

ECS Botanics Holdings Ltd (ASX:ECS)



ASX Announcement

28 February 2025

Strategic shift to B2C and B2B model positions ECS Botanics for very strong second half; record order book on hand

ECS Botanics Holdings Ltd (ASX: ECS) ("ECS" or the "Company"), a leading medicinal cannabis company, today announced its results for the six months ended 31 December 2024 (H1 FY25).

H1 FY25 Highlights:

- Revenue of \$9.8 million, down 16% on prior corresponding period (PCP), due to reduction in volume of medicinal cannabis oils sold and transition to B2C sales
- Rapid growth of the B2C business – Q2 sales of \$1.2 million, up 339% on Q1, and now represents 33% of total sales
 - Entered eight-year exclusive license agreement with Terphogz™, a leading cannabis breeding group from California
 - Launched B2C brand OzSun and AVANI VESIsorb® product
 - 380 medical professionals onboarded to prescribe ECS products nationally in five months – expect to exceed 700 by May 2025
- Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA) loss of \$1.2 million (H1 FY24: \$1.9 million profit), reflects investment in B2C segment
- Construction underway of nine new Protective Crop Enclosures (PCEs) with five new PCE's in operation.
- Increased PCE-grown cannabis yields by up to 50%; on track for record harvest in CY 2025
- Record order book of \$10.2 million, the bulk of which is expected to be collected in H2
- Adequately funded, with \$4.7 million of available cash and bank facilities, and expecting to be generating positive cash flow within the next six months as sales volumes and margins improve

Commenting on H1 FY25, ECS Managing Director, Nan-Maree Schoerie said:

"The past six months have been transformative for ECS. We've executed a strategic shift to become both a B2B and B2C business, implemented key initiatives, including signing one of the most sought-after medicinal cannabis brands in the world, and built a record order book through our growing sales teams and medical advisors.

"While our financial performance was temporarily impacted, we are now well positioned for strong growth. As the only Certified Organic medicinal cannabis cultivator in Australia, the exclusive holder of VESIsorb, and the sole global distributor of Terphogz, ECS stands apart in the market with unique advantages.



"With our strategic shift complete, exclusive initiatives in place, a record order book, and a team of some of the most respected professionals in the industry, ECS is ready to enter its next stage. We are confident that our financial performance will improve significantly in the coming months as revenue and cash receipts from the sales pipeline flows through."

Authorised on behalf of ECS Botanic Holding Ltd by Nan-Maree Schoerie, Managing Director.

-ENDS-

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About ECS Botanic Holdings Ltd

ECS Botanic Holdings Ltd is an Australian medicinal cannabis cultivator and manufacturer located in Northwest Victoria. ECS utilises progressive and innovative cultivation methodologies to produce quality medicine in a sustainable way, adopting regenerative and organic horticultural practices and renewable energy sources. Licenced by the Australian Therapeutic Goods Administration to manufacture GMP (equivalent to PIC/S, EU agencies are all PIC/S members) certified products, ECS has become a leading provider of high-quality, affordable medicinal cannabis.