

10 October 2019

Ecofibre Limited

EOF 4C - Revenue up 140% pcp

### Q1 FY20 HIGHLIGHTS

- Revenue up 140% pcp, and up 17% on last quarter, to \$14.4m
- Cash from operating activities up 22% on last quarter to \$3.9m
- New US headquarters and Hemp Black processing facility on track for completion Q4 FY20
- Nasdaq International Designation approved, Ecofibre shares to commence trading in the US over-the-counter market (OTC – Nasdaq Intl Designation: EOFBF) by the end of October 2019

Ecofibre Limited (Ecofibre, Company) (ASX:EOF) provides its Appendix 4C Quarterly Report for the three months ended 30 September 2019 (Q1 FY20), including a brief update on the Company's trading performance.

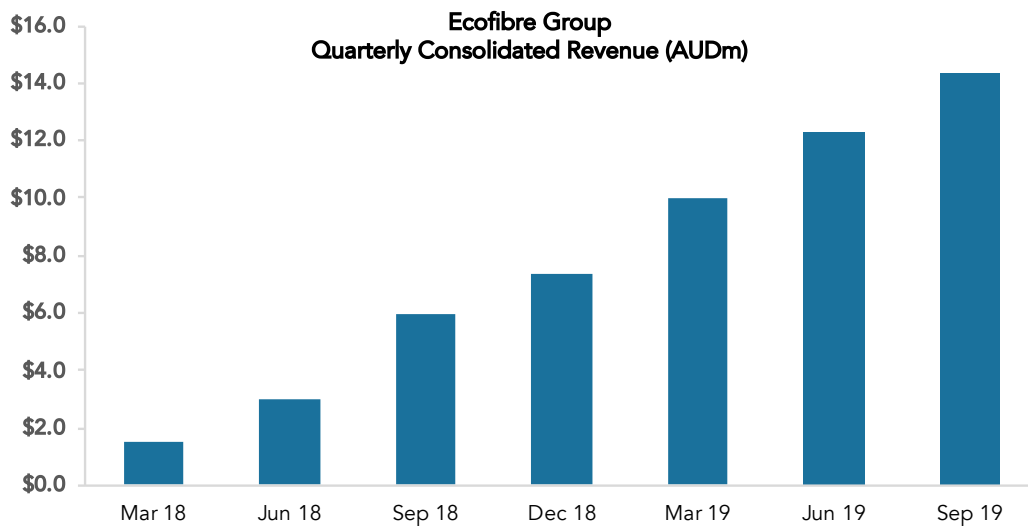
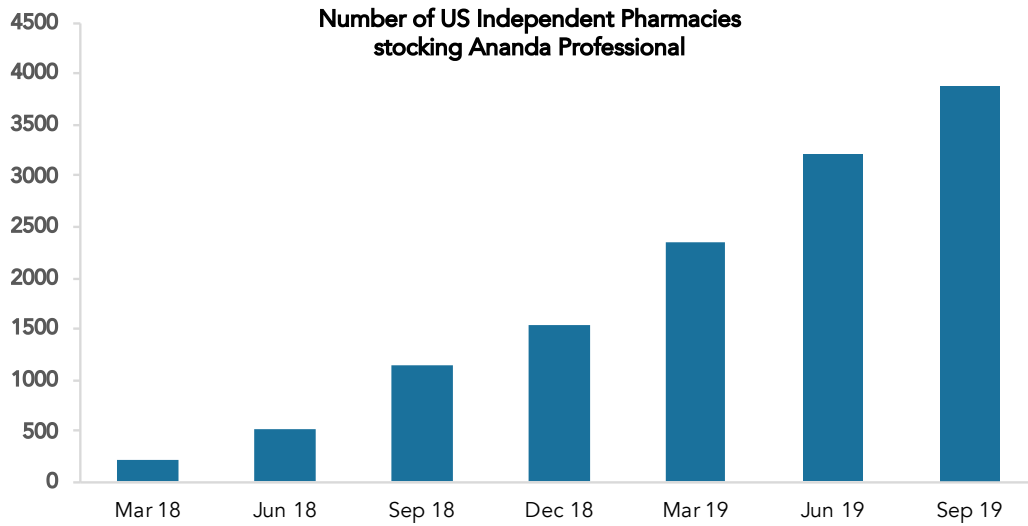
### Q1 FY20 revenue and cashflows

Unaudited revenue for Q1 FY20 was \$14.4m, up 17% from the prior quarter (\$12.3m) and 140% on prior corresponding period.

CEO Eric Wang stated, "This result was primarily driven by continued growth in the independent pharmacy segment. Ananda Professional products are now sold in over 3,800 US retail pharmacies, up from 3,200 as at June 2019".

"The Company is pleased with its progress during the quarter and in response to customer demand launched two additional topical products, a roll-on with 500mg active cannabindoids and a pain relief lotion with 300mg active cannabinoids".





**Appendix 4C Discussion**

As at 30 September 2019 the Company's cash position was \$25.1m (unaudited).



- Cashflows from **operating** activities (+\$3.9m) included:
  - Receipts from customers (\$13.6m); and
  - Cash operating costs totalling \$9.7m included payments to Australian growers for the Ananda Food seed crop (\$0.7m), and ongoing payments to Kentucky growers for Ananda Health (\$1.5m).
- Cashflows from **investing** activities (\$4.7m) primarily related to construction costs for Ecofibre's new US Headquarters, which will enable our Hemp Black production capabilities and support growth in Ananda Health operations.
- There were no cashflows from **investing** activities in the quarter.

#### NASDAQ International Designation and US OTC trading

Ecofibre's shares are expected to commence trading on the US OTC market with the symbol 'EOFBF' by the end of October 2019. The Company has been approved under the requirements of the NASDAQ International Designation program which provides greater visibility to US investors.

#### Investor Relations and Media please contact:

investor-relations@ecofibre.com

#### About Ecofibre

Ecofibre is a provider of hemp products in the United States and Australia.

In the United States, the Company produces nutraceutical products for human and pet consumption, as well as topical creams and salves. See [www.anandahemp.com](http://www.anandahemp.com) and [www.anandaprofessional.com](http://www.anandaprofessional.com).

In Australia, the Company produces 100% Australian grown and processed hemp food products including protein powders, de-hulled hemp seed and hemp oil. See [www.anandafood.com](http://www.anandafood.com).

The Company is also developing innovative hemp-based products in textiles and composite materials in partnership with Thomas Jefferson University (TJU) in the United States. See [www.hempblack.com](http://www.hempblack.com).

The Company owns or controls key parts of the value chain in each business, from breeding, growing and production to sales and marketing. Our value proposition to customers is built on strong brands and quality products.

## Appendix 4C

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

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

Ecofibre Limited

**ABN**

27 140 245 263

**Quarter ended ("current quarter")**

30 September 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	13,587	13,587
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(4,564)	(4,564)
<i>Grower payments, Ananda Health</i>	(1,539)	(1,539)
<i>Grower payments, Ananda Food</i>	(690)	(690)
<i>Production costs</i>	(2,335)	(2,335)
(c) advertising and marketing	(831)	(831)
(d) leased assets	(215)	(215)
(e) staff costs	(2,662)	(2,662)
(f) administration and corporate costs	(1,424)	(1,424)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	54	54
1.5 Interest and other costs of finance paid	(80)	(80)
1.6 Income taxes paid	(6)	(6)
1.7 Government grants and tax incentives	12	12
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>3,871</b>	<b>3,871</b>

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(4,763)	(4,763)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property – TJU patents	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	81	81
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	6	6
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(4,676)</b>	<b>(4,676)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	25,740	25,740
4.2	Net cash from / (used in) operating activities (item 1.9 above)	3,871	3,871
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4,676)	(4,676)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	160	160
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>25,095</b>	<b>25,095</b>

<b>5. Reconciliation of cash and cash equivalents</b>	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	2,552	2,305
5.2 Call deposits	3,490	859
5.3 Bank overdrafts	-	-
5.4 Other (term deposits, credit card balances)	19,053	22,576
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>25,095</b>	<b>25,740</b>

<b>6. Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	110
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Directors' salaries and fees, excludes GST where applicable.

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	47
9.2 Product manufacturing and operating costs	5,197
<i>Grower payments, Ananda Health</i>	1,704
<i>Grower payments, Ananda Food</i>	365
<i>Production costs</i>	3,128
9.3 Advertising and marketing	638
9.4 Leased assets	209
9.5 Staff costs	2,944
9.6 Administration and corporate costs	1,562
9.7 Other (income taxes)	600
Capital Expenditure - mainly new US headquarters	5,353
<b>9.8 Total estimated cash outflows</b>	<b>16,550</b>

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

**Compliance statement**

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



Sign here: .....  
 CFO/ Company Secretary

Date: 10 October 2019

Print name: Jonathan Brown



**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.