



EuroLife Closes Equity Stake in One of Europe's Largest Hemp Cultivation Operations

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

Toronto, Ontario – July 7, 2020 – EuroLife Brands (CSE: EURO) (FSE: 3CMA) (OTCPK: EURPF) (“EuroLife” or the “Company”), a vertically integrated enterprise focused on the pan-European health and wellness sector today announced that, further to the news release of November 22, 2019, it is proceeding with the close of an initial equity ownership position (the “**Transaction**”) in Farmhus GmbH, a state-of-the-art outdoor hemp facility located near Dresden, Germany.

Farmhus GmbH boasts the following list of assets that collectively comprise 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.

According to the Farmhus GmbH 2020 two-year business plan, the outdoor hemp operation is expected to generate more than €3 million from the sale of hemp oil, cosmetics, and pet food in its first season of operation. The operation is projected to have 200 hectares of hemp under cultivation and generate margins related to the sale of retail products in the range of 30-40%.

After an unforeseen delay due to the COVID pandemic, EuroLife is pleased to have completed its acquisition for the first equity tranche of ownership, representing an additional forward step in EuroLife's European Business Model for end-to-end supply chain ownership. The complex will provide cost efficient raw product supply towards EuroLife's pending acquisition of the HANF Hemp Retail Stores in Germany and Luxembourg. A total of seven (7) retail store fronts will have the opportunity to benefit from EuroLife's umbrella ownership for direct-to-supply ownership of raw materials.

“Our goal to buildout a vertically integrated enterprise in the health of wellness sector took a monumental and logistically significant step forward today. With the investment into a hemp supply chain operation run by the experienced team at Farmhus, EuroLife gains a stake in a key physical asset in Europe for the growing health and wellness markets,” said Shawn Moniz, CEO of EuroLife. “EuroLife now has an equity ownership of a highly tactical asset located in Germany. We will leverage our position to ensure a



supply of affordable and consistent quality raw materials for many hemp-based products sold online and through potentially owned or related physical retail locations. We look forward to work alongside the other notable stakeholders of the project in order to establish EuroLife's leadership position in the European health and wellness business while capturing additional value-add downstream opportunities for the Company."

In consideration for an initial five (5) per-cent ownership stake in Farmhus GmbH, EuroLife shall issue 500,000 common shares (the "**Shares**") at a deemed price of \$0.50 per Share for a deemed value of \$250,000, and make payment of \$35,000 in cash. EuroLife maintains the right to increase its ownership in Farmhus GmbH up to twenty (20) percent. Closing of the Transaction is subject to customary closing conditions.

Strategy and Downstream Value Creation

This operation will serve as a key strategic asset for EuroLife as it continues executing on its roadmap of creating a vertically integrated and diversified enterprise operating within the EU. Through sustained strategic deployment of capital and unification of synergistic assets EuroLife aims to become amongst the largest health and wellness companies in Europe.

On April 20, 2020 EuroLife announced it had entered into Letter of Intent (the "LOI") to acquire 100% of the issued and outstanding securities of CWE, a Canadian Corporation, which owns and operates six retail locations in Germany and one in Luxembourg. CWE is seeking to become one of the largest hemp retail and online retailers, building controlled access to Central European customers by opening retail locations in Germany, Austria and Luxembourg.

HANF Hemp promotes an organic, health conscious lifestyle based mainly on hemp products. Physical store locations are known for their clean and safe profile, with friendly knowledgeable staff and an open and drug free atmosphere emphasizing fairness towards producers, suppliers and customers. HANF takes a holistic, comprehensive approach to the universe of Health and Wellness, offering a range of over 300+ products from the world of hemp including oils, edibles and cosmetics.

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.

About Farmhus GmbH

Farmhus is the owner and operator of a state-of-the-art industrial hemp cultivation operation located near Dresden, Germany. Our vision is to revitalize the hemp markets and promote the versatile use of hemp from a single source. It processes the entire plant to allow for as many areas product applications as possible. Farmhus follows sustainable cultivation and holistic utilization of hemp, through environmentally friendly operation paving the way for future generations.

Farmhus guarantees cannabinoid-rich products in the food and pharmaceutical sector from certified cultivation with the highest quality. It also supplies high-quality fibers from hemp for the manufacture of textiles and materials making the region the origin of clothing, upholstery and plastic substitutes the new reality of German and European industry. For more information visit: www.farmhus.de.

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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No stock exchange or securities regulatory authority has reviewed or accepted responsibility for the adequacy or accuracy of this release.

Except for statements of historic fact, this news release contains certain "forward-looking information" within the meaning of applicable securities law. 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. There are uncertainties inherent in forward-looking information, including factors beyond the Company's control. There are no assurances that the business plans for EuroLife Brands 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. For a



description of the risks and uncertainties facing the Company and its business and affairs, readers should refer to the Company's Management's Discussion and Analysis and other disclosure filings with Canadian securities regulators, which are posted on www.sedar.com.