

EuroLife Brands Inc.

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EuroLife Brands leveraging its position in the European cannabis industry to create growth

- Leading vertically integrated cannabis group
- Closing of Dresden Hemp deal coming into view
- An experienced management team

What EuroLife Brands does:

EuroLife Brands Inc (CSE:EURO) (OTCMKTS:CANVF) is a vertically integrated company, focused on the European hemp, cannabinoid, and health and wellness sector, having shifted away from the US market late last year.

The Vancouver-based company, formerly known as Cannvas MedTech, is also creating an exclusive consumer packaged goods (CPG) focused cannabinoid eCommerce, education and analytics platform.

The group has signed a binding letter of intent, giving it the right to purchase 20% of a yet-to-be-formed German company called German HempCo, which will control a hemp cultivation plant on the outskirts of Dresden.

The project consists of over 500 hectares with potential to scale up to around 2,000 hectares. There are existing off-take agreements and purchase orders. It will see the partners in the project aiming to maximize the value of 110,000 kilograms of existing hemp biomass. In March this year, the firm said it was in the 'last and final round' of due diligence before closing the deal.

In a published report on cannabis cited by the firm in December, Prohibition Partners predicted that the number of medical cannabis patients in Germany will rise to 1 million by 2024, with the total medical cannabis market value growing to €7.5 billion by 2028, and adult-use consumption increasing to €16 billion by 2028.

EuroLife also plans to launch its own exclusive hemp cigarette brand 'HANF' (tobacco and nicotine-free) and will initially focus distribution efforts in Europe.

The company will initially distribute the brand through various brick-and-mortar outlets in Europe, alongside its own CBD consumer package goods in the e-commerce marketplace once fully operational.

The company also holds an exclusive preferred distributor agreement with Champignon Brands Inc (CSE: LITT) relating to its portfolio of mushroom-derived CPG (consumer packaged goods) offerings including its flagship brand Vitality Super teas.

EuroLife Brands as well has exclusive licensing rights for the marketing and distribution of True Focus's products and proprietary intellectual property (IP) portfolio across South America and in select markets throughout Europe for ten years. True Focus' nutraceutical product may assist in mitigating negative side effects associated with excessive THC consumption.

Price: 0.46

Market Cap: \$20.32 m

1 Year Share Price Graph



December 2019 May 2020 December 20

Share Information

Code: EURO

Listing: CSE

52 week High Low
0.6 0.05

Sector: Cannabis

Website: eurolifebrands.com

Company Synopsis:

EuroLife Brands is a leading global digital CBD marketplace with an exclusive CPG-focused eCommerce platform backed by evidence-based cannabis education and detailed consumer data collected through Cannvas. Me, the Company's data-driven cannabis education platform with users spanning the world.

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In January this year, EuroLife told investors it had acquired the global rights to CBD food products in over 75 jurisdictions - to include hot sauce, olive oils and other related foodstuffs - to tap into what the firm sees as a "significant market opportunity" throughout Europe for CBD-infused food products.

How is it doing:

In January this year, EuroLife secured a credit facility of up to C\$2.5 million (around €1.7 million) to further its European expansion plans after striking a deal with European Equity Group - an international merchant bank mainly focused on growth-oriented small-cap companies.

CEO and chairman Shawn Moniz said it meant EuroLife had "access to sufficient and timely capital" to execute on its strategy for this year and 2021 and maximize shareholder value for the "foreseeable future". EuroLife can request up to C\$100,00 a month in exchange for units in the firm.

On February 4, the company revealed it had struck a deal with cannabis giant Aphria Inc (TSX:APHA) (NYSE:APHA) to relaunch its budtender education portal, a go-to site for hundreds of cannabis retailers.

EuroLife plans to reinvigorate Aphria's site by adding educational modules on topics ranging from cannabis growing, to the ins and outs of production and responsible usage.

Days later, the group signed a letter of intent granting CBD life sciences firm Empower Clinics Inc (CSE:CBDT) (OTCMKTS:EPWCF) an exclusive license for Cannvas.me its cloud-based online educational platform.

The agreement is set to last three years, at a cost of cash and stock totalling \$460,000, with the option for a three-year renewal.

And on March 11, EuroLife said it had found a new chief financial officer, Dean Callaway, who will provide his services on a contractual basis after Miroslav Beganovic stepped down as its finance chief and corporate secretary.

Amid the coronavirus crisis, the company also recently announced a shareholder relief plan to reprice more than 59 million repurchase warrants in response to the market impact. If all warrants, subject to the plan, are exercised during the proposed exercise period, the firm expects to receive gross proceeds of around C\$2.96 million and issue over 59.2 million shares before May 4 this year.

Inflection points:

- Closing of Dresden hemp deal
- More deal flow

What the boss says:

In January, when the firm announced the acquisition of the global rights to CBD food products, EuroLife chief executive Sean Moniz said: "Our research indicates a significant market opportunity within the European Union, the greater European region and around the world for CDB infused food products.

"Our first priority is to successfully launch within the European Union and then move to other friendly CBD jurisdictions. We are working towards facilitating a favourable distribution setup as we prepare to take our products to market."

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