



13 December 2019

US CBD Regulatory Update

- The Company notes the recent FDA Consumer Update, and the warning letters and product class action claims notified to various CBD companies
- Ecofibre has not received any warning letter or product class action claims
- Ecofibre is fully compliant with the 2018 Farm Bill

Ecofibre Limited (Ecofibre, Company) (ASX:EOF, OTC – Nasdaq Intl Designation: EOFBF) notes the recent industry developments in the US CBD market and in response to multiple investor queries, the Company makes the following comments.

On 25 November 2019, the US Food and Drug Administration ('FDA') announced that it had issued warning letters to 15 companies for illegally selling products containing cannabidiol (CBD) in ways that violate the Federal Food, Drug, and Cosmetic Act (FD&C Act).

In the accompanying press release, the FDA noted that "these particular companies are using product webpages, online stores and social media to market CBD products in interstate commerce in ways that violate the FD&C Act, including marketing CBD products to treat diseases or for other therapeutic uses for humans and/or animals. Other violations include marketing CBD products as dietary supplements and adding CBD to human and animal foods."

The FDA also stated that it "continues to explore potential pathways for various types of CBD products to be lawfully marketed."

In addition to these statements by the FDA, Ecofibre is aware that several companies operating in the US CBD market recently announced that they had become aware of class-action suits based on allegations that include product mislabelling.

It is alleged, amongst other allegations, that their products are mislabeled as dietary supplements and that this may constitute misleading conduct. The companies announced that they believe their products are accurately labeled and that the claims are without merit.





Ecofibre's wholly owned subsidiary Ananda Health:

- does not add CBD to food.
- does not make therepeutic claims on its products.
- has not received and is not aware of any adverse correspondence from the FDA regarding its product labelling.
- is fully compliant with the 2018 Farm Bill.

Ecofibre welcomes the FDA's focus on this market, and believes that the market will benefit from considered regulation in this new and forming industry.

The US CBD market is highly competitive with many new entrants, but the Company remains focused on quality clients, long-term revenues and profit. Ecofibre has no change to its previously announced profit outlook and will provide a further update to the market when its December quarter Appendix 4C statement is released on January 16, 2020.

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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 and 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.

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.

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.

Authorisation

This document is authorised to be given to the Australian Securities Exchange (ASX) by Eric Wang, Managing Director.

