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Agreement for sale and leaseback of Greensboro properties

Ecofibre Limited (Ecofibre, Company) (ASX:EOF) is pleased to announce that its subsidiary, EUSA RE LLC has signed a conditional agreement to sell and leaseback two properties used in the manufacturing operations of Ecofibre Advanced Technologies Inc (Ecofibre A.T) in Greensboro, North Carolina.

As noted in recent announcements, the sale is part of the Company's cash positive plan to reduce debt and financing risk across the Ecofibre group.

The purchaser is a privately held real estate investment firm that currently owns 24 single and multi-tenant industrial properties and has acquired, developed, and managed over 10 million square feet of property across the United States.

The sale is conditional upon a number of factors, including a 30-45 day due diligence period and negotiation of final leaseback terms.

Key terms are as follows:

Property Purchase and Sale Agreement (PSA)

- Seller: EUSA RE LLC
- Properties: 7109 Cessna Drive and 8665 Westmarket Street, Greensboro
- Sale Price: USD10.4m

Key leaseback terms in PSA, other terms subject to final lease

- Tenant: Ecofibre Advanced Technologies Inc
- Term: 7 years from closing
- Extension options: two (2) five (5) year extension options for both sites at fair market value

- Year 1 Rent: USD924,198
- Annual rent escalations during initial term: 3%
- Security deposit: three (3) months gross rent
- Ongoing property costs: all payable by tenant on 'triple-net' basis

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About Ecofibre

Ecofibre owns a portfolio of high-quality advanced manufacturing and technology businesses in the United States and Australia.

We operate three vertically integrated businesses focused on sustainable polymers and natural materials, natural health care, and hemp seed genetics. In addition, we own a majority interest in a life sciences business that is developing treatments for malignant and non-malignant gynecological diseases.

Ecofibre Advanced Technologies (formerly known as Hemp Black) is an advanced manufacturing business with specialist capabilities in performance yarn extrusion and polymer compounding, sustainable materials and bioplastics.

Ananda Health is a leading US manufacturer of cannabinoid based health products for human and pet consumption. Our focus is on providing high-quality, research-backed products in Australia and the USA, targeting conditions including sleep, pain, anxiety, endometriosis, and other gynecological diseases. See anandaprofessional.com and anandahemp.com.au.

EOF Bio LLC owns the rights to commercialise a number of patents for the treatment of gynecological diseases, and continues to grow its portfolio of intellectual property through an active research partnership with the University of Newcastle in Australia.

Ecofibre Genetics owns one of the world's largest collections of hemp seed genetics, and is a leading supplier of seed genetics to the hemp fibre and grain industry in the US and Australia.

Authorisation

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