



Isodiol International Inc. Announces Acquisition of Food Labs, Inc. and Strategic Investor Relationship with Toba Capital LLC

The transaction is valued at US\$12 million, brings the appointment of Michael Cancelleri as the new Chief Executive Officer and Chairman of the Board of Directors, and signals a focus on branded consumer products.

December 20, 2018 - Vancouver, BC – [Isodiol International Inc.](#) (CSE: [ISOL](#)) (OTCQB: [ISOLF](#)) (FSE: [LB6B.F](#)) (the “Company” or “Isodiol”), is pleased to announce it has entered into a binding letter agreement for the acquisition of **Food Labs, Inc. (“Food Labs”)** and strategic investor relationship with **Toba Capital LLC (“Toba”)**. The transaction for Food Labs is valued at US\$12 million, which includes US\$5 million cash on its balance sheet, and also brings the appointment of a new Chief Executive Officer and Chairman of the Board of Directors of Isodiol.

Food Labs is a brand-focused innovator of hemp- and cannabis-based consumer products with a flagship line of full spectrum, hemp-oil based health and wellness products. The Food Labs management team has extensive experience bringing consumer products to mass retail, including in the ready-to-drink beverage market. Leading the Food Labs team is Michael Cancelleri who also will become Chief Executive Officer and Chairman of the Board of Directors of Isodiol upon closing the transaction.

“Isodiol is the pioneer of so many firsts in CBD and other hemp extract ingredients that it is the obvious partner for Food Labs and our mutual growth in consumer markets,” said Mr. Cancelleri. “I personally look forward to bringing my experience in mass retail investments to Isodiol and helping to shape Isodiol’s expansion from the bulk wholesale of CBD to dominance in finished consumer goods, both as a contract manufacturer and as a brand leader.”

Food Labs’ principal financial partner is Toba Capital, LLC, a venture capital firm that was founded in late 2012 by Vinny Smith, former CEO of Quest Software. Toba is one of the largest venture capital firms in Orange County, California with more than US\$1 billion invested in approximately 150 companies. A member of Isodiol’s Board of Directors will be appointed by Toba upon closing the transaction.

“As a venture capital firm, Toba is committed to the ongoing financial and managerial support of its portfolio companies,” said Vinny Smith, Founder of Toba. “We believe the acquisition of Food Labs and its seasoned management team will be a great complement to the opportunities Isodiol and its team have created in this burgeoning industry.”

“The addition of Mike and his team at Food Labs and Toba are exactly what Isodiol needs to carry our success into mainstream retail as the rest of the industry struggles to produce innovative hemp ingredients and formulate them into quality finished goods,” said Marcos Agramont, CEO of Isodiol. “We have been doing this for years and in many instances figured



out how to do it first. We fully intend to continue that success into traditional retail channels. I feel confident ceding the reins to Mike and Toba and remaining as a resource to the company moving forward.”

Isodiol will issue an aggregate amount of shares of its common stock to Food Labs’ shareholders in an amount equal to US\$12,000,000, subject to Canadian Securities Exchange regulations and priced as of the market close on December 18, 2018. A 10 percent finder’s fee will be paid at the closing of this transaction. Isodiol also will issue Toba warrants in the amount of US\$5,000,000 with an exercise price of CAD\$2.00 per share, subject to the achievement of milestones to be set forth in the definitive transaction documents.

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About Isodiol International Inc.

Isodiol International Inc. is focused on the nutritional health benefits that are derived from hemp and is a product development, sales, marketing and distribution company of hemp-based consumer products and solutions.

Isodiol has commercialized a 99%+ pure, naturally isolated CBD, including micro-encapsulations, and nano-technology for quality consumable and topical skin care products. Most recently, the Company received approval for its CBD designated as an Active Pharmaceutical Ingredient for use in Finished Pharmaceutical Products, as was announced on [April 26, 2018](#).

Isodiol’s growth strategy includes the development of over-the-counter and pharmaceutical drugs and continued international expansion into Latin America, Asia, and Europe.

ON BEHALF OF THE BOARD

Marcos Agramont, CEO & Director

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Forward-Looking Information: This news release contains "forward-looking information" within the meaning of applicable securities laws relating to statements regarding the Company's



business, products and future the Company's business, its product offerings and plans for sales and marketing. Although the Company believes that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking information. Such forward-looking statements are subject to risks and uncertainties that may cause actual results, performance and developments to differ materially from those contemplated by these statements depending on, among other things, the risks that the Company's products and plan will vary from those stated in this news release and the Company may not be able to carry out its business plans as expected. Except as required by law, the Company expressly disclaims any obligation and does not intend, to update any forward-looking statements or forward-looking information in this news release. Although the Company believes that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct and makes no reference to profitability based on sales reported. The statements in this news release are made as of the date of this release.

The CSE has not reviewed, approved or disapproved the content of this press release.