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Ecofibre (ASX: EOF): Response to Coronavirus and Hemp Black strategy accelerated

Ecofibre Limited (Ecofibre, the Company) ASX:EOF, OTC – Nasdaq Intl Designation: EOFBF) would like to provide an update during the current volatile market conditions as it relates to the Coronavirus (COVID-19).

COVID-19 is impacting many businesses around the world and it is not known how long this uncertainty will last. To date Ecofibre has not observed any material impact directly related to this pandemic as the Company does not have any business interests in Europe or Asia. All of Ecofibre's businesses continue to operate under normal conditions with an increased vigilance on health and safety issues.

Our Australian activities are focused on our hemp food business ("Ananda Food") and the primary client is Woolworths, where our products are sold under the Macro health brand. Hemp seed products are often referred to as a "super foods". There has been no panic buying at this time and we do not see this market being negatively impacted.

Ananda Food has been awarded the contract to supply hemp seed oil for Woolworths Macro brand, which will be introduced to all stores in September 2020. Ananda Food is also launching a food based nutraceutical line in the United States (US) this April with a range of omega fatty acid products, protein supplements and activated hemp derived charcoal cleansers. The business will utilise Ecofibre's existing US relationships to distribute these products.

Ecofibre's main income business is Ananda Health in the US. This business has not been negatively impacted by store closures caused by COVID-19 as independent pharmacies remain our major distribution channel. Whilst there remains a large amount of competition in the hemp-derived CBD industry, Ananda Health continues to develop larger distribution relationships that will make significant contributions in the medium term.



Twelve additional products, that cover health and beauty ranges, will be launched by October. The Company expects to provide more detailed updates on major events in the Ananda Health business in coming weeks.

Ecofibre has accelerated a part of its Hemp Black strategy in response to expected longer term changes in consumer behaviour as a result of COVID-19. The Hemp Black Business will be an exhibitor at NEOCON 2020 held at The Merchandise Mart in Chicago on June 8-10, a year earlier than planned.

NEOCON is the world's leading platform for the commercial design industry and widely recognized as the most important event of the year. Hemp Black will unveil its technologies across a range of finishes, materials, internal building products, furnitures, fabrics and floorings. Over the past three years the Company has been completing R&D on the technical benefits of processed hemp derivatives including anti-microbial activity and conductivity.

Some specific examples that Hemp Black will display include office and hospital furniture, aircraft and airport seating, outdoor and public seating, and a range of floorings and finishes.

Ecofibre Chief Executive Officer, Eric Wang said,

"Ecofibre continues to operate in a business as usual capacity. We will hold the grand opening of our US Headquarters on April 24th as planned. This building will support the majority of US operations including primary processing for Hemp Black."

"Ananda Health is working at full capacity and there are no breaks in supplying customer needs. The Company is working to support any special needs for our customers due to the current crisis."

"Ecofibre's balance sheet remains strong and is in line with plan. Final payments for the new building will largely be complete by the end of this financial year and there are no additional capital requirements."

"Despite recent market volatility, the Board and I maintain an extremely positive medium and long-term view on the business. In the short-term, the wellbeing of our staff and our customers is our top priority. We have taken all measures to ensure their safety and to ensure there is no break in supply for our patients who depend on our products for their health and well-being."



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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 grows and produces 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.

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 the Board of the Company.

