



## Adastra Signs LOI to Acquire Iconic Legacy Market Phyto Extractions Brands

**LANGLEY, BC / ACCESSWIRE / September 18, 2020 / Adastra Labs Holdings Ltd. (CSE:XTRX)(FRANKFURT:D2EP) ("Adastra")** a Health Canada Licensed cannabis processing and analytical testing services Company, is pleased to announce it has signed a Letter of Intent ("LOI") for the acquisition of Phyto Extractions Brands ("Phyto Extractions").

Adastra entered into an LOI on September 16, 2020 with a BC-based company for the acquisition of the Phyto Extractions set of cannabis concentrates brands. Under the terms of the LOI, Adastra and Phyto Extractions will negotiate the purchase of intellectual property and existing licensing agreements Phyto Extractions Brands has trademarked 21 design and wordmarks associated with their cannabis concentrates and two for CBD-related concentrates in Canada as well as submitted trademark protection in the U.S.



Figure 1 - Current Phyto Extractions Vaporizing Products

Phyto Extractions brands are licensed through an agreement with CannMart Labs Inc., a majority-owned subsidiary of Namaste Technologies Inc. CannMart Labs will continue to hold its exclusive license to use Phyto trademarks on certain cannabis products. Under the terms of the agreement, Adastra is the exclusive producer of all distillate products licensed under Phyto Extractions brands, and will also support the production of hydrocarbon concentrates released under the Phyto Extractions family of brands once equipment commissioning has been completed.

The LOI is non-binding and a due diligence period is currently underway which, if successful, will be followed by the negotiation of a definitive agreement for the acquisition of all of the assets of the private company. The terms (i.e. share consideration and/or cash) will be announced once the definitive agreement is signed.

"Phyto Extractions brands is one of the most recognizable Canadian concentrate brands from the legacy market and they were at the forefront of transition into the regulated market. With presence in BC, AB, MB, SK and ON, their brand awareness and demand is growing at a rapid rate. According to Phyto Extractions, sales have doubled over the past three months and sell-through is high, with over 35,000 0.5 gram vaporizing cartridges sold to provincial distributors and licensed retailers in the last 30 days across Canada. Tremendous brand-equity, consumer support and goodwill have clearly transitioned from the legacy to the regulated market. Incorporation and development of successful cannabis concentrate brands is an integral part of Adastra's long-term strategy to ensure market-share and stronger margins."- Andy Hale, CEO Adastra

Phyto Extractions brands were first re-launched in the regulated market with a 0.5 gram vaporizing cartridge SKU in December 2019. Additional vaporizing SKUs were added over recent months for a total of 10 vaporizing SKUs. Phyto Extractions is following up its vaporizing category product offerings with the introduction of some of the first hydrocarbon live resin SKUs and a unique High-Terpene Full Spectrum Extract (HTFSE) CO<sub>2</sub> terp sauce SKU later in September 2020.



Figure 2 - Several Phyto Extractions Marks

**About Adastra Labs Holdings Ltd.**

Adastra Labs Holdings Ltd. is a Langley, BC-based cannabis company with a co-located Health Canada Licensed Standard Processing Facility and Analytical Testing Laboratory. Adastra can produce cannabis extract through supercritical CO<sub>2</sub> extraction and secondary distillation as well as conduct in-process quality testing. Such extracts can easily be incorporated into edibles, beverages, topicals, tinctures, vape cartridges and other products that will serve the Canadian medical and adult-use cannabis markets.

[www.adastralabs.ca](http://www.adastralabs.ca)

### **About Namaste Technologies Inc.**

With headquarters in Toronto, Canada, Namaste Technologies is a leading online platform for cannabis products, accessories, and responsible education. The company's 'everything cannabis store', CannMart.com, provides customers with a diverse selection of hand-picked products from a multitude of federally licensed cultivators, all on one convenient site. Namaste's global technology and continuous innovation address local needs in a burgeoning cannabis industry requiring smart solutions. Information on the Company and its many products can be accessed through the links below:

[NamasteTechnologies.com](http://NamasteTechnologies.com)

[NamasteMD.com](http://NamasteMD.com)

[Cannmart.com](http://Cannmart.com)

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### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION:**

Except for statements of historic fact, this news release contains certain "forward-looking information" within the meaning of applicable securities law including statements relating to Phyto Extraction brands sales, expansion into alternative production lines, commencement of certain operations, installation of equipment, expected product quality and margins, development of new product lines and delivery to the market. Forward-looking information is frequently

characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements including, but not limited to delays or uncertainties with regulatory approvals, including that of the CSE and Health Canada, economic, business, competitive, political and social uncertainties, failure to commission equipment, unexpected contamination of products, saturation of the market for the Company's current and proposed future product offerings, failure of third parties to deliver on expected timelines, overestimation of competencies of third parties, termination of commercial engagements, termination of expected supply agreements and loss of key personnel. There are uncertainties inherent in forward-looking information, including factors beyond the Company's control. There are no assurances that the business plans for the Company as described in this news release will come into effect on the terms or time frame described herein. The Company undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change except as required by law. The reader is cautioned not to place undue reliance on forward-looking statements. Additional information identifying risks and uncertainties that could affect financial results is contained in the Company's filings with Canadian securities regulators, which are available at [www.sedar.com](http://www.sedar.com).

**SOURCE:** Adastra Labs Holdings Ltd.