



EuroLife to Acquire Stake in One of Europe's Largest Hemp Cultivation Projects

- Secures Strategic Piece of Value-Chain for Continued European Growth -

Toronto, Ontario – November 22, 2019 – EuroLife Brands (CSE: EURO) (FSE: 3CMA) (OTCPK: EURPF) (“EuroLife” or the “Company”), a leading global markets cannabis brand empowering the medical, adult-use and CPG cannabis industry, is pleased to announce that it has entered into a Binding Letter of Intent (the “LOI”) whereby EuroLife has been granted a participation right in a state-of-the-art industrial hemp cultivation operation located near Dresden, Germany. By virtue of an assignment agreement, EuroLife has gained the right to purchase 20% of a to-be-formed German corporate entity (“German HempCo”) of which the assets will consist of the Dresden hemp cultivation complex located near Dresden, Germany.

It is envisioned that German HempCo will be the domicile for the Dresden hemp cultivation project in its entirety thus leveraging the robust existing infrastructure and thereby amplifying EuroLife's entry into the European Union (EU) hemp and CBD theatre. As per the terms of the LOI, the following assets will be contributed to German HempCo, thereby making it one of the largest fully operational outdoor hemp cultivation projects in Europe:

- More than 500 hectares (1,235 acres) of prime agricultural land available for hemp cultivation near Dresden, Germany;
- Scalability via option agreement to approximately 2,000 hectares (4,900 acres);
- Approximately 110,000 kilograms of existing hemp biomass currently in storage inventory that has been harvested and processed from the latest harvest cycle;
- Existing off-take agreements and purchase orders;
- Specialized harvesting machinery capable of efficient commercial harvest at a rate of 50 hectares (123 acres) per day;
- Specialized cleaning machinery utilized to extract and separate seeds from stems using a mechanically induced vacuum process with negative pressure;
- Specialized drying machinery;
- Drying rooms and warehouse space to be utilized for excess capacity, storage, cleaning and drying.

Strategy and Downstream Value Creation

The Dresden hemp cultivation complex will serve as a key strategic asset for EuroLife as it continues executing on its roadmap of creating a vertically integrated enterprise operating in the hemp, CBD and wellness space within the EU. Through sustained strategic deployment of capital and unification of synergistic assets EuroLife aims to become amongst the largest cultivators of hemp in Europe.

EuroLife intends to utilize its network of industry contacts and touch-points in order to unlock additional synergy and value for German HempCo. Near term goals include maximizing the value of the approximately 110,000 kilograms of existing hemp biomass that is currently on hand. In addition, EuroLife has begun assessment of various ancillary product streams for which the current and future harvest cycle inventory may be utilized. In addition to standard CBD extraction for use in varying consumable products, investigation into high value end-points such as smokable hemp flower, ‘eco-



friendly' sustainable paper and plastic packaging alternatives, fiber and textiles, and animal feed are being assessed as avenues to capture additional margin from the entire hemp plant. The Company is also assessing the regulatory and licensing requirements surrounding the prospect of introducing additional hemp varieties for future harvest, specifically, higher value end product such as hemp strains containing elevated ratios of Cannabigerol ("CBG").

"Gaining an interest in this world class hemp cultivation project is a marquee moment for EuroLife as we have the opportunity to acquire ownership in a highly tactical asset located in Germany, along with bolstering our human capital expertise via direct cooperation with European personnel who possess decades of agricultural experience coupled with specific expertise in the cultivation of industrial hemp," said Shawn Moniz, CEO of EuroLife. "We are very fortunate to become partners in this advanced stage hemp cultivation project located in one of the most important cannabis markets of the European Union. We are eager to work alongside the other notable stakeholders of the project in order to establish EuroLife's leadership position in the European hemp cultivation business while capturing additional value-add downstream opportunities for the Company."

European Hemp Market

Boasting a population of over 700 Million citizens, with over 500 Million in the EU alone, the European opportunity afforded within the hemp and cannabidiol marketplace is growing at a substantial pace. EuroLife is of the opinion that as the industry matures and normalization takes hold, organizations equipped with low cost production combined with tactical downstream capability will prevail.

Currently there is a robust hemp market in the EU, with production in most member nations. In 2018, European cultivation grew by over 40% from 2015 to more than 40,000 hectares of production. Hemp production is centered in France, the Netherlands, Lithuania, and Romania, with France being largest producer, accounting for almost 50% of Europe's total production.

The demand for hemp continues to grow fueled by the increasingly diverse use of this crop including the production of cannabidiol (CBD), which can be extracted for use in an array of food supplements, pharmaceuticals and cosmetics. The legal cannabis market in Europe remains strictly medical, however the consumption of hemp-derived CBD infused products for recreational purposes is legally permitted across much of the continent.

With health and wellness taking hold of the global market the opportunity is staggering. It is suggested that the CBD products market could account for over 0.15% of the health and wellness market value by 2028. According to the latest research by the [Global Wellness Institute](#), the worldwide wellness market grew 12.9% from \$3.72 trillion in 2017 to \$4.2 trillion in 2018. The European CBD market alone is projected to be worth at least €1.5 billion by 2023.

Under the terms of the LOI the Company will issue a combination of cash, in staged payments, and common shares in order to purchase the proposed 20% interest in the Dresden hemp cultivation project. The LOI is subject to finalization of a Definitive Agreement and other customary closing conditions.



The Company also announces that it has granted incentive stock options to purchase a total of 450,000 common shares at an exercise price of \$0.05 per share for a period of two years to a director in accordance with the provisions of its stock option plan.

About EuroLife Brands Inc.

EuroLife Brands (CSE: EURO) (FSE: 3CMA) (OTCPK: EURPF) is a leading global markets cannabis brand empowering the medical, recreational and CPG cannabis industry worldwide through a data-driven CBD marketplace supported by exclusive and unbiased physician-backed cannabis education and detailed consumer analytics.

For additional information:

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