

24 August 2023

Ecofibre Limited – Institutional Placement and SPP announced to fund Hemp Black growth

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HIGHLIGHTS

- Firm commitments received to raise \$5.0m through an institutional Placement priced at \$0.18 per share
- Strong support from institutional and sophisticated investors, in addition to the Board and Management
- Placement funds will be used to support commissioning and testing of new manufacturing equipment and provide working capital for growth in Hemp Black
- Ecofibre to undertake Share Purchase Plan (SPP) of up to \$1m for existing eligible shareholders

Ecofibre Limited (Ecofibre, Company) (ASX:EOF) announces that it has received firm commitments to raise \$5.0m through a two-tranche placement to institutional, sophisticated, and professional investors (**Placement**).

The Board of Directors and management intend to subscribe for approximately \$0.5 million in tranche two of the Placement, with the Board's participation subject to shareholder approval at the upcoming annual general meeting (**AGM**).

The Placement provides the Company with greater flexibility with respect to its ongoing implementation and growth working capital requirements for its Hemp Black business. Proceeds from the Placement will be applied to:

- Support commissioning and testing of new manufacturing equipment
- Provide working capital for growth

Eric Wang, Ecofibre's CEO and Managing Director, commented:

"FY24 is a watershed year for our Hemp Black business, which is implementing several core growth platforms with Tier 1 global partners."

"I wish to thank all the placement participants, old and new, who have supported the Hemp Black growth platform that will help develop long-term scale, advanced manufacturing clients. I would also like to thank all of our existing retail shareholders for their continued support and ask that you review the SPP offer to invest alongside our institutional shareholders, Board, and Management as we support the growth of our Hemp Black business."

Placement

Under the Placement, the Company will issue approximately 27.8 million new fully paid ordinary shares in the Company at \$0.18 per share (**New Shares**), raising a total of \$5.0m before costs to institutional, sophisticated, and professional investors.

The issue price of \$0.18 per share represents a 2.7% discount to the last closing price of \$18.5 on Monday, 21 August 2013, and an 11.9% discount to the 5-day volume weighted average price (**VWAP**) of \$20.4.

New shares will be issued under the Company's existing placement capacity under ASX Listing Rule 7.1 and are expected to be issued on 31 August 2023.

The Board of Directors and management intend to subscribe for approximately \$0.5 million in tranche two of the Placement, with the Board's participation subject to shareholder approval at the upcoming AGM.

The Placement is not underwritten. Canaccord Genuity (Australia) Limited acted as Lead Manager to the Placement.

Share Purchase Plan

In addition to the Placement, Ecofibre intends to undertake a non-underwritten Share Purchase Plan (**SPP**) targeting to raise up to a maximum of \$1.0m.

Under the SPP, eligible existing shareholders who are on the register at the record date will be offered the opportunity to subscribe for up to \$30,000 of New Shares in the Company at an issue price of \$0.18 per New Share (being the same price as the Placement).

Further information on the SPP, including the terms and conditions of the SPP and the proposed timetable, will be set out in an SPP Offer Booklet that will be released on ASX and provided to eligible shareholders in the coming days.

New Shares issued under the Placement and SPP will rank equally with the Company’s existing fully paid ordinary shares.

Indicative Placement and SPP Timetable

Event	Date *
Record date for SPP	7:00 pm Wednesday, 23 August 2023
Announcement of Placement and SPP	Thursday, 24 August 2023
SPP open date	Friday, 25 August 2023
Settlement of Placement Shares	Thursday, 31 August 2023
Expected date of ASX Quotation of Placement Shares	Friday, 1 September 2023
SPP closing date	Friday, 15 September 2023
Expected date of ASX Quotation of New Shares under SPP	Monday, 25 September 2023
AGM to approve Board participation in the Placement	November 2023

* These dates are indicative only. The Company reserves the right to vary the dates without notice.

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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.

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 anandaprofessional.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 anandahemp.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.

Authorisation

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