ECS Botanics Holdings Ltd (ASX:ECS)

ASX Announcement

28 August 2026

FY26 Results - Positive EBITDA and Operating Cash Flow Delivered

Highlights:

- **Revenue including other income increased 10% to $21.4 million in FY26**
- **Branded B2C revenue increased 101% year-on-year in FY26 to $13.7 million, representing approximately 65% of annual revenue**
- **EBITDA improved by $5.8 million to positive $0.6 million, from a $5.2 million loss in FY25**
- **Net operating cash flow improved by $5.6 million to positive $0.5 million, compared with a $5.1 million outflow in FY25**
- **Loss before tax reduced by $5.9 million to $1.0 million, despite $3.35 million of non-cash inventory and receivables impairments. Excluding these non-cash impairments, ECS would have reported a positive pre-tax result of approximately $2.3 million**
- **Average production cost per gram reduced 33% across the Protective Cropping Enclosure (PCE) network and 44% for outdoor cultivation compared with FY25**
- **International expansion advanced through the commercial launch of OzSun in Germany, a repeat medicinal cannabis oil order from New Zealand and regulatory approval of ECS's first product in Poland**

ECS Botanics Holdings Ltd (ASX: ECS) ("ECS" or the "Company"), a leading medicinal cannabis company, is pleased to report a material improvement in its financial and operating performance for the year ended 30 June 2026.

FY26 marked an important transition for ECS, with the Company delivering positive EBITDA and positive operating cash flow while continuing to grow its branded portfolio, improve cultivation productivity and expand into regulated international markets.

Revenue including other income increased 10% to $21.4 million, while EBITDA improved by $5.8 million to positive $0.6 million from a $5.2 million loss in FY25.

Net operating cash flow improved from an outflow of $5.1 million in FY25 to an inflow of $0.5 million in FY26, representing a $5.6 million year-on-year turnaround.

The loss before income tax reduced to $1.0 million from $6.9 million in FY25, while the loss after tax improved by $3.8 million to $1.9 million.

The statutory result included non-cash impairment charges of approximately $2.52 million relating to inventories and $0.82 million relating to trade and other receivables. Excluding these adjustments, the Group would have reported a positive pre-tax result of approximately $2.3 million.

Branded product strategy delivering growth

The continued growth of ECS's own-brand portfolio remained an important driver of the Company's improved operating performance. Branded B2C revenue increased 101% year-on-year to $13.7 million and represented approximately 65% of the annual revenue.

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 the dataset.

OzSun became ECS's largest brand by revenue during FY26 and continued to strengthen its position in the value segment of the Australian medicinal cannabis market.

The Company further expanded its product portfolio through the launch of AVANI AVA in women's health and Gelonoidz #20, the first Australian-grown Terphogz product, strengthening ECS's exposure across value, differentiated and premium product segments.

Production efficiencies demonstrating operating leverage

FY26 was the first full year in which ECS benefited from much of the cultivation and infrastructure investment completed in prior periods. Outdoor trimmed flower yield increased 12% to 3.1 tonnes, while production from the Company's 26 Protective Cropping Enclosures (PCEs) increased 43% to 5.3 tonnes of untrimmed dried flower.

Improved yields, higher production volumes, process optimisation and greater utilisation of ECS's established cultivation and post-harvest infrastructure contributed to a 33% reduction in average production cost per gram across the PCE network and a 44% reduction in average outdoor production cost per gram compared with FY25.

With the major infrastructure investment program now largely complete, ECS's focus has shifted from adding capacity towards increasing utilisation, improving yields and product quality and generating stronger returns from the existing asset base.

International expansion gaining commercial validation

ECS also made material progress in its development of regulated international markets during FY26.

OzSun launched commercially in Germany in June through ECS's partnership with Nimbus Health, with the initial shipment selling out within weeks.

In New Zealand, ECS dispatched its first commercial shipment of 1,000 units of 10THC:10CBD medicinal cannabis oil to NUBU Pharmaceuticals. NUBU subsequently placed a repeat order following the commercial launch.

In Poland, the regulator has 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 early commercial and regulatory validation of ECS's strategy to leverage its Australian-grown product offering and integrated GMP manufacturing platform in selected international markets.

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

"In FY26, ECS demonstrated that the investments and strategic changes made across the Company in recent years are beginning to translate into measurable financial and commercial outcomes.

"We delivered positive EBITDA and operating cash flow, significantly reduced production costs and continued to grow our branded portfolio despite a highly competitive Australian market.

"We are also beginning to see increasing validation internationally, with OzSun launching in Germany, a repeat order received from New Zealand and our first product approved in Poland.

"With the major infrastructure investment phase largely behind us, our focus in FY27 is on extracting greater value from the platform we have built, growing branded sales and international revenue and maintaining disciplined cost and capital management."

FY27 priorities

ECS enters FY27 with a materially improved operating profile and a focus on disciplined growth.

Key priorities include:

- Continuing to grow branded B2C sales in Australia
- Scaling OzSun in Germany and pursuing selected international opportunities
- Increasing export revenue across flower and finished-dose products
- Expanding the AVANI AVA and Terphogz portfolios
- Improving cultivation yields, asset utilisation and production efficiency
- Maintaining disciplined cost and capital management

Subsequent to year end, ECS also announced the planned Australian launch of two 2g OzSun all-in-one rosin blend inhalation products. The products will expand OzSun into an additional higher-margin finished-dose format under a capital-efficient consignment arrangement that does not require material capital expenditure.

The full FY2026 Annual Report accompanies this announcement.

Authorised for release by Nan-Maree Schoerie, Managing Director

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About ECS Botanics Holdings Ltd

ECS Botanics Holdings Ltd (ASX: ECS) is an Australian medicinal cannabis cultivator and manufacturer located in 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.