

## FORM 7

### MONTHLY PROGRESS REPORT

Name of Listed Issuer: **EuroLife Brands Inc.** (the “**Issuer**” or “**EuroLife**”).

Trading Symbol: **EURO**

Number of Outstanding Listed Securities: **357,884,378**

Date: **January 7, 2020**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer’s ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

#### **General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

#### **Report on Business**

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

**See Item 2 below for a complete overview and discussion of the Issuer’s activities for the month of December 2019.**

2. Provide a general overview and discussion of the activities of management.

**On December 3, 2019, the Issuer announced that it has begun a due diligence assessment for a potential transaction whereby the Issuer’s cannabis education platforms and associated data analytics assets would be siloed into a special purpose entity (“BioScience NewCo”) that would be operated as a stand-alone enterprise. BioScience NewCo would serve as a bridge between Cannabis Education, Patient R&D, and Pharmaceutical R&D partner opportunities within the European theater. It is further envisioned that BioScience NewCo would ultimately be spun out to shareholders of EuroLife via a Plan of Arrangement under the Business Corporations Act (the “Arrangement”) at a future date and at a to be determined exchange ratio of stock dividend. The Arrangement is designed to deliver additional value to the shareholders of EuroLife by unlocking the value of the Issuer’s cannabis and related data analytics platforms and associated technology through efficient management, optimization of corporate structure, and synergy capture.**

#### **Strategic Rationale**

**EuroLife is of the view that a corporate segmentation of the data analytics technology assets from the newly refocused European hemp cultivation, CBD consumer packaged goods, and health and wellness operations will serve to enhance overall stakeholder value by eradicating disambiguation of assets. Further, more singularly focused operations should allow for additional flexibility in pursuing**

new and tertiary business opportunities for each stand-alone entity. In addition to the ongoing operation of the Cannabis.Me cannabis data platforms, BioScience NewCo intends to, among other opportunities, assess additional avenues for growth such as:

- Funding, formulating, and conducting R&D on new and novel biopharmaceutical and nutraceutical therapeutics using cannabinoids and mushrooms;
- Utilization of the robust depository of captured cannabis data analytics in order to assist pharmaceutical companies in assessment of marketing and product strategy;
- Partnerships and data sharing opportunities with synergistic companies in the cannabis space;
- Licensing and white-labeling opportunities with private and public sector organizations;
- Data capture and analytics services for clinical trial and clinical trial design studies.

BioScience NewCo will be led by current EuroLife CEO, Shawn Moniz, who possesses deep sector experience within the pharmaceutical and brand strategy marketplace having successfully deployed various projects with such Pharmaceutical companies as Astra Zeneca, Astellas, Takeda, Abbvie, Shire, Novartis, and Novo Nordisk. Mr. Moniz has a magnitude of experience in creating, executing, and facilitating patient-centric data platforms for these and a roster of other multinational organizations. Additional personnel with appropriate and pertinent skillsets will be instituted in due course.

The potential Arrangement as contemplated herein is subject to, among other things, finalization of economic benefit analysis, adequate funding, appropriate corporate structure, regulatory approval, court approval, as well as approval by not less than two-thirds of the votes cast at a special meeting of EuroLife shareholders. The Issuer shall provide further update on the potential Arrangement in due course.

On December 30, 2019, the Issuer announced the progress towards the Issuer's roadmap of creating a vertically integrated enterprise operating in the hemp, CBD and wellness space within the EU and related countries. Through sustained strategic deployment of capital and unification of synergistic assets EuroLife aims to become amongst the largest cultivators of hemp in Europe.

Management is pleased to report that negotiations to finalize a binding letter of intent (LOI) to acquire a 20% interest in a state-of-the-art industrial hemp cultivation operation located near Dresden, Germany, continue as planned. As per the terms of the LOI, the operation consists of a robust portfolio of assets including prime agricultural land, cultivation equipment, post production facilities, and inventory making it one of EuroLife's key assets and one of the largest fully operational outdoor hemp cultivation projects in Europe. Upon finalizing the definitive purchase agreement for the interest in the Dresden hemp operations, which is expected to be finalized in Q1 2020, the partners aim to maximize the value of the approximately 110,000 kilograms of existing hemp biomass that is currently on hand.

EuroLife shall utilize its network of industry contacts and distribution touch-points in order to unlock additional synergy and value for the Dresden hemp operation in order to broaden the potential sales channels for its roster of current and future product offerings. Building on recent announcements with AgraFlora Organics International Ltd., Champignon Brands Inc., and Yield Growth Corp., the management team is assessing a number of 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 'eco-friendly' sustainable paper and plastic packaging alternatives, fiber and textiles, and animal feed are possible product lines to capture additional margin.

#### **EuroLife Products Lines**

**HANF SWISS premium hemp cigarettes** – EuroLife is developing its own exclusive hemp cigarette brand for which the Company will initially focus distribution efforts in the European marketplace.

**Mushroom Infused Coffees** - EuroLife has exclusive rights to distribute Yield Growth Corp.'s (CSE:BOSS) (OTCQB:BOSQF) (FSE:YG3) line of mushroom infused coffee mixes in Germany, Switzerland, and the United Kingdom.

**Vitality Superteas** - EuroLife has exclusive rights to distribute Champignon Brands Inc.'s ("**Champignon**") portfolio of mushroom-derived CPG offerings including their flagship brand, Vitality Superteas for the jurisdictions of Germany, Switzerland, and the United Kingdom.

**Education Learning Modules** - EuroLife curating custom, evidence-based cannabis content and associated learning modules to be deployed across EuroLife's physician-sanctioned German cannabis education platform, Cannabis.de with AgraFlora Organics (CSE: AGRA) (Frankfurt: PU31) (OTCPK: AGFAF).

It is the intention of EuroLife to distribute hemp derived CBD and innovative health & wellness products throughout various bricks-and-mortar outlets in Europe, alongside its own CBD consumer package goods e-commerce marketplace once fully operational.

### European Cannabis Markets

EuroLife is working to integrate the various partner products into the EuroLife e-commerce platform along with potential distribution in select brick and mortar retail locations throughout the EU and UK. 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 substantial. Management is of the opinion that as the cannabis industry matures and normalization takes hold, those organizations equipped with low cost production combined with tactical downstream high margin capability will prevail.

Furthermore, the importance of health & wellness is becoming a reality to populations around the globe and the market the opportunity is staggering. It is suggested that the CBD products market could account for over 0.15% of the health & 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.

Market specific information also indicate a significant market opportunity. In a recently published report on cannabis, Prohibition Partners predict the number of medical cannabis patients in Germany will rise to 1 million by 2024, the total medical cannabis market value growing to 7.5 billion euros by 2028, and adult-use consumption increasing to 16 billion euros in size by 2028. A key driver of the cannabis market in Germany is the country's is the German health care system. The public health care system is a champion for legalized medical cannabis and covers up to 5 ounces of cannabis medication per medical user per month including cannabis flower, oils, and pharmaceutical products. (Sativex, Nabilone and Dronabinol).

EuroLife has also entered a definitive agreement with 9385-4594 Quebec Inc. to acquire the global rights (75+ jurisdictions) to a portfolio of CBD based food products including hot sauce, olive oils and related products. In consideration for the global rights of the CBD food products the Company will issue \$340,000 of EuroLife common shares at a price of \$0.06, representing a premium to market price of 33%. The agreement is expected to be finalized in early January 2020.

The definitive agreement for premium CBD food products adds to a growing portfolio of hemp and CBD products with underlying production assets focused on the European Union (EU), the United Kingdom (UK) and related countries.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

See Item 2 above.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.
- None.**
5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.
- See Item 2 above. The Issuer has not entered into a relationship with a Related Person in the month of December 2019.**
6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.
- None.**
7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.
- None.**
8. Describe the acquisition of new customers or loss of customers.
- N/A.**
9. Describe any new developments or effects on intangible products such as brand names, circulation lists, franchises, licenses, patents, software, subscription lists and trade-marks.
- None.**
10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.
- None.**
11. Report on any labour disputes and resolutions of those disputes if applicable.
- None.**
12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.
- None.**
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.
- N/A.**
14. Provide details of any securities issued and options or warrants granted.
- None.**
15. Provide details of any loans to or by Related Persons.
- N/A.**

16. Provide details of any changes in directors, officers or committee members.

**N/A.**

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

**None.**

## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: **January 7, 2020** .

Shawn Moniz  
Name of Director or Senior Officer

"Shawn Moniz"  
Signature

CEO & Director  
Official Capacity

<b>Issuer Details</b> Name of Issuer	For Month End	Date of Report YY/MM/D
<b>Eurolife Brands Inc.</b>	<b>December 2019</b>	<b>20/01/07</b>
Issuer Address <b>804-750 West Pender Street</b>		
City/Province/Postal Code <b>Vancouver, BC V6C 2T7</b>	Issuer Fax No. <b>604.685.6905</b>	Issuer Telephone No. <b>604.682.2928</b>
Contact Name <b>Shawn Moniz</b>	Contact Position <b>CEO &amp; Director</b>	Contact Telephone No. <b>604.682.2928</b>
Contact Email Address <a href="mailto:info@eurolifebrands.com">info@eurolifebrands.com</a>	Web Site Address <a href="https://eurolifebrands.com/">https://eurolifebrands.com/</a>	