Eastwest Bioscience Receives Additional Health Canada Approval for Hand Sanitizer

PENTICTON, BC / June 2, 2020 / EastWest Bioscience's ("EastWest") (TSX.V: EAST) manufacturing subsidiary, Orchard Vale Naturals ("Orchard Vale" or the "Company"), has received additional Health Canada approval for hand sanitizer. This will secure our supply of material required to meet the market demand.

When EastWest entered the hand sanitizer space, it was apparent from the beginning that the demand for these products would not be an issue. Rather, the problem would be in accessing continuous and reliable supply of raw materials and packaging materials. Although there are now alternatives in the market such as products from China and Guatemala, our distributors are demanding high quality Health Canada or FDA approved products made in North America.

To alleviate the supply chain issue of North American materials, we have established a B2B partnership with an Ontario based raw material supplier that provides us with a reliable supply of hand sanitizer materials. To fulfil our current and future packaging needs, we have also established a B2B partnership with a bottling/packaging provider. These B2B partnerships allow us preferred access to these supply materials in a fast and cost effective manner and allow us to increase our sales potential by tapping into distribution networks provided by our supply chain partners.

The Company is taking pre-orders and fulfilling its current demand. In Canada, the Company has received pre-orders from its National Chain of Sangsters stores, along with its existing independent distribution network in Canada. However, we are anticipating strong demand in the short and medium term. EastWest is working with its financial institutions and are also accessing Government sponsored loans to ensure that it has the necessary capital to fulfill significant orders.

“EastWest is ready to fulfil market’s demand for its hand sanitizers. We are working hard to minimize our supply chain risks by addressing the issues of raw materials and financing early on and systematically. Our B2B partnerships with financial institutions, government entities and material/packaging suppliers ensure that we are on track to meet the market’s demand.” says Rodney Gelineau, EastWest Chief Executive Officer.

About EastWest Bioscience Group

EastWest Bioscience is a vertically integrated wellness company with the infrastructure to become a global giant in the Hemp & CBD consumer health market. Since it was founded in 2016, EastWest continues to grow as a high-quality producer, manufacturer and distributor of multiple lines of premium health and hemp products. EastWest currently has more than 200+ NPN’s in its stable of products.

EastWest’s consumer product lines are divided into four distinct brands: 1) Natural Advancement – natural biopharmaceutical health supplements; 2) Earth’s Menu – all-natural hemp superfoods; 3) Natural Pet Science – pet food and pet supplements; and 4) ChanvreHemp – all-natural health and beauty products.

In Canada, EastWest has a 34,000 Sq. Ft, Health Canada-licensed, GMP (Good Manufacturing Practices) – certified manufacturing facility and produces premium nutraceutical brands, offering natural products for a preventive care lifestyle.

In the USA, EastWest Science USA Inc. (“Eastwest USA”) has a joint venture with Azema Sciences Inc. (“Azema”), a company related by common management and directors, securing for EastWest first rights on Azema’s output of bulk CBD and finished CBD products manufactured, and which are ready for sale in the USA and globally. EastWest USA, EastWest’s US operating division, will be the preferred distributor for Azema’s finished goods, which are products not currently in EastWest’s catalogue. Additionally, EastWest will have first right of refusal to all potential opportunities relating to Azema’s Kentucky-based CBD processing facility. EastWest currently has TSX approval for sale of its consumer products in 21 US States.

The joint venture provides EastWest USA with continuous supply of premium CBD, as it is developing value added CBD consumer goods for the US market for the pet, skin care, functional food and supplement categories. The joint venture will also generate additional revenue streams: EastWest USA will retail CBD material manufactured by the joint venture and market the co-packing/bottling services provided by the joint venture.

Situated on a wholly owned 6-acre property, which is currently home to its 18,000 sf CBD processing facility, Azema Sciences is one of approximately 110 licensed Hemp processors in Kentucky. The joint venture specifies exclusive access for EastWest USA to 9,000 square feet of Azema’s facility, which will co-locate EastWest USA with Azema’s CBD processing, tincture bottling and logistics operations. Co-locating provides EastWest USA with the real estate and resources to build out its own nutraceutical manufacturing adjacent to Azema’s CBD operations, providing significant efficiencies to its logistics and warehousing of product.

With operations based in Lebanon, Kentucky, Azema Sciences is situated in the heart of Kentucky’s Hemp country, with an estimated 80% of the state’s CBD Hemp farming within 100 miles of the facility. Kentucky’s licensed Hemp production grew to more than 42,000 open air acres and around 66 greenhouse acres in 2019. This growth is due mainly to strong commercial support from the Kentucky Department of Agriculture, being one of the first states to embrace pilot hemp programs allowing tobacco farmers to transition to hemp, and the direct political support of state legislators, Senate Majority Leader Mitch McConnell, who introduced the hemp Farming Act of 2018 that was contained within the 2018 Farm Bill.

EastWest Bioscience has used its initial capital to acquire all of the necessary assets to capitalize on manufacturing aspects and focus on the finished products of the fully integrated model. The Company continues to focus on manufacturing consumer products for our end customers, manufacturing for private label customers in the US, as well as providing co-packing services to small and independent wholesalers and retailers. The Company will continue to focus its energy on cost control and revenue generation.

ON BEHALF OF THE BOARD OF DIRECTORS
EASTWEST BIOSCIENCE GROUP
"Rodney Gelineau"
Co-Founder, Chief Executive Officer and Director

TSXV – Symbol: EAST

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