

7 July 2023

## EOF-BIO established to commercialise patents for the treatment of Endometriosis and Ovarian Cancer

### HIGHLIGHTS

- EOF BIO LLC (EOF-BIO) established to commercialise intellectual property co-developed by Ecofibre and the University of Newcastle
- Pre-money enterprise value for EOF-BIO USD30M
  - tranche 1: USD c.1.5M committed (4.8% ownership)
  - tranche 2: USD c.8.5M – to be raised in 2Q24 (enterprise value TBD)
- Royalties payable by EOF-BIO to Ecofibre and the University of Newcastle for any future sub-licenses and developed products
- Use of funds: phase 2 clinical trials, IP development, commercial strategy, and execution

Ecofibre Limited (Ecofibre, Company) (ASX:EOF) provides an update on the establishment of EOF BIO LLC (EOF-BIO).

### Background and Rationale

On 11 May 23, Ecofibre announced that it had been granted several patents related to its gynaecological disorders portfolio and the Company's intention to begin to commercialise this intellectual property ([see announcement](#)).

CEO Eric Wang states, "The Company has now established EOF-BIO to achieve three strategic outcomes for Ecofibre shareholders:

1. raise new equity capital in a manner that preserves a large majority of the potential upside from Ecofibre's R&D investment for existing Ecofibre shareholders;
2. ensure dedicated management focus exists for EOF-BIO and establish relationships with leaders in the pharma and oncology industry; and
3. reduce the financial risk associated with a biotech portfolio.

The Ecofibre Group and the University of Newcastle are currently finalising licensing arrangements with EOF-BIO to facilitate commercialisation of the intellectual property.

EOF-BIO is a Delaware Limited Liability Company and, before external investment, a 100% owned subsidiary of Ecofibre USA, which is a 100% owned subsidiary of Ecofibre Limited. The members of EOF-BIO now include Ecofibre USA and external investors.

### Summary of Key Terms

Ecofibre USA will be the majority shareholder of EOF-BIO, and the two types of financial interests in EOF-BIO will be via equity ownership and royalties.

The following provides further detail on the ownership structure of EOF-BIO, and the anticipated structure of the license agreement currently being finalised by EOF-BIO, Ecofibre and Newcastle University.

1. Equity capital for EOF-BIO:
  - Pre-money enterprise value: USD30M
  - External capital invested
    - Funds committed to tranche 1: USD c.1.5M for 4.8% ownership
    - Funds for tranche 2: USD c.8.5m to be raised 2Q24 (enterprise value TBD)
    - Future tranches: TBD
  - Equity ownership type
    - Ecofibre: common shares
    - External investors: preferred shares (no voting rights).
2. EOF BIO will have the exclusive rights to commercialise the Intellectual Property developed by Ecofibre and the University of Newcastle.
3. Royalties will be payable on any sub-license of Intellectual Property to a third party and on any products developed by EOF-BIO or its sub-licensee.

### Use of Funds and Next Steps

Over the next two years, the funds will be used for:

- specific phase 2 clinical trials
- the development of additional patents for future commercialisation opportunities
- further development and execution of the commercial strategy, with assistance of two global pharmaceutical service providers.

**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 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](http://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](http://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](http://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](http://hempblack.com).

**Authorisation**

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