

30 April 2025

Ecofibre Limited - 3Q25 Update and 4C Report

HIGHLIGHTS*

- Total cash \$1.3m at 31 March 2025 (\$1.1m group funds, \$0.2m EOF-Bio)
- 3Q25 operating cash outflow \$2.2m, excluding EOF-Bio cash outflow of \$0.6m
 - Includes \$0.3m litigation and restructuring costs and \$1.2m interest expense
- Cash Positive Plan progress mixed across businesses and corporate costs remain too high
 - Business unit outcomes in 3Q25:
 - EAT EBITDA breakeven in 3Q25, following cash-positive 1H25, driven by timing of \$0.7m Under Armour (UA) March orders, shipped in early 4Q25
 - AH EBITDA whilst negative in 3Q25, is significantly improved over 2Q25 (-\$0.2m versus -\$0.6m) driven by improved product mix
 - Corporate costs reduced further with EBITDA loss ~\$1.2m vs -\$1.6m prior 12-month average
 - Key Business Developments
 - Biomedical Yarn: 10-year contract signed with Intervascular, a long-term customer, including shared productivity improvements
 - NEOLAST™: UA forecast volumes shifting as initial inventory building concludes and transitions to “planned seasonality” aligning with UA sales and marketing plans
 - Turf Yarn: Committed orders will fill capacity for next 5+ months; equipment required for second line installation has been received
 - EOF-Bio: FDA investigational new drug (IND) authorization obtained to commence a Phase 2 clinical trial for Endometriosis Associated Pain (EAP)
 - Genetics: Seed inventory sales to Australia and US farmers slower than anticipated
 - The agreed term sheet for the sale of Ecofibre Genetics did not proceed due to acquirer’s inability to complete; now engaged with other potential buyers
 - Ananda Health and EOF-Bio have engaged HighBank Advisors LLC to explore financing options

* All numbers un-audited and denominated in AUD unless otherwise indicated. EBITDA and operating costs normalised and excludes EOF-Bio (separately funded business).

Ecofibre Limited (Ecofibre, Company) (ASX:EOF) provides its Appendix 4C Quarterly Report for the three months ended 31 March 2025 (3Q25) together with an update on the Company's trading performance.

Key Priorities

Ecofibre remains focused on optimising the value to investors of its portfolio of businesses, by returning the business to positive operating cashflows, reducing financial risk, and delivering on the four key priorities in its Cash Positive Plan:

1. Focus on monetising value of its core businesses
2. Reduce operating costs and debt
3. Deliver ongoing revenue growth in EAT
4. Realise value in EOF-Bio

Intensified focus on these priorities ensures each business' value is optimised and reflects the assets, capabilities and market opportunities. This holistic, strategic review may result in portfolio reshaping to ensure business value is able to be monetised.

- Prioritise sale of Genetics business: expected sale fell through due to acquirers' inability to complete, resulting in term sheet lapsing; planned sale continues to be a priority with alternative acquirers being engaged
- Strategic review of Ananda Health underway: emphasising value in US manufacturing quality and capacity, as well as supply agreements with EOF-Bio drug development
- EAT's 5-year growth strategy: emphasising capital required to fulfill growth ambitions
- Holding Company restructure: right-sizing costs underway with most support services now streamlined and centralized in the US

3Q25 Trading Update

Unaudited revenue for 3Q25 was \$5.4m reflecting generally weaker trading results across the business. EAT experienced weaker revenue driven by the impact of NEOLAST™ product shipments to UA delayed until April 2025, AH revenues were flat versus the prior quarter and Ecofibre Genetics revenues were slightly higher. Overall, revenues were down 8% versus the prior quarter and down 33% versus the prior corresponding period.

Ecofibre Advanced Technologies (EAT) – 3Q25 revenue \$3.6m (2Q25: \$4.2m; 3Q24: \$4.9m).

Revenue was \$0.6m lower versus the prior quarter, reflecting lower NEOLAST™ yarn revenue driven by the delayed shipment of yarn on hand at 31 March 2025 until April 2025 (-\$0.7m), partially offset by steady turf yarn sales and Biomedical yarn revenues (+\$0.9m).

During the quarter EAT continued to supply NEOLAST™ yarn to UA and its knitting mills. As noted previously, a number of trials have been underway to support new product variations and to increase line speed. The business has produced commercial quantities of two new products which will become important to manage seasonality of demand for different yarn varieties and customers. Line speeds have been increased as expected.

EAT's turf yarn business has materially strengthened since the prior quarter. Significant new turf yarn orders have been received from customers since the announcement of new and potential new tariff's by the US in recent months. The existing production line is now operating at full capacity for the next 5 months.

As previously announced by the Company, preparations for the second turf yarn line had been paused pending a sustainable increase in demand for yarn from its existing production line. Installation of the yarn extruder for the second line was completed in mid-July 2024 and shipment of yarn winders and texturisers had been deferred. During the quarter, EAT reached an agreement with the supplier of the winders and texturisers to ship the equipment to its production facility in Greensboro, North Carolina, and the equipment has now been received on site. As at 31 March 2025, a total of EUR0.3m remains outstanding and will be fully paid once the equipment is commissioned.

In the Biomedical business, EAT executed a new 10-year supply agreement with Intervascular SAS to extend the term of its business with this important customer. Volumes are expected to continue increasing steadily through this period; minor volume related price reductions are expected to be offset by productivity improvements.

Ananda Health – 3Q25 revenue \$1.7m (2Q25: \$1.7m; 3Q24: \$2.7m).

Revenue was flat versus the prior quarter. Improved product mix drove improved EBITDA.

Ananda Health has engaged HighBank Advisors LLC to explore a possible sale of all or part of the business. The value of the business is expected to be maximised in combination with a strategic partner in a similar industry, such as CBD, plant extracts or nutraceuticals. There is also an expectation that the significant production capacity available in the business will be attractive to industry participants looking to onshore production in the US.

Ecofibre Genetics – 3Q25 revenue \$0.1m (2Q25: \$0m; 3Q24: \$0m)

Ecofibre continues to pursue opportunities to sell its hemp seed genetics business including its inventory of fibre planting seed. The previously agreed term sheet for the sale of Ecofibre Genetics did not proceed due to the acquirer's inability to complete.

As noted last quarter, Apex Genetics LLC has been appointed as a broker to sell seed to customers in the US and Australia.

Corporate

Ecofibre continues to focus on reducing overhead costs and has streamlined and centralised most support services in the US.

EOF-Bio – 3Q25 operating cash outflows \$0.6m

EOF-Bio continues to focus on the development of next generation, patient-centered botanical drugs that deliver improved health outcomes and enhanced qualities of life for women. EOF-Bio recently obtained FDA IND authorization to commence a Phase 2 clinical trial for Endometriosis Associated Pain. HighBank Advisors LLC has been retained to explore financing options.

Appendix 4C Cash Flow Discussion

As at 31 March 2025 the Company's cash balance was \$1.3m (31 December 2024: \$3.9m), which included \$0.2m held by EOF-Bio.

As previously advised, accounting standards require EOF-Bio to be fully consolidated into Ecofibre's financial statements, less one-line adjustments to recognise the value of external investor interests in net assets and profit or loss.

Cash amounts shown in Ecofibre's Appendix 4C cashflow report therefore include all capital raised and expenses incurred in relation to EOF-Bio. The following table provides separate disclosure of the cash balances and movements for EOF-Bio.

3Q25 Cash Summary (AUD\$m)	EAT, Ananda Health, Ecofibre Genetics, Corporate	EOF-Bio	Total
Opening Cash	3.1	0.8	3.9
Operating cash inflows (outflows)	(2.2)	(0.6)	(2.8)
Investing cash inflows (outflows)	(0.6)	-	(0.6)
Financing cash inflows (outflows)	0.7	-	0.7
FX	0.1	-	0.1
Closing Cash	1.1	0.2	1.3

Overall:

- Cash outflow from **operating** activities in the quarter was \$2.8m (\$2.2m excluding EOF-Bio) Operating cashflows included the impact of timing differences on collection of debtors in the quarter (cash receipts from customers were \$5.6m, \$0.2m higher than revenues of \$5.4m) reduced by -\$1.3m cash manufacturing and other operating costs, -\$1.2m cash interest costs, and the cash impact of legal and professional costs associated with litigation and restructuring (-\$0.3m).
- Cash outflows from **investing** activities totalled -\$0.6m in the quarter driven principally by payments on second turf line.
- Cash inflows from **financing** activities totalled \$0.7m in the quarter driven by \$1.3m initial borrowings from nFusion less \$0.5m repaid to the Thiele trust.

In order for operations to continue and business objectives to be met, the sale of one or more of the above assets is required. Timing of these sales will be critical.

In accordance with Listing Rule 4.7C.3, and as noted in Item 6 of the Appendix 4C Cashflow Statement, payments to related parties and their associates totalled \$188,000 during the quarter for directors' salaries and fees.

Investor Relations and Media, contact:

Level 12, 680 George Street, Sydney NSW 2000

Paul Edwards, investor-relations@ecofibre.com

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 gynaecological condition.

Ecofibre Advanced Technologies is an advanced manufacturing business with specialist capabilities in performance yarn extrusion, polymer compounding, and sustainable materials.

Ananda Health is a leading US manufacturer of botanical and 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, anxiety, aches and discomfort, and gynaecological conditions as well as non-CBD product line of supplements for GLP-1 support and general wellness. See anadaprofessional.com and anadahemp.com.au.

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.

EOF Bio Inc. is a majority-owned, US-based clinical-stage biotechnology company focused on a new generation of patient-centred cannabinoid-based drugs that improve health outcomes and enhance quality of life, starting with women's health and endometriosis. Spun out of Ecofibre in July 2023 it is focused on commercialising an expanding estate of issued patents.

Authorisation

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

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Ecofibre Limited

ABN

27 140 245 263

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5,630	19,212
1.2 Payments for		
(a) research and development	(19)	(333)
(b) product manufacturing and operating costs	(2,085)	(9,031)
<i>Grower payments</i>	-	(1,182)
<i>Production costs</i>	(2,085)	(7,849)
(c) advertising and marketing	(49)	(275)
(d) leased assets	(49)	(184)
(e) staff costs	(2,496)	(7,796)
(f) administration and corporate costs	(2,605)	(9,392)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	33
1.5 Interest and other costs of finance paid	(1,160)	(2,301)
1.6 Income taxes	3	(46)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,823)	(10,113)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(607)	(1,838)
(d) investments	-	-

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	11	15,304
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	2	(4)
2.6	Net cash from / (used in) investing activities	(594)	13,462

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	1,325	6,235
3.6	Repayment of borrowings	(500)	(14,710)
3.7	Transaction costs related to loans and borrowings	-	(101)
3.8	Dividends paid	-	-
3.9	Other (payment for principal portion of lease liabilities)	(131)	(362)
3.10	Net cash from / (used in) financing activities	694	(8,938)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,912	6,737
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,823)	(10,113)

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(594)	13,462
4.4	Net cash from / (used in) financing activities (item 3.10 above)	694	(8,938)
4.5	Effect of movement in exchange rates on cash held	153	194
4.6	Cash and cash equivalents at end of period	1,342	1,342

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,163	3,626
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Nubridge impound, term deposits and credit card clearing accounts)	179	286
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,342	3,912

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	188
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

<p>7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i></p>	<p>Total facility amount at quarter end \$A'000</p>	<p>Amount drawn at quarter end \$A'000</p>
7.1 Loan facilities	31,330	24,697
7.2 Credit standby arrangements	-	-
7.3 Other	-	-
7.4 Total financing facilities *	31,330	24,697
7.5 Unused financing facilities available at quarter end *		-
<p>* Difference relates to the nFusion loan facility that was undrawn as at 31 March 2025. The Group is only able to draw on this facility in proportion to the value of accounts receivable and inventory approved as collateral by the lender, so for the purposes of this report the unused financing facility is shown as \$Nil.</p>		
<p>7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>Lender: James & Cordelia Thiele Trust Fund (summary below reflects updated agreement in January 2025)</p> <ul style="list-style-type: none"> Principal amount: AUD 6.5m Date of original loan: June 2020 Principal repayment: \$0.65m repayable on 31 December 2025. \$0.75m repayable on 31 December 2026. \$5.1m repayable 31 December 2027. Interest rate: 14% p.a Lender costs payable: nil Security / collateral: nil Financial covenants: nil <p>Lender: Lambert Superannuation Fund (summary below reflects updated agreement in January 2025)</p> <ul style="list-style-type: none"> Principal amount: AUD 3.5m Date of original loan: March 2022 Principal repayment: Amortises over 10 year term to 28 February 2035 Interest rate: 10.0% p.a Lender costs payable: nil Security / collateral: nil Financial covenants: nil <p>Lender: Nubridge Commercial Lending LLC</p> <ul style="list-style-type: none"> Principal amount: USD 1.0m Date of original loan: June 2022 Principal repayment: 12 December 2027 Interest rate: 12% p.a (to be capitalised as part of loan balance until maturity) Security / collateral: nil Financial covenants: nil 		

Lender: Loeb Term Solutions LLC

- Principal amount: USD 3.0m
- Date of original loan agreement: 19 December 2024
- Principal repayment: amortises over 3 year term to 18 December 2027
- Interest rate: Prime rate + 7% p.a
- Security / collateral: machinery and equipment at Ecofibre Advanced Technologies Inc's Greensboro and Georgetown manufacturing facilities. The lender has also executed an Intercreditor Agreement with cross-collateral and cross-default provisions with nFusion Capital Finance LLC.
- Financial covenants: nil

Lender: nFusion Capital Finance LLC

- Credit limit: USD 5.0m, subject to fluctuating collateral value. Estimated initial funding c\$0.5m.
- Date of original loan agreement: 19 December 2024
- Principal repayment: 18 December 2027
- Interest rate: Prime rate (minimum 7.25%) + 4% p.a
- Security / collateral: accounts receivable and inventory of Ecofibre Advanced Technologies Inc and Ananda Hemp Inc. The lender has also executed an Intercreditor Agreement with cross-collateral and cross-default provisions with Loeb Term Solutions LLC.
- Financial covenants: nil

Lender: Under Armour

- Principal amount: USD 4.3m
- Effective date of loan: 1 January 2025
- Principal repayment: amortises monthly over 32 months, the timing and quantum of loan repayments are dependent on production volumes and the collection of sales revenue.
- Interest rate: 12% p.a interest
- Security / collateral: NEOLAST yarn manufacturing equipment
- Financial covenants: nil

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,823)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,342
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,342
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.5
<p><i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i></p>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	<p>No. The Company's cash positive plan is targeting ongoing improvements in underlying cashflows, including from the recent commencement of full operation of the NEOLAST™ yarn production line. However, material uncertainties in future operating cashflows exist, including litigation and restructuring costs, availability of additional financing, timing and execution risks in key initiatives across the organization.</p>	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	<p>Yes. Following strategic review, Ananda Health and Ecofibre Genetics businesses have been listed for sale leveraging support from HighBank Advisors LLC. In addition, EOF-Bio has also engaged HighBank Advisors LLC to support its financing activities.</p>	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	<p>In order for operations to continue and business objectives to be met, the sale of one or more of the above listed assets is required. Timing of these sales will be critical.</p>	
<p><i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i></p>		

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

30 April 2025

Date:

By the Board

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.