

16 August 2023

### TexInnovate earnout extension

**Ecofibre Limited (Ecofibre, Company) (ASX:EOF)** announces an extension of the TexInnovate earnout.

Ecofibre's Hemp Black business was purchased from the TexInnovate group of companies on 24 August 2020. Details of the original acquisition are summarised in the Company's announcements dated 29 July 2020 and 24 August 2020.

Given the two-year COVID-19 disruption and the strong pipeline of opportunities now available to the business, the Board has decided it is in shareholders' best interest to extend the term of the purchase consideration 'earnout' from the original transaction for Jeff Bruner, who is both the President of Hemp Black and principal shareholder of TexInnovate.

The original agreement included a cash earnout with a value of up to USD10.5m, payable in 3 equal tranches on the 3rd, 4<sup>th</sup>, and 5th anniversaries after completion if the acquired businesses deliver USD6m EBIT for two consecutive annual periods within 5 years from 1 September 2020. In addition, if the EBIT target is met, an additional 5,924,926 shares will also be issued in 3 tranches.

The Board has extended the term of the earnout for both cash and shares from 5 years to 7 years.

Ecofibre CEO Eric Wang said, "Jeff and the Hemp Black team are delivering on significant opportunities across the business, and I'm excited about our growth prospects over the coming years under Jeff's continued leadership."

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**About Ecofibre**

Ecofibre is a diversified industrial hemp company in the United States and Australia.

We operate three vertically integrated businesses focused on growth in natural health care, plant-based foods, and sustainable product solutions.

Ananda Food owns one of the world's largest collections of hemp seed genetics. It is a leading, low-cost manufacturer of high-quality hemp food products in Australia, including oil, seed, and proteins. See [anandafood.com](https://anandafood.com).

Ananda Health is a leading US manufacturer of hemp-based nutraceuticals for the professional market. We produce CBD products for human and pet consumption and topical health and beauty products. Our focus on high-quality, efficacious, and safe products is supported by a commitment to clinical research in Australia and the USA, focused on conditions including sleep, pain, anxiety, endometriosis, and gynecological diseases. See [anadaprofessional.com](https://anadaprofessional.com). Ananda Hemp provides Australians with medicinal cannabis products as part of the SAS-B program. Ananda Hemp offers a range of products manufactured at our US facility under the S4 and S8 categories. See [anadahemp.com.au](https://anadahemp.com.au).

Hemp Black is an industrial business focused on textiles and bioplastics, with specialist capabilities in yarn extrusion, knitting, and polymer compounding. We use innovative hemp-based composite technology to help de-carbonise consumer products and supply chains for various industries. See [hempblack.com](https://hempblack.com).

**Authorisation**

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