:

Tranche G totalling 5,000,000 Rights subject to a non-market-based vesting condition. The number of Rights that vest is conditional on the Group achieving the FY2026 EBITDA target during the performance period ending 30 June 2026.

Tranche H totalling 5,000,000 Rights subject to a non-market-based vesting condition. The number of Rights that vest is conditional on the Group achieving EBITDA exceeding the FY2027 EBITDA target by 10% during the performance period ending 30 June 2027.

During the reporting period ended 30 June 2025 ECS issued two tranches of Rights totaling 7,500,000 to the Managing Director. The rights were approved on 21 November 2024. ECS management engaged an

Directors' Report.

independent valuer to measure the fair value of the rights issued. A total fair value has been determined of $95,696. The terms of the rights issued and key inputs used in the valuation have been summarised below:

Tranche E (MD) totalling 3,750,000 Rights subject to Market-based vesting condition - the number of rights that vest is conditional on ECS's 20-day VWAP Target share price of $0.024 during the performance period between 21 November 2024 and including 30 June 2026. This tranche lapsed as the vesting conditions were not achieved;

Tranche F (MD) totalling 3,750,000 Rights subject to Market-based vesting condition - the number of rights that vest is conditional on ECS's 20-day VWAP Target share price of $0.030 during the performance period between 21 November 2024 and including 30 June 2027;

During the reporting period ended 30 June 2024, ECS issued one tranche of Rights totaling 5,000,000 to the Chief Financial Officer. The rights were approved on 1 January 2024. ECS management engaged an independent valuer to measure the fair value of the rights issued. A total fair value has been determined of $102,981 of which $41,168 was expensed during this reporting period. The terms of the rights issued and key inputs used in the valuation have been summarised below:

Tranche E totalling 5,000,000 Rights subject to a non-market based vesting condition - the number of rights that vest is conditional upon the recipients continued service with The Group from the issue date up to and including 1 July 2026;

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of rights granted	Grant date	Vesting status by class	Expiry date	Share price hurdle for vesting	Fair value per right at grant date
Nan-Maree Schoerie	3,750,000	21-Nov-2024	F (MD)	30-Jun-2027	$0.030	$0.0127
Xiao Dong (Arthur) Sun	5,000,000	01-Jan-2024	E	01-Jul-2026	-	$0.0206
Nicholas Thomas	5,000,000	20-Jan-2026	G	01-Nov-2028	-	$0.0055
Nicholas Thomas	5,000,000	20-Jan-2026	H	01-Nov-2028	-	$0.0039

Directors' Report.

Table 2 – Remuneration of KMP of the Group for the year ended 30 June 2025 is set out below:

	Short-term Employee Benefits				Post-Employment	Long - term benefits	Share Based Payments	Total
30-Jun-25	**Salary & fees**	**Other benefits**	**Non-monetary benefits**	**Annual Leave**	**Super-annuation**	**Long service leave**	**Performance rights**	
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Directors								
Jeremy King	76,250	-	-	-	8,769	-	-	85,019
Michael Nitsche	36,000	-	-	-	4,140	-	-	40,140
Nan Maree Schoerie	376,903	-	-	(26,409)	38,754	18,278	29,271	436,796
Rachel Swift*	47,085	-	-	-	5,415	-	-	52,500
Other KMP								
Xiao Dong (Arthur) Sun	240,274	-	-	2,433	27,631	3,829	41,168	315,335
Nicholas Thomas**	189,726	31,600	-	12,096	21,819	182	-	255,423
Total	**966,238**	**31,600**	**-**	**(11,880)**	**106,528**	**22,289**	**70,439**	**1,185,214**

*On 1 October 2024, Ms. Rachel Swift was appointed as a non-executive director, she resigned on 4 August 2025.
**On 23 September 2024, Mr. Nicholas Thomas was appointed as Chief Operating Officer.

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense in the tables above.

Directors' Report.

Table 3 – Relative proportion of fixed vs variable remuneration expense:

	Fixed Remuneration		At Risk – STI (%)		At Risk – LTI (%)	
	2026	2025	2026	2025	2026	2025
Directors						
Jeremy King	100%	100%	-	-	-	-
Michael Nitsche	100%	100%	-	-	-	-
Nan Maree Schoerie	93%	89%	-	-	7%	11%
Rachel Swift	100%	100%	-	-	-	-
Other KMP						
Xiao Dong (Arthur) Sun	86%	86%	-	-	14%	14%
Nicholas Thomas	90%	100%	-	-	10%	-

	Fixed Remuneration		At Risk – STI (%)		At Risk – LTI (%)	
	2025	2024	2025	2024	2025	2024
Directors						
Jeremy King	100%	71%	-	-	-	29%
Michael Nitsche	100%	100%	-	-	-	-
Nan Maree Schoerie	89%	71%	-	-	11%	29%
Rachel Swift	100%	-	-	-	-	-
Other KMP						
Xiao Dong (Arthur) Sun	86%	92%	-	-	14%	8%
Nicholas Thomas	100%	-	-	-	-	-

Table 4 – Shareholdings of KMP (direct and indirect holdings)

30 June 2026	Balance at 01/07/2025	Granted as Remuneration	On Exercise of Options	Net Change – Other	Balance at 30/06/2026
Directors					
Jeremy King	6,098,485	-	-	-	6,098,485
Michael Nitsche	-	-	-	-	-
Nan Maree Schoerie	121,166,667	-	-	-	121,166,667
Rachel Swift	-	-	-	-	-
Other KMP					
Xiao Dong (Arthur) Sun	-	-	-	-	-
Nicholas Thomas	-	-	-	-	-
Total	**127,265,152**	**-**	**-**	**-**	**127,265,152**

Directors' Report.

Table 5 – Performance rights of KMP (direct and indirect holdings)

30 June 2026	Balance at 01/07/2025	Granted as Remuneration	Expired/Elapsed Performance Rights	Converted Performance Rights	Balance at 30/06/2026
Directors					
Jeremy King	-	-	-	-	-
Michael Nitsche	-	-	-	-	-
Nan Maree Schoerie	7,500,000	-	(3,750,000)	-	3,750,000
Rachel Swift	-	-	-	-	-
Other KMP					
Xiao Dong (Arthur) Sun	5,000,000				5,000,000
Nicholas Thomas	-	10,000,000	-	-	10,000,000
Total	**12,500,000**	**10,000,000**	**(3,750,000)**	**-**	**18,750,000**

Table 6 – Unquoted option holdings of KMP (direct and indirect holdings)

30 June 2026	Balance at 01/07/2025	Granted as Remuneration	On Exercise of Options	Net Change – Other	Balance at 30/06/2026
Directors					
Jeremy King	10,000,000	-		-	10,000,000
Michael Nitsche	-	-	-	-	-
Nan Maree Schoerie	10,000,000	-	-	-	10,000,000
Rachel Swift	4,500,000	-	-	(4,500,000)	-
Other KMP					
Xiao Dong (Arthur) Sun	-	-	-	-	-
Nicholas Thomas	-	-	-	-	-
Total	**24,500,000**	**-**	**-**	**(4,500,000)**	**20,000,000**

*On 4 August 2025, Ms. Rachel Swift resigned, and the 4,500,000 options were cancelled.

Directors' Report.

E. Service Agreements

1. Jeremy King – Non-Executive Chair

- Contract: Commenced on 8 May 2019
- Director's Fee: $80,000 plus superannuation per annum
- Term: Appointment as a Non-Executive Director is in accordance with the Constitution of the Company and subject in particular to the provisions dealing with retirement by rotation and the various provisions relating to the election of directors
- Termination: in accordance with the Constitution of the Company

2. Michael Nitsche – Non-Executive Director

- Contract: Commenced on 8 May 2019
- Director's Fee: $36,000 plus superannuation per annum
- Term: Appointment as a Non-Executive Director is in accordance with the Constitution of the Company and subject in particular to the provisions dealing with retirement by rotation and the various provisions relating to the election of directors
- Termination: in accordance with the Constitution of the Company

3. Rachel Swift – Non-Executive Director

- Contract: Commenced on 1 October 2024
- Director's Fee: $70,000 including superannuation per annum
- Term: Appointment as a Non-Executive Director is in accordance with the Constitution of the Company and subject to the provisions dealing with retirement by rotation and the various provisions relating to the election of directors
- Termination: On 4 August 2025 Ms. Rachel Swift resigned from the Company's board.

4. Nan Maree Schoerie – Managing Director

- Contract: Commenced on 15 March 2021
- Salary and fees: $334,518 plus superannuation per annum
- Term: 12 months from the commencement date with extended term options
- Termination: On termination, the executive is entitled to be paid any outstanding amounts owing up until the termination date. The executive does not have any entitlement to payment related to the unexpired portion of the term as at the date of termination

5. Xiao Dong (Arthur) Sun – Chief Financial Officer

- Contract: Commenced on 14 April 2022
- Salary and fees: $242,050 plus superannuation per annum
- Term: 12 months from the commencement date with extended term options
- Termination: On termination, the executive is entitled to be paid any outstanding amounts owing up until the termination date. The executive does not have any entitlement to payment related to the unexpired portion of the term as at the date of termination

6. Nicholas Thomas – Chief Operating Officer

- Contract: Commenced on 23 September 2024
- Salary and fees: $246,637 plus superannuation per annum
- Term: 12 months from the commencement date with extended term options
- Termination: On termination, the executive is entitled to be paid any outstanding amounts owing up until the termination date. The executive does not have any entitlement to payment related to the unexpired portion of the term as at the date of termination

Directors' Report.

F. Share-based Compensation

The Group rewards Directors for their performance and aligns their remuneration with the creation of shareholder wealth by issuing share options and rights. Share-based compensation is at the discretion of the Board and no individual has a contractual right to receive any guaranteed benefits.

During this reporting period ended 30 June 2026, The Group issued two tranches of Performance Rights totalling 10,000,000 Rights to the Chief Operating Officer. The Rights were issued on 20 January 2026. As the vesting conditions are non-market performance conditions linked to EBITDA targets, one tranche of 5,000,000 Rights is subject to the FY2026 EBITDA, and the other tranche is subject to the FY2027 EBITDA.

During the reporting period ended 30 June 2025, The Group issued two tranches of Performance Rights totalling 3,750,000 to the Managing Director, one tranche of 3,750,000 Rights expiring on 30 June 2026 which lapsed during this reporting period as the vesting conditions were not achieved, and the other expiring on 30 June 2027.

On 16 December 2024, a total of 24,500,000 unquoted options were issued as director incentives, with an exercise price of $0.024 and an expiry date of 31 December 2029. On 4 August 2025, the 4,500,000 options were cancelled as Ms. Rachel Swift resigned.

Additional information:

	2026	2025	2024	2023	2022
	$	$	$	$	$
Revenue	21,408,236	19,522,833	20,498,655	15,673,715*	5,613,739*
EBITDA	553,312	(5,207,975)	3,220,099	1,375,045	919,128
EBIT	(544,204)	(6,646,674)	1,845,176	1,002,094	(339,792)
Profit/(Loss) after income tax	(1,905,191)	(5,733,099)	1,915,564	(81,759)	(1,103,293)

*Revenue from continuing operations.

	2026	2025	2024	2023	2022
Share price at financial year end ($)	0.004	0.010	0.017	0.023	0.023
Total dividends declared	-	-	-	-	-
Basic earnings/(loss) per share (cents per share)	(0.1309)	(0.4435)	0.1640	(0.0074)	(0.1084)

Directors' Report.

G. Equity Instruments Issued on Exercise of Remuneration Options

No remuneration options or performance rights were exercised during the financial year.

H. Other Transactions with KMP

	30-Jun-26	30-Jun-25
	$	$
The following transactions occurred with related parties:		
Mirador Corporate Pty Ltd[(i)]	86,468	83,213
Pharmout[(ii)]	41,533	90,295
Qiksolve Pty Ltd[(iii)]	84,752	52,366
Total	**212,753**	**225,874**

i. Mirador Corporate Pty Ltd was paid for company secretarial to the Group, of which Jeremy King is a director.
ii. PharmOut was paid for regulatory advice and contract labour, an entity owned by a close family member of Nan-Maree Schoerie. During the period, the Group paid Pharmout $9,087 for regulatory advice and $32,446 for contract labour.
iii. Qiksolve Pty Ltd was paid for IT services, an entity owned by a close family member of Nan-Maree Schoerie.

Transactions occurring during the year are based on normal commercial terms and conditions and at an arms-length basis. There were no other transactions with KMP during the year ended 30 June 2026.

End of Audited Remuneration Report.

Directors' Report.

Shares under option

Unissued ordinary shares of ECS Botanics Holdings Ltd under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
21 Nov 2024	31 Dec 2029	$0.024	20,000,000
13 Nov 2025	15 Jun 2028	$0.011	14,500,000

At the end of this reporting period 30 June 2026, a total of 20,000,000 unquoted options were issued as director incentives, with an exercise price of $0.024 and an expiry date of 31 December 2029.

On 13 November 2025, 14,500,000 options were recognised for the Lead Manager and held by GBA Capital Pty Ltd and Canaccord Genuity (Australia) Limited with an exercise price of $0.011 and an expiry date of 15 June 2028.

As at the date of this report, no previously granted options have been exercised.

Indemnification And Insurance of Officers and Auditors

The Group has indemnified the Directors and Executives of the Group for costs incurred, in their capacity as a Director or Executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Group paid a premium in respect of a contract to ensure the Directors and Executives of the Group against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor.

During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

Officers of the Group who are former directors of RSM

There are no officers of the Group who are former directors at RSM Australia Pty Ltd.

Proceedings on behalf of the Group

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

Directors' Report.

Non-audit Services

Details of the amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 27 to the financial statements.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 and APES 110 Code of Ethics for Professional Accountants (including Independence Standards).

The Directors are satisfied that the provision of non-audit services by the auditors, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

i) All non-audit services have been reviewed by the Board of Directors to ensure they do not impact the impartiality and objectivity of the auditor; and

ii) None of the services undermine the general principles relating to the auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (Including Independence Standards).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2026 has been received and included within these financial statements. A copy of the auditor's independence declaration as required under section 307C of the ***Corporations Act 2001*** is set out on page 36.

Managing Director and CFO declaration

Managing Director and CFO have given a declaration to the Board concerning the Group's financial statements under section 295A(2) of the Corporations Act 2001 and recommendation 4.2 [GF1] of the ASX Corporate Governance Council Corporate Governance Principles and Recommendations (4th edition) regarding the integrity of the financial statements.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

Nan-Maree Schoerie

Managing Director
28 August 2026

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of ECS Botanics Holdings Ltd and its controlled entities for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

B Y CHAN
Partner

Dated: 28 August 2026
Melbourne, Victoria

Consolidated Statement of Profit or Loss and Other Comprehensive Income.

	Note	2026 $	2025 $
Revenue from continuing operations			
Revenue	3	**21,018,359**	19,363,143
Other income		**389,877**	159,690
Expenses			
Cost of sales	4	**(15,144,414)**	(13,664,478)
Employment and consulting	4	**(5,236,871)**	(6,120,954)
Inventory impairment	9	**(2,523,096)**	(4,884,471)
Corporate expenses	4	**(2,520,491)**	(2,112,547)
Selling and distribution expenses	4	**(2,159,745)**	(1,088,681)
Impairment loss on trade receivables and contract assets	7	**(824,303)**	-
Finance costs		**(514,742)**	(314,239)
Research and development expenses		**(82,818)**	(123,370)
Impairment loss on intangible assets and goodwill		**-**	(2,939,014)
Fair-Value gain on biological assets	10	**6,567,838**	4,815,011
(Loss) before income tax		**(1,030,406)**	**(6,909,909)**
Income tax (expense)/benefit	5	(874,785)	1,176,810
(Loss) from continuing operations		**(1,905,191)**	**(5,733,099)**
Other comprehensive income			
Other comprehensive income/(loss) for the period, net of tax		**-**	-
Other comprehensive income/(loss) for the period, net of tax		-	-
Total comprehensive (loss) attributable to the members of the Group		**(1,905,191)**	**(5,733,099)**
(Loss) per share from continuing operations attributable to the members of the Group			
Basic (loss) per share (cents)	20	**(0.1309)**	(0.4435)
Diluted (loss) per share (cents)	20	**(0.1309)**	(0.4435)
(Loss) per share for the year attributable to the members of the Group			
Basic (loss) per share (cents)	20	**(0.1309)**	(0.4435)
Diluted (loss) per share (cents)	20	**(0.1309)**	(0.4435)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Position.

	Note	30-Jun-26 $	30-Jun-25 $
Assets			
Current assets			
Cash and cash equivalents	6	**1,693,447**	373,597
Trade and other receivables	7	**1,892,808**	2,341,422
Deposits and advances	8	**471,162**	1,158,815
Inventory	9	**14,349,966**	14,840,214
Biological assets	10	**411,918**	202,939
Total current assets		**18,819,301**	**18,916,987**
Non-current assets			
Property, plant and equipment	11	**11,765,781**	11,924,971
Intangible assets	12	**144,220**	-
Other non-current trade receivables	7	**457,992**	1,474,092
Deferred tax assets	5	**452,454**	1,327,239
Total non-current assets		**12,820,447**	**14,726,302**
Total assets		**31,639,748**	**33,643,289**
Liabilities			
Current liabilities			
Trade and other payables	13	**1,435,594**	3,267,745
Borrowings	14	**2,389,179**	4,678,270
Employee provisions	15	**319,831**	308,233
Contract liabilities	16	**160,764**	497,585
Hire purchase liability	17	**1,154,968**	553,462
Total current liabilities		**5,460,336**	**9,305,295**
Non-current liabilities			
Employee provisions	15	**113,612**	61,401
Hire purchase liability	17	**3,336,780**	1,649,106
Total non-current liabilities		**3,450,392**	**1,710,507**
Total liabilities		**8,910,728**	**11,015,802**
Net Assets		**22,729,020**	**22,627,487**
Equity			
Contributed equity	18	**38,584,926**	36,667,054
Share based payments reserves	19	**381,265**	317,219
Accumulated losses		**(16,237,171)**	(14,356,786)
Total equity		**22,729,020**	**22,627,487**

The Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity.

	Note	Issued Capital	Reserves	Accumulated Losses	Total
		$	$	$	$
At 1 July 2025		**36,667,054**	**317,219**	**(14,356,786)**	**22,627,487**
Loss for the year		-	-	(1,905,191)	(1,905,191)
Total comprehensive loss for the year after tax		-	-	**(1,905,191)**	**(1,905,191)**
Transactions with owners in their capacity as owners:					
Issue of share capital (net of costs)		1,828,000	-	-	1,828,000
Share-based payments movements	19	89,872	64,046	24,806	178,724
Balance at 30 June 2026		**38,584,926**	**381,265**	**(16,237,171)**	**22,729,020**

	Note	Issued Capital	Reserves	Accumulated Losses	Total
		$	$	$	$
At 1 July 2024		**36,532,054**	**415,322**	**(8,734,850)**	**28,212,526**
Loss for the year		-	-	(5,733,099)	(5,733,099)
Total comprehensive income (loss) for the year after tax		-	-	**(5,733,099)**	**(5,733,099)**
Transactions with owners in their capacity as owners:					
Share-based payments movements	19	135,000	(98,103)	111,163	148,060
Balance at 30 June 2025		**36,667,054**	**317,219**	**(14,356,786)**	**22,627,487**

The Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows.

	Note	2026 $	2025 $
Cash flows from operating activities			
Receipts from customers		**20,973,076**	18,553,838
Payment to suppliers and employees		**(19,977,571)**	(23,336,697)
Interest received		**21**	5,182
Interest paid		**(483,197)**	(294,548)
Net cash inflow/(outflow) from operating activities	6(a)	**512,330**	**(5,072,225)**
Cash flows from investing activities			
Purchase of PPE		(1,020,569)	(3,568,642)
Net cash outflow from investing activities		**(1,020,569)**	**(3,568,642)**
Cash flows from financing activities			
Proceeds from borrowings		**981,523**	6,282,230
Proceeds from the issue of shares (net of costs)		**1,828,000**	-
Lease repayments		**(981,434)**	(425,274)
Net cash inflow from financing activities		**1,828,089**	**5,856,955**
Net (decrease) / increase in cash and cash equivalents		**1,319,850**	**(2,783,912)**
Cash and cash equivalents at the beginning of the period		**373,597**	3,157,509
Cash and cash equivalents at the end of the period	6	**1,693,447**	**373,597**

The Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

Notes to The Consolidated Financial Statements.

NOTE 1
Material Accounting Policy Information

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

a) Reporting Entity

ECS Botanics Holdings Limited (referred to as "ECS" or the "Group") is a Group domiciled in Australia. The address of the Group's registered office and principal place of business is disclosed in the Corporate Directory of the Annual Report. The financial statements are presented in Australian dollars, which is ECS Botanics Holdings Limited's functional and presentation currency.

b) Basis of Preparation

Statement of compliance
The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. The financial statements comply with International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards Board ("IASB"). ECS Botanics Holdings Limited is a for-profit entity for the purpose of preparing the financial statements.
The annual report was authorised for issue by the Board of Directors on 28 August 2026.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

For the year ended 30 June 2026, the Group reported a loss after income tax of $1,905,191, primarily due to non-cash impairment charges of $2,523,096 for inventories (Note 9) and $824,303 for trade and other receivables (Note 7). These impairments reflect management's decision to reset the carrying values of certain products and receivables following declines in market prices, sales volumes and recoverability in certain market segments. Excluding these non-cash impairments, the Group generated a positive result of $1,442,208.

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The Group has prepared cash flow forecasts for the period of at least 12 months from the date of this report, which indicate that its ongoing operations are expected to generate positive operating cash flows, enabling the Group to meet its obligations as and when they fall due. This is supported by the fact that the Group's operating cash flows improved significantly, from a net outflow of $5,072,225 in FY2025 to a net inflow of $512,330 in FY2026. During the year, the Group also raised $1.83 million, net of transaction costs, through the issue of shares, further strengthening its liquidity position.

- The Group maintains a corporate market loan facility with National Australia Bank (NAB) of $5.2 million to support its working capital requirements. As at 30 June 2026, $2.39 million of the facility

Notes to The Consolidated Financial Statements.

NOTE 1
Material Accounting Policy Information

had been utilised, leaving $2.81 million of available undrawn funding. The facility is scheduled to expire on 30 July 2027.

The Directors have considered the Group's longstanding banking relationship with NAB, its historical support of the Group, and the Group's compliance with its covenants and undertakings to date. Based on these factors, the Directors believe the Group will continue to receive ongoing banking support and that the facility will be renewed or replaced prior to its expiry.

The Directors have assessed the Group's forecast cash flows for at least twelve months from the date of approval of these financial statements, taking into consideration:

- forecast growth in B2C and export sales, including further development of the EU market and ECS Banded products;
- the improvement in operating cash flow and completion of major capital projects, providing additional capacity to support future revenue and cash generation;
- increased in-house production, reducing the need for external flower purchases; and
- the Group's ability to manage discretionary and capital expenditure in line with trading performance.

Based on this assessment, the Directors concluded that the Group has sufficient resources to continue operations and meet its obligations as they fall due for at least 12 months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

Accounting Policies
The accounting policies are consistent with those applied in the previous financial year.

Significant Judgements and Estimates
The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

c) Comparatives

Comparative balances for the Group are for the financial year 1 July 2024 to 30 June 2025.

d) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board.

e) Principles of Consolidation

Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of ECS Botanics Holdings Limited ('Group' or 'parent entity') as at 30 June 2026 and the results of all subsidiaries

Notes to The Consolidated Financial Statements.

NOTE 1
Material Accounting Policy Information

for the year then ended. ECS Botanics Holdings Limited and its subsidiaries together are referred to in this financial report as the consolidated entity.

Subsidiaries are all entities (including special purpose entities) over which the consolidated entity has the power to govern the financial and operating policies, generally Grouping a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the consolidated entity controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between consolidated entity companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition method of accounting is used to account for business combinations by the consolidated entity. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

f) Revenue Recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised over time.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Notes to The Consolidated Financial Statements.

NOTE 1
Material Accounting Policy Information

Sale of goods – medicinal cannabis and related products

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

The Group sells a variety of medicinal cannabis and related products to the wholesale market. These sales relate to both the manufacture and distribution of products grown and manufactured by the Group.

Rendering of services – cultivation and processing services

The Group derives revenue from processing services to various parties. Revenue from a contract processing service is recognised at point in time on delivery.

Grant funding

Flood supports, Research and Development (R&D) Grant, EMDG, Manufacturing Grant, and Government labour assistance are recognised where there is reasonable assurance that the entity will comply with the conditions attached to the grants and that the grants will be received.

g) Property, Plant and Equipment

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

The depreciable amount of all fixed assets is depreciated on a straight-line basis or diminishing value (whichever is more appropriate) over their useful lives to the entity commencing from the time the asset is held ready for use.

Land and buildings are recognised at historical cost on initial purchase, management review the value booked at each reporting date for impairment indicators.

The effective lives used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation rate
Buildings	2.5%

Class of Fixed Asset	Useful life
Irrigation systems	20 years
Other farm assets	5-20 years
Property plant and equipment	10-30 years
Motor vehicles	4 years
Office equipment	5 years
Computer equipment	3 years
Minor Assets <$1,000	immediately recognised as an expense

h) Biological assets

The Group's biological assets consist of the living cannabis plants growth accounted for in accordance with AASB 141 Agriculture. The Group measures the biological assets in accordance with AASB 141 Agriculture

Notes to The Consolidated Financial Statements.

NOTE 1
Material Accounting Policy Information

at fair value less costs to sell up to the point of harvest, which becomes the basis for the cost of finished goods within inventories. Fair value is determined based on future cash flows of the in process biological assets less costs to complete. Cost to sell include post-harvest production, shipping and fulfillment costs.

Where the biological assets cannot be reliably measured at fair value during the in-process (growth) stage the biological asset is measured at its cost less any accumulated depreciation and accumulated impairment losses. Once the fair value becomes reliably measurable (deemed to be the point of harvest) the Group measures the biological assets at their fair value less costs to sell as noted above.

i) Inventories

Inventories are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable. Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of the living cannabis plants seeds are transferred from biological assets, in which they are held at fair value less costs to sell as at the date of harvest.

j) Intangible assets

Intangible assets are recognised at cost less any accumulated amortisation and impairment losses. They are amortised over their estimated useful lives of 10 years. To maintain the Group's licences, they are subject to routine inspections throughout the licence period whereby the Group is required to comply with the regulations of the licences' governing bodies.

Water rights are recognised as intangible assets when it is probable that future economic benefits attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Following initial recognition, water rights are carried at fair value less any subsequent accumulated amortisation and impairment losses. Fair value is determined by reference to market evidence of recent transactions for comparable water entitlements and other observable market inputs, where available. Increases in the carrying amount arising on revaluation are recognised in other comprehensive income and accumulated in the revaluation reserve, except to the extent that they reverse a previous revaluation decrease recognised in profit or loss. Decreases arising from revaluation are recognised in profit or loss to the extent that they exceed any existing revaluation surplus relating to the same asset.
Water rights measured at fair value are classified within the fair value hierarchy in accordance with AASB 13 Fair Value Measurement.

k) Fair value

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and assumes that

Notes to The Consolidated Financial Statements.

NOTE 1
Material Accounting Policy Information

the transaction will take place either in the principal market or, in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into the following fair value hierarchy:

- **Level 1**: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2**: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- **Level 3**: unobservable inputs for the asset or liability.

The level within the fair value hierarchy is determined based on the lowest level input that is significant to the fair value measurement. Details of the level within the fair value hierarchy applicable to the Group's assets and liabilities measured at fair value are disclosed in the relevant notes to the financial statements.

Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement. For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, including verification of the major inputs applied in the latest valuation and comparison, where applicable, with external sources of data.

l) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Where an impairment loss subsequently reverses, the carrying amount of the asset, other than goodwill, is increased to the revised estimate of its recoverable amount, but only to the extent the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

m) Goodwill

Goodwill represents the excess of purchase consideration over the fair value of the identifiable net assets at the time of acquisition of a combination. When the excess is negative (bargain purchase), it is recognised immediately in profit or loss.

Goodwill is not amortised, Instead, Goodwill is tested for impairment at each reporting date or more frequently if events or circumstances indicate that might be impaired, and it carried at costs less

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NOTE 1
Material Accounting Policy Information

accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of Goodwill relating the entity sold.

Goodwill is allocated to each of the cash-generating units for the purposes of impairment testing. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates to (refer Note 12). Impairment losses on goodwill cannot be reversed.

n) Share-based payments

Equity-settled share-based compensation benefits are provided to employees, directors, and the lead manager. Equity-settled transactions are awards of shares, or options over shares, or rights over shares that are provided to employees and directors in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Monte-Carlo pricing model that takes into account the exercise price, the term, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free rate for the term of the option and the rights, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

o) Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of

Notes to The Consolidated Financial Statements.

NOTE 1
Material Accounting Policy Information

ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

p) New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Certain new accounting standards and interpretations have been issued but are not mandatory for the year ended 30 June 2026 and have not been early adopted by the Group.

AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 replaces AASB 101 Presentation of Financial Statements and introduces new requirements for the presentation and disclosure of information in general purpose financial statements. Key changes include:

new mandatory subtotals in the statement of profit or loss, including operating profit and profit before financing and income taxes;
enhanced requirements for the aggregation and disaggregation of information;
disclosure of certain management-defined performance measures; and
consequential amendments to other accounting standards.

AASB 18 is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The Group is currently assessing the impact of the standard on its financial statement presentation and disclosures. The Group does not expect the adoption of AASB 18 to have a material impact on its financial position or financial performance, although it may affect the presentation and disclosure of financial information within the financial statements.

Notes to The Consolidated Financial Statements.

NOTE 2
Critical Accounting Estimates And Judgements And Assumption

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The critical accounting judgements, estimates and assumptions that are likely to affect the current or future balances are detailed below;

Share based payments

The consolidated entity measures the cost of equity-settled transactions with employees and service providers by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using an appropriate valuation model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. The assumptions and models used for estimating the fair value of share-based payments transactions are disclosure in Note 19.

Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the consolidated entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, and forward-looking information that is available. The allowance for expected credit losses, as disclosed in Note 7 is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Notes to The Consolidated Financial Statements.

NOTE 2

Critical Accounting Estimates And Judgements And Assumption

Fair value measurement of biological assets

The Group measures biological assets at fair value less costs to sell in accordance with AASB 141 Agriculture. The determination of fair value requires management to apply significant estimates and judgements, including expected yields, stage of growth, anticipated selling prices, estimated costs to complete and sell, and the expected timing of harvest and sale. These assumptions are reviewed at each reporting date and updated based on the most recent operational information, market data and other relevant available evidence. Changes in these assumptions may result in a material adjustment to the carrying amount of biological assets and the related fair value gains or losses recognised in profit or loss.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. In calculating final inventory values, management is required to determine an estimate of spoiled or expired inventory and compares the inventory cost to estimated net realisable value. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Notes to The Consolidated Financial Statements.

NOTE 3
Revenue

Revenue	**30-Jun-26**	**30-Jun-25**
	$	**$**
Wholesale sales	21,018,359	19,363,143
	21,018,359	19,363,143

	30-Jun-26	**30-Jun-25**
Revenue by geographical location	**$**	$
Australia	16,187,761	14,470,317
Overseas	4,830,598	4,892,826
Total	**21,018,359**	**19,363,143**

All revenue generated for FY2026 was recognised at point in time on delivery of goods or services.

During the year ended 30 June 2026, 67% (2025: 26%) of the Group's external revenue was derived from major customers within the Medicinal Cannabis segment, each with revenue amounting to 10% or more of total revenue as follows:

Customer	**FY2026**	**FY2025**
Group G	26%	16%
Group J	15%	1%
Group A	14%	9%
Group I	12%	9%
Other	33%	65%
	100%	100%

NOTE 4
Expenses

	30-Jun-26	**30-Jun-25**
	$	**$**
Cost of products or raw materials	(15,058,972)	(13,570,074)
Wages and superannuation	(4,517,378)	(5,468,926)
Selling and distribution expenses	(2,159,745)	(1,088,681)
Depreciation and amortisation expense	(1,097,516)	(1,438,699)
Administration	(926,263)	(446,972)
Professional fees	(915,647)	(566,093)
Share based payment expense	(178,724)	(148,060)
Directors' fees	(121,833)	(164,750)
Consumable & processing costs	(85,442)	(94,405)
Total	**(25,061,520)**	**(22,986,660)**

Notes to The Consolidated Financial Statements.

NOTE 5
Income Tax

	30-Jun-26 $	30-Jun-25 $
(a) The components of tax expense comprise:		
Current tax expense	-	-
Deferred tax (benefit)	874,785	(1,176,810)
Recognition of opening deferred tax asset, including tax losses*	-	-
Income tax (benefit) reported in the statement of profit or loss and other comprehensive income	**874,785**	**(1,176,810)**

	30-Jun-26 $	30-Jun-25 $
(b) The prima facie tax on loss from ordinary activities before tax is reconciled to the income tax as follows:		
Profit/(loss) before income tax expense	(1,030,406)	(6,909,909)
Prima facie tax expense/(benefit) on profit before income tax at 25%	(257,601)	(1,727,477)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share Based Payments	44,681	37,015
License Amortisation	-	80,739
Impairment loss on Intangible and Goodwill	-	734,754
Impairment loss on trade receivables and contract assets	206,077	-
Other	6,844	57,775
Recognition of opening deferred tax asset, including tax losses*	-	-
Recognition of losses	-	(110,583)
Impairment of deferred tax asset	874,785	-
Prior year adjustment	2,639	(249,033)
Income tax (benefit)/expense reported in the statement of profit or loss and other comprehensive income	**874,785**	**(1,176,810)**
Reconciliation of deferred tax balances		
Opening balance at the beginning of the reporting period	1,327,239	150,429
Recognition of opening deferred tax asset, including tax losses*	-	-
Recognition of Business-related costs	-	-
Transfer to tax benefit/(expense)	(874,785)	1,176,810
Transfer to equity cost	-	-
Closing balance at the end of the reporting period	**452,454**	**1,327,239**
Deferred tax assets and liabilities not recognised		
Tax losses	12,559,929	12,003,471
Capital losses	74,348	74,348
Net deferred tax asset not recognised*	**12,634,277**	**12,077,818**

*At 30 June 2026, the Group has unused tax losses of $50,537,108 for which no deferred tax asset has been recognised. The potential tax benefit of these losses is $12,634,277.

The deferred tax asset in respect of these losses has not been recognised, consistent with prior year, because the Group has a history of tax losses and there is insufficient evidence that future taxable profits will be available against which the losses can be utilised. The losses are subject to the Group continuing to satisfy the relevant requirements of Australian tax legislation.

Notes to The Consolidated Financial Statements.

NOTE 6
Cash and Cash Equivalents

	30-Jun-26	30-Jun-25
	$	$
Cash at bank	1,693,447	373,597

Cash at bank earns interest at floating rates based on daily deposit rates.
The Group's exposure to interest rate and credit risks is disclosed in Note 22.

	30-Jun-26	30-Jun-25
a) Reconciliation of net loss after tax to net cash flows from operations	**$**	**$**
Profit/(Loss) for the financial year	**(1,905,191)**	**(5,733,099)**
Adjustments for Non-Cash Items:		
Revenue	(146,662)	-
Cost of Goods Sold	5,266,584	(3,280,723)
Depreciation and amortisation	1,097,516	1,438,699
R&M Allocation to plant and equipment	(144,214)	(515,750)
Interest	3,005	
Share based payments	178,724	148,060
Inventory write-off	2,511,118	4,884,471
Fair-Value gain on biological assets	(6,567,838)	(4,815,011)
Impairment loss on intangible assets and goodwill	-	2,939,014
Impairment loss on trade receivables and contract assets	824,303	-
Changes in assets, liabilities, and equity		
(Increase) / decrease in receivables	(224,855)	(790,070)
(Increase) / decrease in deposits and advances	632,316	507,997
(Increase) / decrease in inventory and biological assets	281,269	(1,971,850)
(Increase) / decrease in plant and equipment	-	(3,377,211)
(Increase) / decrease in Intangible	-	322,957
(Increase) / decrease in deferred tax assets	874,785	(1,176,810)
Increase / (decrease) in payables	(1,741,682)	299,640
Increase / (decrease) in Borrowings	-	4,678,270
Increase / (decrease) in Provisions and other liabilities	(426,848)	1,369,191
Net cash (used in)/from operating activities	**512,330**	**(5,072,225)**

Notes to The Consolidated Financial Statements.

NOTE 7
Trade and Other Receivables

	30-Jun-26 $	30-Jun-25 $
Trade receivables	**1,618,691**	2,070,160
Other trade receivables*	**245,362**	131,026
Other receivables	**28,756**	140,236
	1,892,808	**2,341,422**

Other Non-current trade receivables

	30-Jun-26 $	30-Jun-25 $
Other Non-current trade receivables*	**$457,992**	**$1,474,092**

Included in Other Trade Receivables is an amount arising from a commercial arrangement entered into in a prior period. During the year ended 30 June 2026, management reassessed the recoverability of this receivable and recognised an impairment loss of $824,303, reflecting management's estimate of the recoverable amount at 30 June 2026.

*Following recognition of the impairment, the carrying amount of the receivable at 30 June 2026 was $703,354. $245,362 is included in Trade and Other Receivables and $457,992 is included in Other Non-current trade receivables.

Allowance for expected credit loss

Trade receivables past due but not considered impaired are $7,395 (2025: $25,360). Information about the Group's exposure to credit risk is provided in Note 22.

On that basis, the loss allowance as at 30 June 2026 was determined as follows:

30 June 2026	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
Expected loss rate	-	-	-	-	-	-
Gross carrying amount – trade receivables $	1,611,296	-	-	-	7,395	1,618,691

The Group recognised an expected credit loss allowance of $824,303 during the year relating to the recoverability of Other trade receivables. No expected credit loss allowance had been recognised in prior periods. The impairment expense was recognised in profit or loss during the year.

Expected Credit Loss Allowance Reconciliation

	30-Jun-26 $	30-Jun-25 $
Expected Credit Loss Allowance		
Opening balance	**-**	**-**
Increase in expected credit loss recognised in profit or loss	824,303	-
Amounts written off	-	-
Closing balance	**824,303**	**-**

Notes to The Consolidated Financial Statements.

NOTE 8
Deposits and Advances

	30-Jun-26	30-Jun-25
	$	$
Deposits and advances	**471,162**	**1,158,815**

NOTE 9
Inventories

	30-Jun-26	30-Jun-25
	$	$
Raw materials	314,549	1,292,107
Finished goods	14,035,417	13,548,107
	14,349,966	**14,840,214**

i) ***Assigning costs to inventories***
The costs of individual items of inventory are determined using actual average costs.

ii) ***Amounts recognised in profit or loss***
For the year ended 30 June 2026, an inventory impairment of $2,523,096 (2025: $4,884,471) was recognised, reflecting stringent quality control procedures and current market conditions impacting realisable value. The remaining inventory costs were recorded within cost of sales.

NOTE 10
Biological assets

	30/06/2026	30/06/2025
	$	$
Biological asset	**411,918**	**202,939**

Reconciliations of changes in the carrying amount of biological assets:

	Total
	$
Balance as at 1 July 2025	202,939
Addition from cultivation	3,788,076
Addition from change in fair value	6,567,838
less reclassified as inventory	(10,146,935)
Balance as at 30 June 2026	**411,918**

The movement above includes biological assets reclassified as inventory at the point of harvest. Includes physical changes as a result of biological transformation such as growth. Biological assets balance is measured at Fair Value as at 30 June 2026. During the reporting period, gains of $6,567,838 (2025: $4,815,011) were recognised, arising from changes in fair value less costs to sell.

Notes to The Consolidated Financial Statements.

NOTE 11
Property, Plant and Equipment

	Land	Buildings	Other farm assets	Property plant and equipment	Motor vehicles	Construction in Progress	Total
	$	$	$	$	$	$	$
Cost							
Balance at 1 July 2025	**816,146**	**3,687,604**	**4,059,928**	**2,677,998**	**87,425**	**4,015,849**	**15,344,950**
Acquisition of subsidiaries							
Additions	-	254,451	555,235	125,759	-	-	935,445
Reclassification of Assets	-	279,950	3,626,190	109,709	-	(4,015,849)	-
Disposals	-	-	-	-		-	-
Balance at 30 June 2026	**816,146**	**4,222,005**	**8,241,353**	**2,913,466**	**87,425**	**-**	**16,280,395**
Accumulated depreciation							
Balance at 1 July 2025	-	502,860	2,182,484	671,901	62,734	-	3,419,979
Acquisition of subsidiaries	-	-	-	-	-	-	-
Depreciation for the year	-	106,736	771,850	211,822	4,227	-	1,094,635
Impairment of Asset							
Balance at 30 June 2026	**-**	**609,596**	**2,954,334**	**883,723**	**66,961**	**-**	**4,514,614**
Carrying amounts							
at 30 June 2026	**816,146**	**3,612,409**	**5,287,019**	**2,029,743**	**20,464**	**-**	**11,765,781**

Notes to The Consolidated Financial Statements.

NOTE 11
Property, Plant and Equipment

	Land	Buildings	Other farm assets	Property plant and equipment	Motor vehicles	Construction in Progress	Total
	$	$	$	$	$	$	$
Cost							
Balance at 1 July 2024	**816,146**	**3,397,798**	**3,793,116**	**2,183,976**	**82,425**	**580,959**	**10,854,420**
Acquisition of subsidiaries							
Additions	-	289,806	266,812	504,931	5,000	3,434,890	4,501,439
Reclassification of Assets	-	-	-	-	-	-	-
Disposals	-	-	-	(10,909)		-	(10,909)
Balance at 30 June 2025	**816,146**	**3,687,604**	**4,059,928**	**2,677,998**	**87,425**	**4,015,849**	**15,344,950**
Accumulated depreciation							
Balance at 1 July 2024	-	379,000	1,423,688	461,923	42,049	-	2,306,660
Acquisition of subsidiaries	-	-	-	-	-	-	-
Depreciation for the year	-	123,860	758,796	209,978	20,685	-	1,113,319
Impairment of Asset							
Balance at 30 June 2025	**-**	**502,860**	**2,182,484**	**671,901**	**62,734**	**-**	**3,419,979**
Carrying amounts							
at 30 June 2025	**816,146**	**3,184,744**	**1,877,444**	**2,006,097**	**24,691**	**4,015,849**	**11,924,971**

Notes to The Consolidated Financial Statements.

NOTE 12
Intangible Assets

Intangible assets

	30-Jun-26	30-Jun-25
	$	$
Intangible assets	**144,220**	-
Less accumulated amortisation	-	-
	144,220	-

During the reporting period ended on 30 June 2025, the Group recognised impairment losses against its licence-related intangible assets, reducing their carrying amount to nil. The licences continue to be held by the Group; however, no carrying value is recognised at 30 June 2026. Impairment losses recognised on licence assets may be reversed in future periods if the estimates used to determine the recoverable amount change. In contrast, impairment losses recognised on goodwill cannot be reversed.

The movement in the carrying amount of intangible assets during this reporting period was as follows:

Intangible Assets	Licences $	Water Rights $	Total $
Opening balance as at 1 Jul 2025	-	-	-
Recognition of water rights*	-	144,220	144,220
Closing balance as at 30 June 2026	**-**	**144,220**	**144,220**

***Water Rights**
The Group holds permanent water shares used to support irrigation activities at its agricultural operations.

During the year ended 30 June 2026, management completed a review of water rights held by the Group and identified separately recognisable permanent water shares that had not previously been recognised as a distinct asset. Accordingly, the Group recognised water rights with a fair value of $144,220 as at 30 June 2026, based on observable market evidence for comparable Victorian Murray Zone 7 water shares.

The recognised value comprises 17.8 ML of high reliability water shares and 4.6 ML of low reliability water shares. The valuation excludes annual water-use licence capacity, temporary water allocation balances and delivery shares.

Comparative information has not been restated as management assessed the effect of recognising the water rights in prior periods as immaterial to the previously issued financial statements. Accordingly, the water rights were recognised prospectively in the current year.

Key accounting judgement

The Group exercised judgement in determining that the water rights met the recognition criteria for an intangible asset during the year ended 30 June 2026. Prior to this assessment, no separate carrying value had been attributed to the water rights. Management determined the fair value of the identifiable water rights using observable market transactions for comparable water shares.

Notes to The Consolidated Financial Statements.

NOTE 13
Trade and Other Payables

	30-Jun-26	30-Jun-25
	$	$
Trade Payables	836,027	2,558,332
Accruals and Other Payables	540,567	678,368
GST	59,000	31,045
	1,435,594	**3,267,745**

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Group. The amounts are unsecured and are usually payable within 30 days of recognition. Information about the Group's exposure to credit risk is provided in Note 22.

NOTE 14
Borrowings

	30-Jun-26	30-Jun-25
	$	$
NAB Corporate Market Loan Facility*	2,389,179	2,290,000
NAB Trade Finance Facility**	-	2,388,270
	2,389,179	**4,678,270**

*__Corporate Market Loan Facility__ – The Group has access to a facility of $5.2 million, of which $2.39 million was drawn at 30 June 2026, providing undrawn funding capacity of $2.81 million. Interest rate on the facility is BBSY + 3.40% (currently 7.747%). The facility expires on 30 July 2027 and is secured by security interests over the assets and undertakings of ECS Botanics Holdings Ltd and Flowerday Farms Pty Ltd, together with a guarantee and indemnity provided by Flowerday Farms Pty Ltd.
**__Trade Finance Facility__ – Originally $3.4 million to fund nine Protective Crop Enclosures (PCEs) and other building constructions. Upon completion of the construction project during the reporting period ended 30 June 2026, the Trade Finance Facility was transferred to the Asset Finance Facility and subsequently closed.

NOTE 15
Employee Provisions

	30-Jun-26	30-Jun-25
	$	$
Annual leave provision	269,777	270,112
Long service leave provision	50,054	38,121
Total Current employee provisions	**319,831**	**308,233**
Long service leave provision	113,612	61,401
Total non-current employee provisions	**113,612**	**61,401**

Notes to The Consolidated Financial Statements.

NOTE 16
Contract Liabilities

	30-Jun-26	30-Jun-25
	$	$
Contract liabilities	160,764	497,585
	160,764	**497,585**

As at 30 June 2026, the Group has contractual obligations to supply customers with deposits committed as below:

	30-Jun-26
	$
Opening balance as at 1 Jul 2025	**497,585**
Contract revenue recognised during the reporting period	(2,421,336)
Additional contract liabilities recognised during the period	2,084,515
Closing balance as at 30 June 2026	**160,764**

NOTE 17
Hire Purchase Liability

During the reporting period ended 30 June 2026, the Group entered into hire purchase and asset finance arrangements to acquire equipment and other farm assets. The carrying amount of assets financed under these arrangements and included within Property, Plant and Equipment was $4,491,748 as at 30 June 2026 (2025: $2,202,568). These assets comprise Property, Plant and Equipment and Other Farm Assets and serve as security for the related hire purchase liabilities.

	30-Jun-26	30-Jun-25
	$	$
Property plant and equipment	1,972,426	2,160,028
Other farm assets	2,519,322	42,539
Total	**4,491,748**	**2,202,568**

	30-Jun-26	30-Jun-25
	$	$
Current		
Hire purchase liability	1,427,609	690,587
Unexpired interest	(272,641)	(137,125)
	1,154,968	**553,462**
Non-current		
Hire purchase liability	3,687,165	1,832,478
Unexpired interest	(350,385)	(183,372)
	3,336,780	**1,649,106**

During the reporting period ended 30 June 2026, the financial lease arrangements have been entered to purchase equipment and other farm assets.

Notes to The Consolidated Financial Statements.

NOTE 18
Issued Capital

	30-Jun-26	30-Jun-25
	$	$
Issued and Fully Paid Ordinary Shares*	38,584,926	36,667,054

	Date	Issue price	No. of Shares	$
Balance at the beginning of the year	1/07/2025		1,296,049,567	36,667,054
Ordinary shares issued to investors	19/12/2025	0.0065	300,000,000	1,950,000
Capital raising costs – Lapse of options	28/02/2026		-	134,343
Capital raising costs	-		-	(166,471)
Balance at the end of year	**30/06/2026**		**1,596,049,567**	**38,584,926**

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Group in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Group does not have a limited amount of authorised capital.
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

NOTE 19
Share Based Payments

	30-Jun-26	30-Jun-25
	$	$
Share based payments reserve		
Vesting of Options issued[1]	93,187	36,296
Vesting of Performance rights[2]	130,009	107,549
	223,195	**143,845**

Movement in reserves	$	$
Opening balance at the start of the reporting period	**317,219**	**415,322**
Vesting of Options issued[1]	93,187	36,296
Lapse of options[1a]	(141,010)	-
Vesting of performance rights	130,009	107,549
Conversion of performance rights[2a]	(18,140)	(137,910)
Forfeiture of performance rights	-	(104,038)
Closing balance at the end of the reporting period	**381,265**	**317,219**

Notes to The Consolidated Financial Statements.

NOTE 19
Share Based Payments (Continued)

1. Options

On 28 February 2024, 20,000,000 unquoted options were issued and held by Bell Potter with an exercise price of $0.033 and an expiry date of 28 February 2026. Based on the measurement by an independent valuer, the total fair value of $134,343[1a] has been recognised in reserves. The option granted was recognised in reserves as a capital raising cost. In February 2026, the 20,000,000 options expired unexercised and therefore lapsed.

On 16 December 2024, 24,500,000 unquoted options were issued as director incentives, with an exercise price of $0.024 and an expiry date of 31 December 2029. Based on the measurement by SLM, an independent valuer, a vesting charge of $48,715 has been recognised in reserves during this period ended at 30 June 2026. The Options require continuous services of Mr. King as Chair and Mrs. Schoerie as appointed by the Group. On 4 August 2025, Ms. Rachel Swift resigned, and the 4,500,000 options issued to her, with a fair value of $6,667[1a] recognised in the previous reporting period, were cancelled.

On 13 November 2025, 14,500,000 options were recognised for the Lead Manager and held by GBA Capital Pty Ltd and Canaccord Genuity (Australia) Limited with an exercise price of $0.011 and an expiry date of 15 June 2028. Based on the measurement by using Black-Scholes model, the total fair value of $44,471 has been recognised in reserves. The option granted was recognised in reserves as a capital raising cost.

Details of unexpired option grants are set out below:

Grant date	Expiry date	Exercise price	Balance at the start of the period	Granted	Exercised	Expired /other	Balance at the end of the period
28/02/2024	28/02/2026	$0.033	20,000,000	-	-	(20,000,000)	-
21/11/2024	31/12/2029	$0.024	24,500,000	-	-	(4,500,000)	20,000,000
13/11/2025	15/06/2028	$0.011	-	14,500,000	-	-	14,500,000
			44,500,000	**14,500,000**	**-**	**(24,500,000)**	**34,500,000**
Weighted average exercise price			$0.0280	$0.0110	-	-	$0.0185
Options exercisable			44,500,000	14,500,000	-		34,500,000

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.85 years (30 June 2025: 2.59 years).

For the option granted during the current financial year, the Black-Scholes valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant Date	Expiry Date	Share Price at Grant Date	Share Price Hurdle for Vesting	Expected Volatility	Dividend Yield	Risk-Free Interest Rate	Fair Value at Grant Date
13/11/2025	15/06/2028	$0.008	-	75%	-	3.50%	$0.003

Notes to The Consolidated Financial Statements.

NOTE 19
Share Based Payments (Continued)

2. Performance rights

During this reporting period ended 30 June 2026, The Group issued two tranches of Performance Rights totalling 10,000,000 Rights to the Chief Operating Officer. The Rights were issued on 20 January 2026. ECS management internally assessed the fair value of the Rights in accordance with AASB 2 Share-based Payment using a share price-based valuation methodology. The total grant-date fair value of the Rights was determined to be $47,018 of which $33,431 was expensed during this reporting period. The terms of the Rights issued and key valuation inputs used are summarised below:

Tranche G totalling 5,000,000 Rights subject to a non-market-based vesting condition. The number of Rights that vest is conditional on the Group achieving the FY2026 EBITDA target during the performance period ending 30 June 2026;

Tranche H totalling 5,000,000 Rights subject to a non-market-based vesting condition. The number of Rights that vest is conditional on the Group achieving EBITDA exceeding the FY2027 EBITDA target by 10% during the performance period ending 30 June 2027.

During the reporting period ended 30 June 2025 ECS issued two tranches of Rights totaling 7,500,000 to the Managing Director. The rights were approved on 21 November 2024. ECS management engaged an independent valuer to measure the fair value of the rights issued. A total fair value has been determined of $95,696 of which $18,300 was expensed during this reporting period. The terms of the rights issued and key inputs used in the valuation have been summarised below:

Tranche E (MD) totalling 3,750,000 Rights subject to Market-based vesting condition - the number of rights that vest is conditional on ECS's 20-day VWAP Target share price of $0.024 during the performance period between 21 November 2024 and including 30 June 2026. This tranche lapsed as the vesting conditions were not achieved;

Tranche F (MD) totalling 3,750,000 Rights subject to Market-based vesting condition - the number of rights that vest is conditional on ECS's 20-day VWAP Target share price of $0.030 during the performance period between 21 November 2024 and including 30 June 2027.

During the reporting period ended 30 June 2024, ECS issued two tranches of Rights totaling 10,000,000 to the Chief Financial Officer and Greenhouse Cultivation Manager. The rights were approved on 1 January 2024. ECS management engaged an independent valuer to measure the fair value of the rights issued. A total fair value has been determined of $205,058 of which $78,278 was expensed during this reporting period. The terms of the rights issued and key inputs used in the valuation have been summarised below:

Tranche E totalling 5,000,000 Rights subject to a non-market based vesting condition - the number of rights that vest is conditional upon the recipients continued service with the Group from the issue date up to and including 1 July 2026;

Tranche F totalling 5,000,000 Rights subject to a non-market based vesting condition - the number of rights that vest is conditional upon the recipients continued service with the Group from the issue date up to and including 30 September 2026;

[2a] During this reporting period ended 30 June 2026, a total of 3,750,000 Rights - Tranche E (MD) lapsed due to the vesting conditions not being met. The lapse of these rights had a total impact of $18,140 on the financial statements for this period.

Notes to The Consolidated Financial Statements.

NOTE 19

Share Based Payments (Continued)

For the current performance rights granted, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Tranche	**E**	**F**	**F (MD)**	**G**	**H**
Grant Date	**1-Jan-24**	**1-Jan-24**	**21-Nov-24**	**20-Jan-26**	**20-Jan-26**
Number of Rights	5,000,000	5,000,000	3,750,000	5,000,000	5,000,000
Expected life of the right (days)	913	1,004	952	1,016	1,016
Management probability	100%	100%	100%	80%	60%
Share price at grant date ($)	$0.0230	$0.0230	$0.0170	$0.0070	$0.0070
Fair value per right ($)	$0.0206	$0.0204	$0.0127	$0.0055	$0.0039
Total value at grant date ($)	**$102,981**	**$102,077**	**$47,731**	**$27,400**	**$19,618**

Key Management Personnel and other employees	**Tranche**	**No. of Rights**	**Fair value per right ($)**	**Total Value ($)**
Nan-Maree Schoerie	F (MD)	3,750,000	0.0127	47,731
Nan-Maree Schoerie Total		**3,750,000**		**47,731**
Arthur Sun	E	5,000,000	0.0206	102,981
Arthur Sun Total		**5,000,000**		**102,981**
David Marr	F	5,000,000	0.0204	102,077
David Marr Total		**5,000,000**		**102,077**
Nicholas Thomas	G	5,000,000	0.0055	**27,400**
Nicholas Thomas	H	5,000,000	0.0039	**19,618**
Nicholas Thomas Total		**10,000,000**		**47,018**
Grand Total		**23,750,000**		**299,807**

All tranches of Rights require continuous services of Ms. Schoerie, Mr. Sun, Mr. Marr, and Mr. Thomas employed by the Group. As at 30 June 2026, those tranches remain outstanding, and the relevant vesting conditions have not yet been satisfied. Set out below are summaries of performance rights granted under the Incentive Plan as at 30 June 2026:

Tranche	**Grant date**	**Expiry date**	**Exercise price**	**Balance at the start of the period**	**Granted**	**Exercised**	**Expired/ other**	**Balance at the end of the period**
E	1/01/2024	1/07/2026	$0.0000	5,000,000	-	-	-	5,000,000
F	1/01/2024	30/09/2026	$0.0000	5,000,000	-	-	-	5,000,000
E (MD)	21/11/2024	30/06/2026	$0.0000	3,750,000	-	-	(3,750,000)	-
F (MD)	21/11/2024	30/06/2027	$0.0000	3,750,000	-	-	-	3,750,000
G	20/01/2026	01/11/2028	$0.0000	-	5,000,000	-		5,000,000
H	20/01/2026	01/11/2028	$0.0000	-	5,000,000	-		5,000,000
				17,500,000	**10,000,000**	**-**	**(3,750,000)**	**23,750,000**

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 1.20 years (30 June 2025: 1.31 years).

Notes to The Consolidated Financial Statements.

NOTE 19

Share Based Payments (Continued)

For the performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Class	Grant Date	Expiry Date	Share Price at Grant Date	Share Price Hurdle for Vesting	Expected Volatility	Dividend Yield	Risk-Free Interest Rate	Fair Value at Grant Date
G	20/01/2026	01/11/2028	$0.0070	-	N/A	-	4.780%	$0.0055
H	20/01/2026	01/11/2028	$0.0070	-	N/A	-	4.780%	$0.0039

NOTE 20

Profit and Loss per Share

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	30-Jun-26	30-Jun-25
	$	$
Net loss attributable to ordinary equity holders of the Group	(1,905,191)	(5,733,099)
Weighted average number of ordinary shares for basic and diluted loss	1,455,501,622	1,292,597,512
Effects of dilution from:		
Share options	34,500,000	44,500,000
Performance rights	23,750,000	17,500,000
Weighted average number of ordinary shares adjusted for the effect of dilution	1,513,751,622	1,354,597,512
Loss per share for the year from continuing operations attributable to the members of the Group		
Basic loss per share (cents)	(0.1309)	(0.4435)
Diluted loss per share (cents)	(0.1309)	(0.4435)
Loss per share for the year attributable to the members of the Group		
Basic loss per share (cents)	(0.1309)	(0.4435)
Diluted loss per share (cents)	(0.1309)	(0.4435)

Notes to The Consolidated Financial Statements.

NOTE 21
Segment Information

Identification of reportable operating segments
The information reported to the Board of Directors (being the Chief Operating Decision Makers ("CODM")), are the results as shown in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and Consolidated Statement of Financial Position.

NOTE 22
Financial Risk Management Objectives and Policies

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods included sensitivity analysis in the case of interest rate and ageing analysis for credit risk.

Risk management is carried out by the Board of Directors ('the Board') and includes identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

	30-Jun-26	30-Jun-25
Financial Assets	**$**	**$**
Cash and cash equivalents	1,693,447	373,597
Trade and other receivables	2,350,800	3,815,514
	4,044,247	4,189,111
Financial Liabilities		
Trade and other payables	(1,435,594)	(3,267,745)
Borrowings	(2,389,179)	(4,678,270)
Hire Purchase Liability	(4,491,748)	(2,202,568)
	(8,316,521)	**(10,148,583)**

a) Market risk

i) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from purchases denominated in foreign currencies. Although the exposure is relatively limited in proportion to overall operations, the Group has established foreign exchange facilities with National Australia Bank (NAB) to hedge exposures as required is not significantly exposed to foreign currency risk fluctuations.

ii) Interest rate risk

The Group's exposure to interest rate risk primarily relates to borrowings under NAB's Corporate Market Loan, which are subject to variable interest rates. Current market expectations indicate a potential downward trend in interest rates, which would reduce the Group's cost of funding. In addition, the Group has asset finance arrangements at fixed interest rates, which are not subject to fluctuations in market interest rates.

Notes to The Consolidated Financial Statements.

NOTE 22
Financial Risk Management Objectives and Policies (Continued)

b) Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and trade and other receivables. The Group's exposure to credit risk arises from the potential default of a counterparty, with the maximum exposure equal to the carrying amount of the financial assets.

The Group's policy is to trade only with recognised, creditworthy third parties. All customers who wish to trade on credit terms are subject to credit verification procedures.

Receivable balances are monitored on an ongoing basis and expected credit losses are assessed at each reporting date. There are no significant concentrations of credit risk within the Group other than cash and cash equivalents. The Group's cash deposits are held with National Australia Bank, which management considers to be institutions with strong credit quality. Refer to Note 7 for further information regarding expected credit losses.

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

The Group manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows.

The following are the contractual maturities of financial liabilities:

	< 6 months	6-12 months	1-5 years	> 5 years	Total
2026	**$**	**$**	**$**	**$**	**$**
Trade and other payables	1,435,594	-	-	-	1,435,594
Borrowings	-	2,389,179	-		2,389,179
Hire purchase liability	571,059	583,909	3,336,780		4,491,748
	2,006,653	**2,973,088**	**3,336,780**		**8,316,521**

	< 6 months	6-12 months	1-5 years	> 5 years	Total
2025	**$**	**$**	**$**	**$**	**$**
Trade and other payables	3,267,745	-	-	-	3,267,745
Borrowings	2,388,270*	-	2,290,000	-	4,678,270
Hire purchase liability	275,285	278,177	1,649,106	-	2,202,568
	5,931,301	**278,177**	**3,939,106**	**-**	**8,148,583**

*On 1 July 2025, $2,185,176 was transferred to the Asset Finance (Hire purchase lease) from the Trade Finance Facility following completion of seven PCEs.

Notes to The Consolidated Financial Statements.

NOTE 22

Financial Risk Management Objectives and Policies (Continued)

d) Capital risk management

The Group's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- Maintain an optimal capital structure to reduce the cost of capital.

e) Write-off policy

The Group writes off a financial asset when there is no reasonable expectation of recovering the contractual cash flows. Indicators that there is no reasonable expectation of recovery include, but are not limited to, the failure of a debtor to engage in a repayment arrangement, insolvency of the debtor, or where all reasonable recovery and enforcement activities have been exhausted.
Financial assets written off may still be subject to recovery actions and enforcement procedures where permitted under applicable laws and contractual arrangements. Any recoveries of amounts previously written off are recognised in profit or loss when received.

To maintain or adjust the capital structure, the Group may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Given the stage of the Group's development there are no formal targets set for return on capital. There were no changes to the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements. The net equity of the Group is equivalent to capital. Net capital is obtained through capital raisings on the Australian Securities Exchange ("ASX").

NOTE 23

Fair Value Measurements

The Group's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Fair value of biological assets

Biological assets are valued using the expected realisable value based on recent medicinal cannabis plant-derived sales, less estimated selling costs. As at 30 June 2026, the fair value of biological assets was $411,918. Refer to Note 10 for further details.

Fair value of water rights

Water rights are valued using observable market transactions for comparable Victorian Murray Zone 7 water shares at the reporting date. As at 30 June 2026, the fair value of water rights was $144,220. Refer to Note 12 for further details.

Notes to The Consolidated Financial Statements.

NOTE 23
Fair Value Measurements (Continued)

Asset	Fair Value ($)	Level
Biological assets	411,918	**Level 3**
Water rights	144,220	**Level 2**

Level 2 fair value measurements are derived from observable market inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.
Level 3 fair value measurements are derived from valuation techniques that include significant inputs that are not based on observable market data.

The biological asset valuation has been classified as **Level 3** due to the use of significant unobservable inputs, including expected yields, selling prices and costs to sell.
The water rights valuation has been classified as **Level 2** as it is based on observable market transactions for comparable water shares.

Unless otherwise stated, the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values due to their short-term nature.

NOTE 24
Related Party Disclosure

a) **Key Management Personnel Compensation**

	30-Jun-26 $	30-Jun-25 $
Short-term benefits	1,031,056	985,958
Post-Employment	102,825	106,527
Long-term benefits	17,963	22,289
Share based payments	92,899	70,439
	1,244,743	**1,185,214**

b) **Related Party Transactions**

	30-Jun-26 $	30-Jun-25 $
The following transactions occurred with related parties:		
Mirador Corporate Pty Ltd[(i)]	86,468	83,213
Pharmout[(ii)]	41,533	90,295
Qiksolve Pty Ltd[(iii)]	84,752	52,366
Total	**212,753**	**225,874**

i) Mirador Corporate Pty Ltd was paid for company secretarial and financial management services to the Group, of which Jeremy King is a director.
ii) Pharmout was paid for regulatory advice and contract labour, an entity owned by a close family member of Nan-Maree Schoerie. During the period, the Group paid Pharmout $9,087 for regulatory advice and $32,446 for contract labour.
iii) Qiksolve Pty Ltd was paid for IT services, an entity owned by a close family member of Nan-Maree Schoerie.

Notes to The Consolidated Financial Statements.

NOTE 24

Related Party Disclosure (Continued)

Outstanding balances and commitments

Related Party	Outstanding Balance 2026 $	Outstanding Balance 2025 $
Mirador Corporate Pty Ltd	12,600	12,600
PharmOut	-	14,763
Qiksolve Pty Ltd	7,560	6,485
Total	**20,160**	**33,848**

Outstanding balances are unsecured, interest-free and payable under normal commercial terms and conditions. No provision for expected credit losses has been recognised in respect of related party balances. The Group had no commitments with related parties at 30 June 2026 (2025: nil). The Group had no commitments with Mirador Corporate Pty Ltd, PharmOut or Qiksolve Pty Ltd at 30 June 2026 (2025: nil).

NOTE 25

Commitments

At the end of the reporting period, the Group has no committed capital works (2025: $4.37m) on polytunnels and building constructions.

NOTE 26

Contingencies

The Group does not have any contingent liabilities as at 30 June 2026 (2025: $nil).

NOTE 27

Auditor’s Remuneration

	30-Jun-26 $	30-Jun-25 $
Amounts received or due and receivable for:		
Audit and review of the annual and half-year financial report	82,400(i)	76,100(i)
Other services		
Income tax return	9,500(ii)	8,900(ii)
Tax consulting	21,880	15,505

(i) Included in audit and review fees is $56,650 relating to the audit of the financial year ended 30 June 2026, with the professional services to be completed in FY2027 by RSM Australia (2025: $52,700 relating to the audit of the financial year ended 30 June 2025, with the professional services completed in FY2026 by William Buck).

(ii) Included in income tax return fees is $9,500 relating to the financial year ended 30 June 2026, with the professional service completed in FY2027 by RSM Australia. (2025: $8,900 with the professional service completed in FY2026 by William Buck.)

Notes to The Consolidated Financial Statements.

NOTE 28
Interests in Subsidiaries

		30-Jun-26	30-Jun-25
		%	%
FLOWERDAY FARMS PTY. LTD.	Agriculture	100	100
ECS BOTANICS MC PTY LTD	Agriculture	100	100
FLORAPHIRE PTY LTD	Agriculture	100	100

NOTE 29
Parent Entity

	30-Jun-26	30-Jun-25
	$	$
Assets		
Current assets	588,436	1,505,064
Non-current assets	23,755,307	23,556,221
Total assets	**24,343,743**	**25,061,285**
Liabilities		
Current liabilities	2,596,387	2,433,798
Total liabilities	**2,596,387**	**2,433,798**
Equity		
Contributed equity	36,729,426	36,667,054
Reserves	381,265	317,219
Accumulated losses	(15,363,335)	(14,356,786)
Total equity	**21,747,356**	**22,627,487**
Loss for the year	(1,876,614)	(5,733,099)
Total comprehensive loss	**(1,876,614)**	**(5,733,099)**

i) Guarantees entered by the parent entity
There are no guarantees entered into by the parent entity for the year ended 30 June 2026 (2025: $nil).

ii) Contingent liability of the parent entity
Refer to Note 26 for contingent liabilities of the parent entity.

iii) Contractual commitments of the parent entity
There is no capital commitment entered into by the parent entity for the year ended 30 June 2026 (2025: $nil)

NOTE 30
Events After the Reporting Date

Management has reviewed events occurring after 30 June 2026 up to the date of authorisation of these financial statements. No subsequent events have occurred that require adjustment to, or disclosure in, these financial statements.

Notes to The Consolidated Financial Statements.

End of Notes
to The Consolidated Financial Statements

Consolidated Entity Disclosure Statement

As at 30 June 2026

Entity name	Body corporate, partnership or trust	Place Incorporated /formed	% of share capital held directly or indirectly by the Group in the body corporate	Australian or Foreign tax resident	Jurisdiction for Foreign tax resident
ECS Botanics Holdings Ltd	Body corporate	Australia	100%	Australian	N/A
Flowerday Farms Pty Ltd	Body corporate	Australia	100%	Australian	N/A
ECS Botanics MC Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Floraphire Pty Ltd	Body corporate	Australia	100%	Australian	N/A

Basis of preparation

This Consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the Group as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Determination of tax residency

Section 295 (3A) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the Group has applied the following interpretations:

Australian tax residency

The Group has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

Where necessary, the Group has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the Corporations Act 2001).

Partnerships and Trusts

None of the entities noted above were trustees of trusts within the Group, partners in a partnership within the Group or participants in a joint venture within the Group

Director's Declaration.

In accordance with a resolution of the directors of ECS Botanics Holdings Limited, the directors of the Group declare that:

1. The financial statements and notes, as set out on pages 37 to 72 are in accordance with the *Corporations Act 2001*, including:
   a. complying with Accounting Standards and the *Corporations Regulations 2001*; and
   b. giving a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the year ended on that date.
2. The attached financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board, as disclosed in Note 1.
3. The consolidated entity disclosure statement is true and correct.
4. The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.
5. In the directors' opinion:
   a. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
   b. at the date of this declaration, there are reasonable grounds to believe that the members of the Group will be able to meet any obligations or liabilities to which they are, or may become, subject.

Signed in accordance with a resolution of the directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors,

Nan-Maree Schoerie
Managing Director
28 August 2026

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INDEPENDENT AUDITOR'S REPORT
To the Members of ECS Botanics Holdings Ltd

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of ECS Botanics Holdings Ltd (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to our audit of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

RSM

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed this matter
Valuation of Inventory Refer to Note 9 in the financial statements	
The Group has inventories of $14,349,966 at 30 June 2026. AASB 141 *Agriculture* requires agricultural produce harvested from an entity's biological assets to be measured at its fair value less costs to sell at the point of harvest, or in the absence of fair value, at cost less any accumulated depreciation and any accumulated impairment losses. This amount then becomes the deemed cost of inventory, with inventory subsequently accounted for in accordance with AASB 102 *Inventories* i.e. lower of cost or net realisable value. The valuation of inventory is considered a Key Audit Matter due to the complexity of the valuation model and the extent of management estimates and judgements involved.	Our audit procedures in relation to the valuation of inventory included: • Performing inventory stock verification procedures in respect of inventory; • Reviewing inventory confirmations in relation to inventory held by third parties; • Assessing management's judgements and estimates used in calculating the fair value less costs to sell in accordance with AASB 141; • Testing a sample of inventory costing by verifying inputs to supporting documentation in accordance with AASB 102; • Testing a sample of inventory to ensure amounts are being held at the lower of cost or net realisable value; and • Evaluating management's judgements and assumptions used in determining the inventory write down recognised during the financial year.
Going Concern Refer to Note 1 in the financial statements	
In accordance with AASB 101 *Presentation of Financial Statements*, management is required to make an assessment of the Group's ability to continue as a going concern when preparing financial statements. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, 12 months from the signing of the financial reports. We identified going concern as a Key Audit Matter due to the Group's history of operating losses.	Our audit procedures in relation to going concern included: • Reviewing the Group's current financial performance and position, along with subsequent events to identify any indicators of going concern issues; • Reviewing the directors' assessment of the Group's ability to continue as a going concern, including reviewing the cash flow forecast for the 12 months from the signing the financial report; • Assessing the adequacy of the going concern disclosures in the financial statements.

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed this matter
Revenue recognition Refer to Note 3 in the financial statements	
Revenue for the year ended 30 June 2026 was $21,018,359. Revenue recognition was considered a Key Audit Matter because of its significance to the Group's reported financial performance.	Our audit procedures in relation to the recognition of revenue included: • Assessing whether the Group's revenue recognition policies were in compliance with AASB 15 Revenue from Contracts with Customers; • Performing tests of detail on a sample basis to test the validity and accuracy of revenue transactions, including the inspection of sales invoices and delivery documentation; • Performing substantive analytical procedures on the revenue balance; • Reviewing the sales transactions before and after year-end to ensure that revenue is recognised in the correct period; and • Assessing the adequacy and completeness of disclosures in the financial report.
Impairment of Non-Current Assets Refer to Note 11 in the financial statements	
The carrying value of the Group's total non-current assets, which include property, plant and equipment, amounted to $12,820,447 at 30 June 2026. We determined this area to be a Key Audit Matter due to the significance of the account balances. The Directors' assessment of the recoverability of these non-current assets is performed using an impairment model which is based on the value-in-use of the cash generating unit (CGU). This impairment model involved significant management judgement and estimates over the future cash flows, determining discount rates and applying terminal growth assumptions.	Our audit procedures in relation to management's impairment assessment included: • Assessing the overall valuation methodology used to determine the value in use; • Checking the mathematical accuracy of the discounted cash flow models and reconcile input data to supporting evidence; • Considering and challenging the reasonableness of key assumptions, including the cash flow projections, budgets, revenue growth rate, discount rates and sensitivities used; and • Reviewing the accuracy of disclosures of critical estimates and assumptions in the financial statements in relation to the valuation methodologies.

RSM

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

b. the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf
This description forms part of our auditor's report.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of ECS Botanics Holdings Ltd., for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM AUSTRALIA PARTNERS

B Y CHAN
Partner

Dated: 28 August 2026
Melbourne, Victoria

Corporate Governance Statement.

The Group's Directors are committed to conducting the Group's business in an ethical manner and in accordance with the highest standards of corporate governance. The Group has adopted and substantially complies with the ASX Corporate Governance Principles and Recommendations (4th Edition) (Recommendations) to the extent appropriate to the size and nature of the Group's operations.

The Group has prepared a Corporate Governance Statement which sets out the corporate governance practices that were in operation throughout the financial year for the Group, identifies any Recommendations that have not been followed, and provides reasons for not following such Recommendations.

The Group's Corporate Governance Statement and policies can be found on its website: https://ecs-botanics.com/investor-centre

ASX Additional Information.

Additional information required by the Australian Securities Exchange and not shown elsewhere in this Annual Report is as follows. The information is current as of 30 June 2026.

Twenty Largest Shareholders

Position	Holder Name	Holding	% IC
1	WINDPAC PTY LTD	87,419,607	5.48%
2	SCHOERIE FIDES PTY LTD	67,000,000	4.20%
3	FLOWERDAY HOLDINGS PTY LTD	54,166,667	3.39%
4	SUPER SECRET PTY LIMITED	53,000,000	3.32%
5	KEACH SECURITIES & INVESTMENTS PTY LTD	43,198,796	2.71%
6	C Y T INVESTMENT PTY LTD	41,600,000	2.61%
7	HARBOUR CAPITAL ASSET MANAGEMENT PTY LTD	37,000,000	2.32%
8	MR BENJAMIN JOHN HARINGTON	30,625,095	1.92%
9	NETWEALTH INVESTMENTS LIMITED	28,479,700	1.78%
10	10 BOLIVIANOS PTY LTD	27,185,840	1.70%
11	BESTOWMENT PTY LTD	26,756,250	1.68%
12	MR GUY BANDUCCI & MRS LISA MAREE BANDUCCI	23,500,000	1.47%
13	DA & DJ BURT PTY LTD	22,841,949	1.43%
14	WINDPAC PTY LTD	22,304,103	1.40%
15	BNP PARIBAS NOMINEES PTY LTD	21,502,857	1.35%
16	MR MARK ANDREW TKOCZ	21,000,000	1.32%
17	MR JOHN PHILIP DANIELS	16,386,639	1.03%
18	MR CHRISTOPHER LEON LAIDELY	15,000,000	0.94%
19	ARCUS CALLISTO PTY LTD	14,166,666	0.89%
20	BRESRIM NOMINEES PTY LTD	14,000,000	0.88%
	Totals	**667,134,169**	**41.80%**

ASX Additional Information.

Option Holders

Position	Holder Name	Holding	% IC
1	FLOWERDAY HOLDINGS PTY LTD	10,000,000	28.99%
2	JEREMY PHILIP KING	10,000,000	28.99%
3	GBA Capital Pty Ltd	7,250,000	21.01%
4	Canaccord Genuity (Australia) Limited	7,250,000	21.01%
	Total	**34,500,000**	**100.00%**

Distribution of Equity Securities

(i) Ordinary share capital

1,596,049,567 fully paid shares held by 3,834 individual shareholders. All issued ordinary shares carry one vote per share and carry the rights to dividends.

The number of shareholders, by size of holding, is:

Holding Ranges	Holders	Total Units	% Issued Share Capital
Above 0 up to and including 1,000	664	150,582	0.01%
Above 1,000 up to and including 5,000	177	435,591	0.03%
Above 5,000 up to and including 10,000	257	2,196,035	0.14%
Above 10,000 up to and including 100,000	1761	70,889,323	4.44%
Above 100,000	976	1,522,378,036	95.38%
Totals	**3,834**	**1,596,049,567**	**100.00%**

(ii) Options

34,500,000 options held by 4 individual holders.

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	-	-	-
above 1,000 up to and including 5,000	-	-	-
above 5,000 up to and including 10,000	-	-	-
above 10,000 up to and including 100,000	-	-	-
above 100,000	4	34,500,000	100.00%
Totals	**4**	**34,500,000**	**100.00%**

ASX Additional Information.

Substantial Shareholders

The name of substantial shareholder who has notified the Group in accordance with section 671B of the Corporations Act 2001 is:

Holder Name	Holding Balance	% of Issued Capital
SCHOERIE FIDES PTY LTD	67,000,000	4.18%
FLOWERDAY HOLDINGS PTY LTD	54,166,667	3.38%

Restricted Securities

There are no restricted securities in ECS.

Unmarketable Parcels

There were 2,547 holders of less than a marketable parcel of ordinary shares.

On-market Buy-back

There is no current on-market buy-back.

Acquisition of Voting Shares

No issues of securities have been approved for the purposes of Item 7 of Section 611 of the Corporations Act 2001.

Tax Status

The Group is treated as a public Group for taxation purposes.

Franking Credits

The Group has no franking credits.

Voting Rights

The voting rights attaching to each class of equity security are set out below:

- **Ordinary Shares**

  On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.
- **Options**

  Options carry no voting rights.