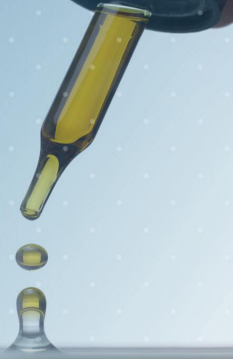




# ECOFIBRE



## ASX ANNOUNCEMENT

## ASX: EOF

25 November 2020

## Ecofibre Limited Annual General Meeting Speeches

Ecofibre Limited (Ecofibre, Company) (ASX:EOF, OTC-NASDAQ Intl Designation: EOFBY)

Please find attached the Chairman and Managing Director addresses, and the accompanying slides, to be presented at Ecofibre Limited's Annual General Meeting today.

### Investor Relations and Media please contact:

Jonathan Brown, Company Secretary, Ecofibre Limited  
Level 12, 680 George Street, Sydney NSW 2000  
investor-relations@ecofibre.com

### About Ecofibre

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

In the United States, the Ananda Health is the #1 provider of hemp-derived CBD for retail pharmacies. 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). The Company also supplies its leading Ananda Hemp CBD products to Australians via the SAS B program.

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 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.

### Authorisation

This document is authorised to be given to the Australian Securities Exchange (ASX) by the Board of the Company.



**Ecofibre Limited**  
**2020 Annual General Meeting**  
**Thursday, 25 November 2020**  
**Chairman and Managing Director's Address**

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**Chairman's Address**

Ecofibre listed on the Australian Securities Exchange on 29 March 2019. We listed at a price of \$1.00 per share and a total value of just over \$300m. We closed yesterday at \$1.65, up 65% over the period.

The Company's share price performed well on the back of strong and consistent sales growth, particularly in our US based Ananda Health business.

Along with the advent of COVID-19, lawlessness in our key US market a few months later, and other industry changes in the US CBD market, trading conditions for our Health business were significantly impacted.

As a consequence, our revenues in the last quarter of the year, and in the new financial year, have been disappointing.

Our CEO Eric Wang will discuss these and other factors shortly, including the steps we're taking to adapt our business portfolio to current trading conditions. These steps have included the rapid design and launch of anti-bacterial face masks in April 2020, and refining our marketing and distribution strategy in the key pharmacy channel.

Our other US based business, Hemp Black, was in an R&D phase for most of the financial year, and began commercial operations in the 4th quarter with the launch of the new face masks.

Since the beginning of our research partnership with Thomas Jefferson University in mid-2017, we have had significant conviction in the potential of Hemp Black technologies and business model. In July of this year we announced the acquisition of TexInnovate, a high-end textiles manufacturer and long standing research and business partner based in North Carolina, USA.

In April 2020 Ecofibre completed construction of its new US Headquarters and manufacturing facility in Georgetown, Kentucky. The building will assist the operations of both US businesses and, once travel returns to normal, will be a significant asset for promoting our business and products to customers, business partners and regulators.

The facility is state-of-the art, and has been awarded a Leeds Platinum certification by the US Green Building Council, its highest award for sustainability in design and construction.

In Australia, our hemp foods business, Ananda Food, harvested a record seed crop in Tasmania during the year. Its products are sold by Woolworths under the Macro Brand, and in selected IGA stores under the Ananda Food brand. More recently, Ananda Food also began to supply packaged food products to Soul Seed, a supplier to Coles Supermarkets across Australia.

Despite 4th quarter revenue being impacted by lower results for Ananda Health, Ecofibre reported a strong profit result for the overall 2020 financial year, which also included one off benefits from government grants and foreign exchange impacts.

Revenue in the first quarter of the 2021 financial year remained significantly below the prior corresponding period last year, and we have advised the market that, at this time, the best we can expect for the 2021 financial year is a breakeven profit result. While that would be a very disappointing result for the Board and shareholders, our management team continues to work hard to restore financial performance.

## *Board Construction*

At last year's AGM, I indicated that the Board had been kept small because it would not have been fair to appoint new directors immediately prior to the IPO, and because the Company's business was undergoing a period of rapid development and change.

I also indicated that, as we grow, the Board will continue to review the skills, diversity and independence of the Directors, and in time we would increase the number of Directors. For a company of our size, my view has been that a Board size of four is optimal in the short term, increasing to five or six in the medium term.

Accordingly, the Board appointed its fourth director, Kristi Woolrych, as an independent, non-executive Director on 20 October 2020.

Kristi brings a wealth of experience in brand strategy, customer experience, channel management and marketing in a variety of industries. Ecofibre has three very different businesses operating in diverse customer markets through a variety of channels, and Kristi's experience will be of great benefit to Ecofibre as our businesses move to the next stage of their development.

Shareholders will have an opportunity to hear from Kristi and confirm her appointment later in the meeting.

The Board expects to make a further appointment after the release of this year's half year results, and appoint another Director later in the 2021 calendar year.

Both of these appointments are expected to be highly experienced Directors.

## *Chairman's Tenure*

If I am re-elected as a Director at today's meeting, I expect that I will serve in my present role for a further 12 months, and then retire from the Board at that time.

## *Acknowledgement and thank you*

On behalf of the Board, I would like to extend our thanks to you, our shareholders, for your continued support, particularly during this volatile and uncertain environment.

I would also like to thank management, our staff, growers and business partners who serve our customers every day.

In 2020 I have not been able to visit our offices, factories and growers as often as I would have liked. Nevertheless, I am encouraged by the quality and dedication of our people, and the strong values-based culture we are building across the Company.

As we welcome our TexInnovate colleagues into the Ecofibre family, I am encouraged that we have the right team to navigate the future with confidence.

## **CEO Address**

Thanks Barry, and welcome to our shareholders and visitors who've joined us today.

Since last year's AGM the number of shareholders in Ecofibre has more than doubled, so I'd like to recap briefly on our vision as a Company, our Strategy, and the Values that guide our approach to business. I feel this is important as it gives our shareholders better insight into how the Company utilises your investment to drive a return.

*[Slide 10 - Vision and clear purpose in each of our businesses]*

As we've navigated through a period of unusual uncertainty and disruption, it is important to note that our vision, strategy and values remain consistent.

Our aspiration is to become a global leader in hemp technologies, providing innovative solutions that address emerging health and resource issues.

Ecofibre's vision is based on three themes - innovation, natural health and sustainability:

- We're a technology based, solutions-oriented company, relying on innovation to help our customers live better lives by addressing emerging health and resource issues.
- All our businesses have a significant focus on improving human health such as providing natural hemp-derived CBD as an alternative to pharmaceuticals like opioids or providing hemp foods as a sustainable high-quality plant-based protein.
- Our business practices emphasise sustainable outcomes, with a particular focus on environmental and resource issues and the unique properties of the hemp plant. It is important to note that our social commitments to these important issues are embedded in how we operate as a Company rather than donations or paying others to deliver on these commitments.

As I said last year, our 'why' is very clear, and each of our three businesses operate in a manner that create significant benefits for people and the environment. As such we have very strong conviction that the markets and segments that we have chosen to invest your funds in, have very strong growth potential over a sustained period.

*[Slide 11 - Our values embody our business philosophy]*

I wanted to take some time to reinforce the values of Ecofibre. Our culture is embodied by key values oriented around six stakeholder groups, which are on prominent display at each of our locations.

Our team members understand that their role is to take care of our Customers, our Company, Ourselves, our Families, Communities and our Environments.

As I highlighted last year, the one stakeholder group not listed on this chart is you, our Shareholders. This is because this is my responsibility to deliver a return on your investment. I ensure this occurs by managing the allocation of capital across the Group and overseeing all pricing decisions to ensure the team's hard work translates into long term value for the Company's owners.

*[Slide 12 - FY20 Results - year in review, part 1]*

Despite the challenging fourth quarter as a result of the pandemic, 2020 was a strong financial year for Ecofibre across a number of key metrics.

Net profit after tax (NPAT) increased 119%, from \$6.0m to \$13.2m. On a normalised basis, after adjusting for one-off IPO costs, tax recognition, government grants and foreign exchange effects, Underlying NPAT increased by 79% from \$5.1m to \$9.1m.

Profit growth was driven by higher revenues, up 42% from \$35.6m to \$50.7m, and by good margins.

Our net asset position at the end of the financial year was strong, with net assets up from \$42.3m to \$63.0m over the financial year.

Fully diluted earnings per share was 4.3 cents for the year, and remains a key metric for us and an overall measure of quality returns to shareholders.

*[Slide 13 - FY20 Results - year in review, part 2]*

By division, Ananda Health reported strong sales and profits in FY20, Hemp Black reported a breakeven result on only 2 months of mask sales, and Ananda Food showed steady sales growth but was not yet profitable.

We experienced a decrease in sales in the fourth quarter of FY20 due to significant uncertainty and store closures due to the pandemic. In the first quarter of FY21 we continued to experience lower revenues in Ananda Health due to impacts to

distribution and sales in our key independent pharmacy channel as trading conditions remain challenging.

We expect improved revenues in 2Q21 with modest growth in Ananda Food, new revenue streams in the Hemp Black including the acquisition of TexInnovate completed at the end of August, and modest improvements in trading conditions in our Ananda Health business.

*[Slide 14 - Ananda Professional]*

Independent pharmacies remain a key focus for Ananda Health through its exclusive Ananda Professional brand.

In the broader retail pharmacy context, independents are the innovators and early adopters, focussed on providing advice and trusted by their patients to help improve health outcomes. Our product is typically used by patients looking for help to manage pain, sleep and anxiety.

*[Slide 15 - US Pharmacies - Ananda is the leader in its chosen segment]*

In FY20 Ananda Health continued to be the #1 CBD brand for US retail pharmacies, backed by a focus on product quality, safety and education.

Our pharmacy distribution capability has become a group-wide asset - in addition to hemp-derived CBD products, we now also sell Hemp Black masks and Ananda Food products through this channel.

Pharmacies experienced difficult trading conditions in 4Q20 and 1Q21, impacted by COVID-19 and civil unrest. As a team Ananda Health has taken a number of steps to address this new environment.

We've increased our focus on supporting the most productive, highest potential pharmacies who are committed to building their CBD business with Ananda.



We've adjusted our strategy with pharmacy distributors, and will focus more on helping them with 'product pull through' to their customers.

We have also reviewed our pricing which has not changed since the inception of the business three years ago. In order to help with patient affordability, and in line with industry shifts, we reduced prices on certain SKU's this month.

Whilst CBD is still in the early stages of its maturity as an industry, there is greater awareness of its benefits and we are expanding patient segments accordingly. Two specific patient segment include women's health and the diabetic community. We are launching new products in these very important segments in early 2021.

Finally, we continue with the strong belief that companies who invest in quality research and patient education will ultimately be the long-term winners in the CBD industry.

*[Slide 16 - Ananda believes the professional segment for CBD is only in its early stages of development]*

My fundamental belief in the potential of the CBD market, and the place of CBD in the US healthcare system, remains unchanged.

Despite the wide availability of CBD in the US, the healthcare system has yet to properly adopt the product category and more importantly this tells me that the growth in the 'professional' market for CBD is significant.

As an example, in key segments, such as working age parents, the risk of failing an employer drug test is a real barrier to their use of CBD. The only way this barrier will be removed by employers is through broader adoption of CBD by the professional segment, specifically doctors and pharmacists.

For a very large segment of patients, doctors and pharmacists are the key influencers and ultimately decisions makers for these patients. Anecdotally, doctors and pharmacists are no longer negative, but are in general still neutral on CBD.

These influencers will require FDA approved research to assist them in decision making around efficacy, safety and dosing.

*[Slide 17 - Clinical Research key to growth]*

One of the key differentiators of Ananda Health is our commitment to quality clinical research. We have made good progress on IRB-accredited clinical studies during the year, despite COVID related delays to patient enrolment as a result of safety protocols.

In the last quarter, the Coala-T-CBD Study™ began enrolment of patients and is fully operational. The study is led by oncologist Dr. Marisa Weiss, the founder and chief medical officer of [www.Breastcancer.org](http://www.Breastcancer.org) and Director of Breast Radiation Oncology and Breast Health Outreach at Lankenau Medical Center. This is the first and only FDA-approved randomised controlled trial of a CBD product vs. placebo in the treatment of chemotherapy-induced peripheral neuropathy (CIPN).

Together with a second Phase 2 clinical trial on the effects of CBD on agitation in patients with Alzheimer's disease, we believe Ecofibre's studies will make a significant contribution to doctor and pharmacist understanding of cannabinoid science and efficacy.

*[Slide 18 - CVS]*

Whilst Ecofibre's core business is focused on the independent pharmacy channel, large pharmacy chains and distributors have shown increased confidence in the CBD market, and specifically in Ecofibre's product range and delivery capability.

In May this year we announced a distribution agreement with CVS Pharmacy, one of the largest retail pharmacy chains in the US, with over 9,900 retail locations.

Ecofibre is now supplying ten topical products exclusively for sale at select CVS Pharmacy locations.

*[Slide 19 - Ananda available in Australia]*

In Australia, we began to supply two of our US manufactured CBD products under the current SAS program. The intent of this initiative is to provide Australian patients with access to the highest quality full spectrum CBD product at an affordable price.

Using our significant production capability in the US, we now provide the same quality products that make Ananda the #1 US pharmacy brand at a cost that makes it accessible and affordable to Australians.

There is currently a proposal by the Australian Department of Health that would potentially make certain CBD products available behind the counter at Australian pharmacies without the need for doctor prescriptions.

We are closely monitoring this proposal to down-schedule CBD oil to Schedule 3 in February 2021. Based on the currently available information, Ananda has products in the US market that meet the proposed S3 manufacturing requirements, but we will need to better understand the efficacy study requirements once final rules are disclosed by the TGA.

As many of our investors will already know, a core driver of why the Lambert family and I got involved in Ecofibre was to make CBD widely available to Australians by focusing on research, education and quality manufacturing. Whilst Australia has been slower to adopt the regulatory policies to make this possible, we are optimistic that a pathway may exist in the near to medium-term future.

***[Slide 20 - Ananda Food, part 1]***

Ananda Food is one of the largest growers and suppliers of 100% Australian grown and processed hemp seed food products.

Hemp Foods are rich in iron, digestible protein, fibre, and omega 3 and 6 oils, and as plant-based proteins continue to grow in popularity, we are confident that hemp will be an important part of the mix.

Our partnership with Woolworths in Australia and Countdown in New Zealand is now well established, with hemp seed oil recently added to the existing protein and hemp seed Woolworths Macro range.

Our recent agreement to supply bulk and packaged products to the 'Soul Seeds' brand, distributed through Coles, has also been a significant step forward.

Our factory in Beresfield, New South Wales, and our growing capabilities in Tasmania and the eastern mainland states, are key enablers to the long term scale and efficiency of the business.

We also expect to introduce a new high yielding seed variety during the year, ECO-Excalibur, which is registered with IP Australia.

***[Slide 21 - Ananda Food, part 2]***

Similar to the Ananda Health business, Ananda Food must continue to educate consumers not just on the nutritional benefits of hemp, but also how to use hemp foods in everyday cooking. This education is key to make hemp-based foods a more mainstream ingredient and product.

One way we've been doing this is to work with Luke Hines, a finalist in My Kitchen Rules, and the bestselling author of 12 cookbooks including 'Eat More Vegan', host of Channel 7's The House of Wellness, and a qualified functional nutritionist and personal trainer.

You can see examples of Luke's creative use of hemp foods at <https://eof.to/hines>.

***[Slide 22 - Hemp Black delivers sustainable + natural + anti-microbial to high performance textiles, composites, films, pigments and coatings]***

As you know, I'm very excited about the potential of our Hemp Black business, and 2020 has been a transformational year.

As our research and development program with Thomas Jefferson University nears completion, Hemp Black is in commercial production and well positioned for growth.

The business is based on two types of 'feedstock' - / eco<sup>6</sup>, a highly sustainable activated carbon, and Ananda Health's full spectrum extract.

Our technologies combine these feedstocks into a number of core products, which themselves can be transformed into a range of finished goods for use in different markets.

We will carefully prioritise our go-to-market options and focus on integrating with existing industries and supply chains.

Alongside the product technology, the manufacturing 'know-how' to commission equipment and run efficient production lines is also vitally important.

***[Slide 23 - TexInnovate]***

Over the past two and half years we focused on developing the IP for Hemp Black which included the processes that allow us to take the properties of hemp into existing manufacturing supply chains. These supply chains include manufacturing processes for textiles, coatings, films, injection mouldings and pigments.

This IP and understanding of manufacturing processes is what differentiates Hemp Black. At its simplest form, Hemp Black has developed the processes required to deliver anti-microbial and conductive properties that are natural and sustainable into current manufacturing processes across multiple industries.

In August 2020 the acquisition of TexInnovate marked a step change in Hemp Black's operational capability.

We now have the ability to deliver Hemp Black technologies across a range of product markets, building on existing and new customer relationships.

Jeff Bruner and his team have deep expertise in high performance synthetic yarns and fabrics. Jeff and Hemp Black's head of innovation, Mark Sunderland, are both TJU alumni, and worked together for a number of years to make Hemp Black a reality.

***[Slide 24 - / hide a cleaner leather]***

Hemp black hide is an eco-conscious alternative to leather that incorporates Ananda Health's full spectrum hemp extract.

hide is also anti-microbial and odour neutralising, incorporates recycled materials, contains no pvc or heavy metal, and is abrasion resistant.

***[Slide 25 - ability to deliver anti-microbial properties via a natural, sustainable source]***

Independent, ISO certified laboratory testing shows high 'kill rates' for multiple bacteria types, and in a world that increasingly values health and hygiene we think this will be a major differentiator.

Alternative products use more expensive, less sustainable heavy metals such as copper and silver.

***[Slide 26 - / eco<sup>6</sup> a safer pigment]***

/ eco<sup>6</sup> is made by pyrolysis, or carbonising, the stalk of the hemp plant, to create a highly sustainable natural 'carbon black' pigment.

/ eco<sup>6</sup> is anti-microbial and odour neutralising, conductive, carbon negative and doesn't incorporate fossil fuels. As a porous and absorbent material, it can also act as a detoxification agent.

***[Slide 27 - safe and natural feedstock for commonly used pigment]***

I have provided some high-level comparisons to the traditional carbon black product.

It is important to note that we do not look to replace traditional carbon black as we cannot get to the cost structure of this well-established industry. However, there will be specific uses where the value proposition of / eco<sup>6</sup> resonate such as cosmetics, sustainable inks, and most importantly conductivity.

***[Slide 28 - / element an adaptive fiber]***

Hemp Black now also makes products using / element, which incorporates Ananda Health's full spectrum hemp extract into a range of polymer-based fibres.

/ element is also anti-microbial and odour neutralising, moisture wicking, and uses master batch and solution dyed technologies to incorporate the hemp extract throughout individual fibres, not just as a surface coating application.

*[Slide 29 - genuine commitment to quality research]*

As with Hemp Black hide, / element fibre shows significant 'kill rates' for multiple bacteria types, verified by multiple independent laboratory studies.

*[Slide 30 - hemp black is featured in our LEED platinum facility]*

A recurring theme for Ecofibre is education due to the fact that very few people today have actually had any first-hand experience with hemp. Just like Ananda Health and Ananda Food, Hemp Black has to educate manufacturing partners and consumers on the versatility, properties and benefits of hemp.

What we were able to do with the design and fit-out of our new facility in Georgetown was to showcase some of our Hemp Black technologies in the building, including the indoor furniture, wall coverings, carpet and outdoor furniture and turf.

More importantly we did this in partnership with leading manufacturers in their respective industries which is fundamental to our business model of quality premium products.

*[Slide 31 - masks]*

As Barry mentioned, we moved quickly in April 2020 to re-direct our stock of CBD-infused yarns and fabrics to manufacture a range of high-quality face masks.

To the end of October 2020 we had sold over 267,000 masks in the United States and Australia through pharmacies, wholesale customers and online.

In Australia, we partnered with organisations as diverse St. Ali, Oroton, Lifeline, Count and Epilepsy Action Australia to reach customers across the country.

Like the Georgetown building, the masks were another showcase of Hemp Black technology and capability, combining functional benefits such anti-microbial protection, with the highly sustainable characteristics of re-usability to avoid the growing environmental impact of hundreds of millions of disposable facemasks making their way into landfills and our oceans.

*[Slide 32 - female yoga apparel]*

To begin educating the consumer market on the benefits of hemp, the Hemp Black athleisure apparel range was launched on 15 November in the US. Our range includes pants, shorts, headwear and tee-shirts in various colours and sizes, vastly expanding our range of high-tech consumer focused products. More styles and colours, including an innovative utility jacket, will be added in the coming weeks.

The newly added items feature Hemp Black technology across an assortment for men and women as well as the introduction of Hemp Black / ink found on a collection of graphic tees.

Our products are marketed and sold online ([www.hempblack.com](http://www.hempblack.com) and [www.hempblack.com.au](http://www.hempblack.com.au)).

*[Slide 33 - Airstream]*

We also built a custom Airstream trailer to take Hemp Black on the road to conferences and events around the USA, promoting and selling our products and building brand awareness.

*[Slide 34 - jacket and shorts]*

As found in our masks and gaiters, the / fusion technology manufactured in our North Carolina facility combines technologies into a powerful fabric.

We are in the process of continually testing our materials. Recently tests were conducted using one of the most common items, the mobile phone. As seen in the



photos we took control samples and then placed the phones in a traditional cotton pocket and both sides of our Hemp Black / fusion pockets for 20 minutes.

We did not test for specific bacteria in this use case as we wanted to best replicate day to day conditions for the average person. As you can see there are dramatic reductions in bacteria when phones are placed in contact with the Hemp Black fabrics.

The items in the collection feature strategically placed panels of / fusion fabric engineered into the garments at points of high touch and skin contact. Additionally, each style features an internal cell phone pocket that is specifically designed to softly stretch around your device, creating an anti-microbial cleaning zone.

*[Slide 35 - underpinning our investment in a sustainable future]*

Before I finish, and since our shareholders haven't had an opportunity to travel to the US since the opening of our Kentucky facility, I've put together some additional pictures of our Georgetown facility.

As I had mentioned earlier, a core social commitment for Ecofibre is to ensure we leave our environments in a better condition than when we found them. Our staff are extremely proud of the commitments we make and Ecofibre is the only LEED Platinum hemp facility in the world.

*[Slide 36 - educating partners and customers on the value of hemp]*

The new US headquarters serves as our core marketing tool for partners, a centre for hemp education that is utilised by many stakeholder groups and has delivered step function changes in operational productivity.

*[Slide 37 - quality and efficiency gains to support growth]*

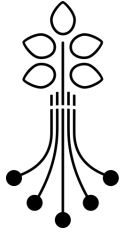
*[Slide 38 - outlook]*

Due to a reasonable amount of uncertainty related to the impacts on our core business due to the pandemic, I can only reaffirm earlier guidance provided.

The Company has a tremendous set of assets in markets that we find very attractive and sustainable over the long term. My number one focus remains growing our business and providing a return to shareholders in the most effective manner possible.

I will now return the meeting to Barry, and I look forward to any questions from shareholders.

*[Slide 39 - Q&A]*



ECOFIBRE

# 2020 Annual General Meeting

25 November 2020



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# Opening Remarks

Barry Lambert,  
Chairman



## Financial, Directors and Auditors Reports



## Voting Items

# Resolution 1

## Election of Directors: Barry Lambert

*“That Mr Barry Lambert, who retires as a Director in accordance with Ecofibre’s Constitution and, being eligible, be elected as a Director of the Company”*

	For	Open	Against	Total valid Available votes	As a % of issued capital	Abstain
Votes	120,446,402	860,054	3,589,429	124,895,885	36.80%	6,514
Holder	122	32	7	161		5
Percentage	96.44%	0.69%	2.87%	100%		



# Resolution 2

## Election of Directors: Kristi Woolrych

*“That Ms Kristi Woolrych, being eligible, be elected as a Director of the Company”*

	For	Open	Against	Total valid Available votes	As a % of issued capital	Abstain
Votes	123,621,157	994,954	199,274	124,815,385	36.78	87,014
Holder	116	32	7	155		
Percentage	99.04%	0.80%	0.16%	100%		

# Resolution 3

## Adoption of the Remuneration Report

*“That the Company’s Remuneration Report for the year ended 30 June 2020, as set out in the Company’s 2020 Annual Report, be adopted”*

	For	Open	Against	Total valid Available votes	As a % of issued capital	Disregarded*
Votes	54,973,863	835,854	164,601	55,974,318	16.49%	53,385
Holder	98	31	20	149		
Percentage	98.21%	1.49%	0.29%	100%		



# Year in Review and Trading Update

Eric Wang,  
Managing Director

# Vision and clear purpose in each of our businesses



Be the global leader in hemp technologies by providing innovative solutions that address emerging health and resource issues



**anandahealth**

Preferred provider in the US practitioner and pharmacy channels by providing federally legal, safe, high quality product



**anandafood**

Leading hemp food supplier in Australia and Asia



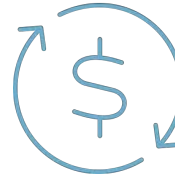
**HEMP BLACK**

Recognized global leader in sustainable high-tech hemp applications

# Our values embody our business philosophy



# FY20 Results – year in review



## Revenue

up 42% from \$35.6m to

**\$50.7m**



## NPAT

Up 119% from \$6.0m to

**\$13.2m**

## Fully diluted EPS

up 100% from 2.2cps to

**4.3cps**

## Net Assets

Up from \$42.3m to

**\$63.0m**

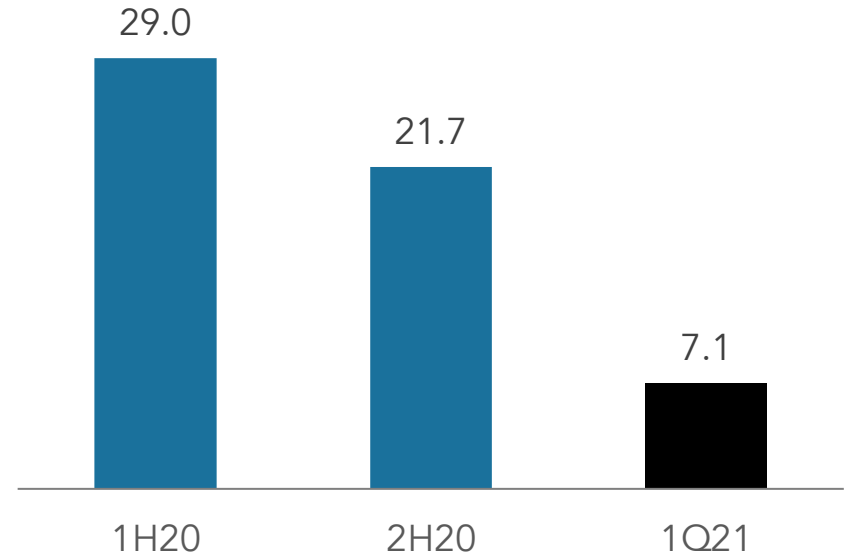
# FY20 Results – year in review

**Ananda Health** – strong annual revenue and profit, but weaker sales impacted 4Q20 and 1Q21

**Hemp Black** – breakeven result in FY20 with only two months sales

**Ananda Food** – steady sales growth, not yet profitable

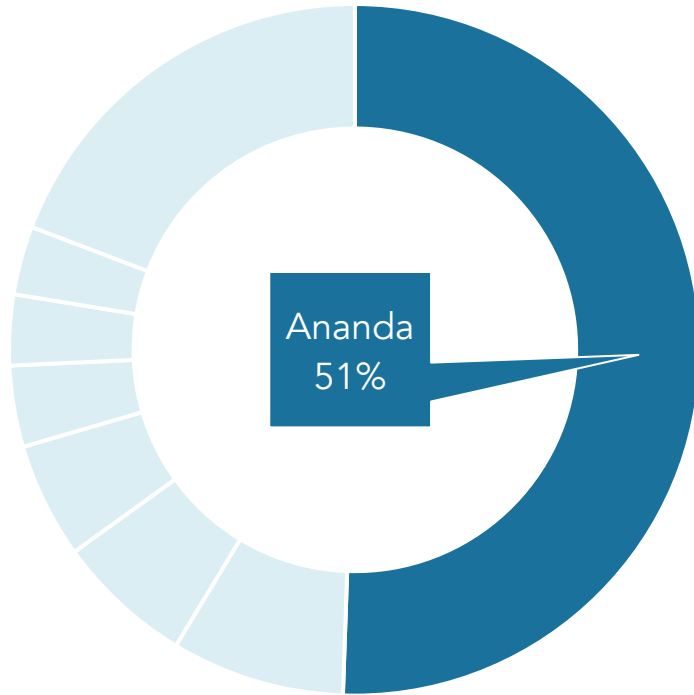
Revenue  
FY20 and 1Q21







# US Pharmacies - Ananda is the leader in its chosen segment

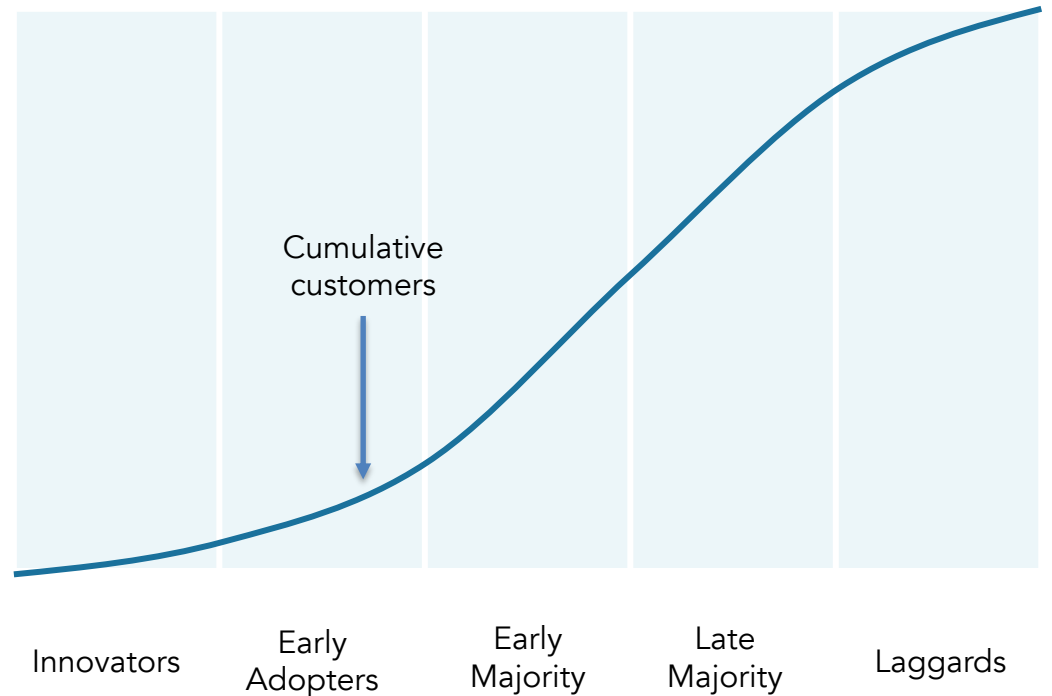


- Market leading retail pharmacy distribution of hemp-derived CBD products
- Difficult trading conditions for Ananda Health over last two quarters:
  - store closures
  - lower foot traffic due to COVID restrictions
  - lower prescription volumes and OTC sales
- Fine tuning strategy to address changing environment
  - Outcomes Club – significant focus on supporting core pharmacies positioned to grow
  - Price affordability – 1<sup>st</sup> reduction since inception
  - Product development – women’s health, chewable formats, diabetic foot cream and socks (collaboration with Hemp Black)
  - Key distributor relationships expanding
  - Emphasis on FDA approved clinical studies to support patient growth in our customer segments

IRI data. Graph shows composition of drug store class of trade for the most recent 52 week period ending 17 May, 2020. The drug store class of trade includes national and regional chain stores and independent pharmacies. Independent pharmacies represent 77% of all CBD sales in the channel.

# Ananda believes the professional segment for CBD is only in its early stages of development

- CBD product adoption varies by customer segment and channel.
- Doctors and pharmacists are key influencers that drive product consideration, purchase and advocacy in the 'professional' segments.
- Drug testing policy by many employers is a key barrier for many potential customers that would normally use the pharmacy channel.
- Political and regulatory shifts will influence adoption but quality FDA approved research will underpin growth in this segment



# Clinical research key to growth

*High quality data needed to support regulators, doctors, medical practitioners and pharmacists.*

IRB-accredited research to advance the clinical evidence of hemp extract



STUDY	PATIENT POPULATION	LOCATION	STATUS
Opioid Reduction	Chronic Opioid	Louisville, KY	Published 2019
Pain	Spinal Stenosis	Philadelphia, PA	Enrollment Ongoing
Neuropathic Pain	Breast, Colon + Ovarian Cancer	Philadelphia, PA	Enrollment Ongoing (FDA Approved)
Anxiety + Sleep	Dementia	Norfolk, VA	Enrolling 2020 (Pending FDA approval)

First and only FDA-approved randomized controlled trial of a hemp-based cannabidiol (CBD) product vs. placebo in the treatment of chemotherapy induced peripheral neuropathy (CIPN).



**SHOP NOW**  
EXCLUSIVELY AT  
**CVS**

# Ananda available in Australia

- Two Ananda Health products being prescribed in Australia since February 2020 under SAS program
  - 2000mg tincture
  - 600mg soft gel capsules
- Focus is to provide Australians the highest quality, most affordable product ~10c/mg to end patient
  - Australia benefits from US scale manufacturing
  - Same high quality products that are #1 pharmacy brand in the US and being used in FDA authorized studies
- The Therapeutic Goods Administration reviewing a proposal to down-schedule low-dose CBD oil to Schedule 3
  - Ananda has a watching brief on this topic
  - Products manufactured in the US meet the proposed Australian S3 product requirements
  - Efficacy studies required and to be reviewed once final rules disclosed by the TGA





**anandafood**  
100% Aussie Hemp



Woolworths

**coles**



**anandahemp**+



**anandafood**  
100% Aussie Hemp

[anandafood.com](https://anandafood.com)

# Hemp Black delivers sustainable, natural & anti-microbial properties to high-performance textiles, composites, films, pigments and coatings

## HEMP BLACK / feedstock

- HEMP BLACK / eco<sup>6</sup> (platinum rated carbon)
- Ananda full spectrum extract (*used for all Ananda Health products*)

- Own feedstock supply chain @ Georgetown, KY facility

## HEMP BLACK / technology

- HEMP BLACK / ink
- HEMP BLACK / element
- HEMP BLACK / hide
- HEMP BLACK / fusion
- HEMP BLACK / nano

- Own manufacturing supply chain for multiple HB capabilities @ Greensboro, NC facilities
- Supply performance yarns, composites and coatings into existing industry supply chains

## HEMP BLACK / markets

- PPE
  - Home and office furnishings
  - Public seating (travel, transport, auditorium)
  - Automobile interiors / seating
  - Medical textiles
  - Outdoor seating and turf applications
  - Athleisure wear
  - Fashion and alternative leather goods
- Existing pharmacy distribution
  - New manufacturing and wholesale customer relationships across multiple industries





HEMP BLACK



ANTIMICROBIAL



RECYCLED MATERIAL



ABRASION RESISTANT



NO PVC OR HEAVY METAL



ODOR NEUTRALIZING



VARIOUS FABRICATIONS



/ hide  
**A CLEANER  
LEATHER.**

Ability to deliver anti-microbial properties via a natural, sustainable source



ISO certified lab testing:

/ hide has been proven to kill organisms without contributing to antimicrobial resistance.

STUDY	LOCATION	PERCENT REDUCTION
S. Aureus ATCC#6538P	MicroStar Lab	99.998
E. Coli ATCC#8739	MicroStar Lab	99.99996
S. Aureus (MRSA) ATCC#33591	MicroStar Lab	98

Efficacy with natural antiseptic Hemp Extract



ANTIMICROBIAL



CONDUCTIVE



CARBON NEGATIVE



NO FOSSIL FUELS



ODOR NEUTRALIZING



DETOXIFYING



/ eco<sup>6</sup>  
A SAFER  
PIGMENT.

# Safe & natural feedstock for a commonly used pigment



Platinum material health certified:

/ eco<sup>6</sup> is the first carbon black to achieve the platinum material health certificate from C2C.

Based on chemical hazard ID and exposure considerations.

TRAIT	HEMP BLACK / eco <sup>6</sup>	CARBON BLACK
Feed Stock	Hemp	Petroleum oil, coal tar, ethylene cracking tar, and natural gas
Process	Bio-charring	Oil furnace or thermal
Ecological Impact	Rapidly renewable natural crop grown with no chemicals	Relies on processing of fossil fuels and non-renewable resources
Toxicity	Non-carcinogenic	Group 2B carcinogen



ANTIMICROBIAL



MOISTURE WICKING



NON GMO EXTRACT



MASTERBATCH TECH



ODOR NEUTRALIZING



SOLUTION DYED



/ element  
AN ADAPTIVE  
FIBER.

# Genuine commitment to quality research



Efficacy tested at  
each stage:

/ element has been  
proven to kill  
organisms at the  
masterbatch level,  
as a fiber, and as a  
finished product.

STUDY	Material	LOCATION	PERCENT REDUCTION
S. Aureus ATCC#6538	Golden Oil	MicroStar Lab	99.9993
S. Aureus ATCC#6538	/ element yarn	Thomas Jefferson	99.96
S. Aureus (MRSA) ATCC#33591	Herman Miller suspension fabric	MicroStar Lab	<b>99.95</b>



## Hemp Black is featured in our LEED platinum facility

- Furniture
- Wall coverings
- Carpet
- Outdoor furniture and turf

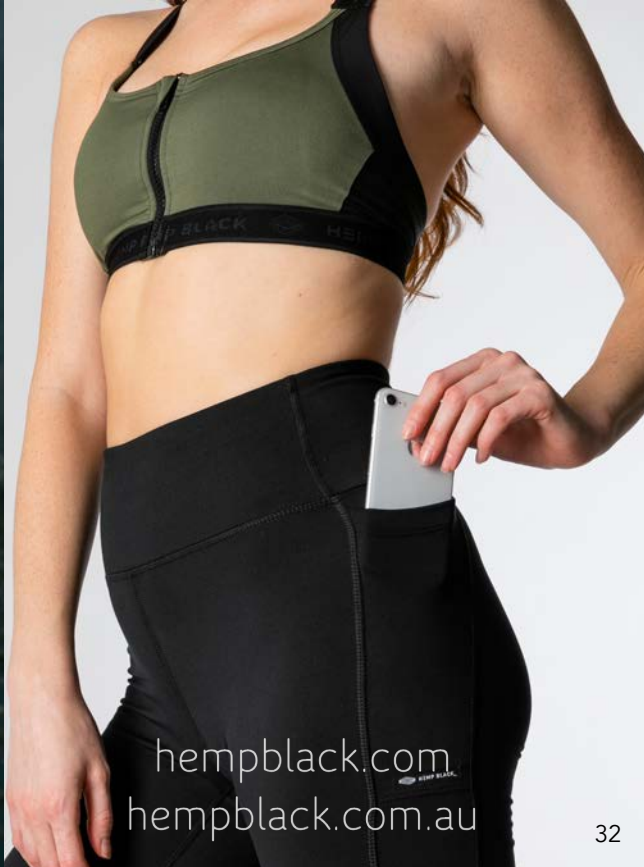




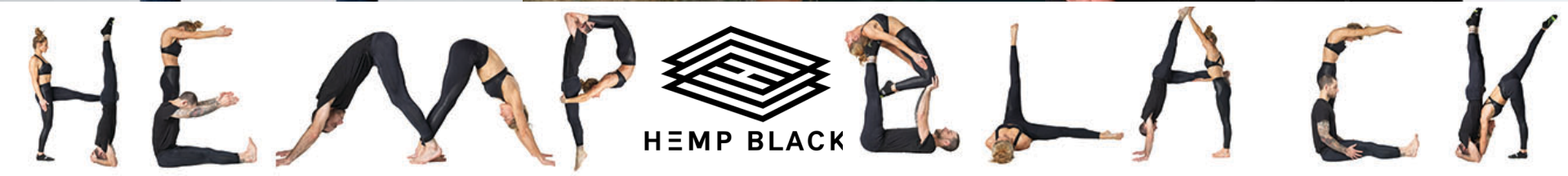


HEMP BLACK

[hemblack.com](http://hemblack.com)  
[hemblack.com.au](http://hemblack.com.au)



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HEMP BLACK

**CONTROL**

TIME 0

TIME 20



**HB/F BLACK**

TIME 0

TIME 20



**HB/F BLUE**

TIME 0

TIME 20



[hempblack.com](http://hempblack.com)  
[hempblack.com.au](http://hempblack.com.au)

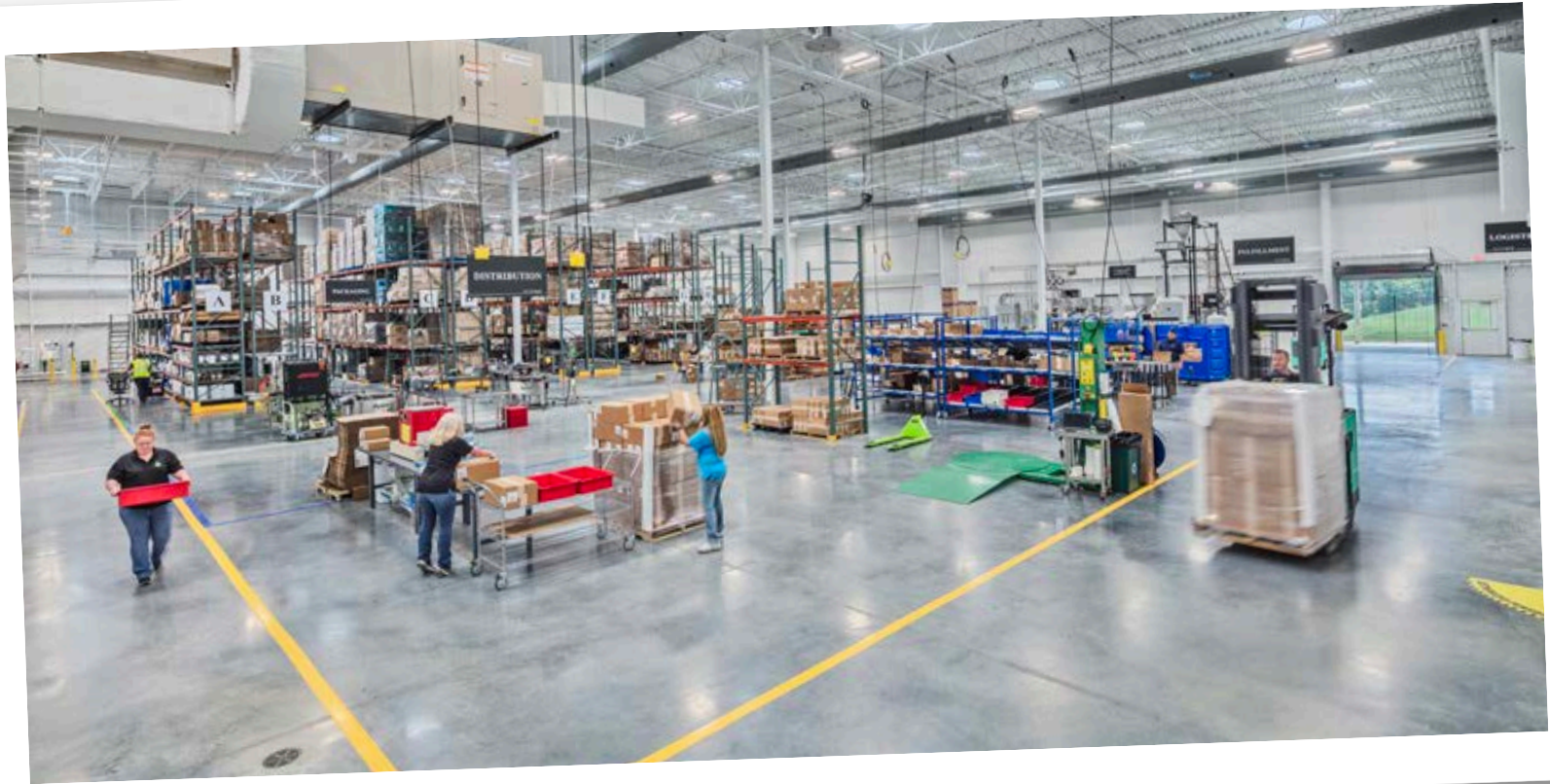
# Underpinning our investment in a sustainable future



# Educating partners and customers on the value of hemp



# Quality and efficiency gains to support growth





# Outlook

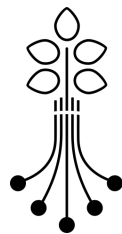
Ecofibre's businesses continue to experience rapid change in new and evolving industries in an environment of increased volatility in the US economy. An experienced management team is actively managing growth through these unusual times.

The Directors wish to advise that the Company expects to incur a loss in 1H21 and at this time we are targeting a break even result for FY21. The Company will naturally advise the market if there is any material change to this guidance



# Q&A





ECOFIBRE

Thank you for  
your  
attendance

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