

## FORM 7

### MONTHLY PROGRESS REPORT

Name of Listed Issuer:  Eat Well Investment Group Inc. (the "Issuer" or the "Company")

Trading Symbol:  EWG

Number of Outstanding Listed Securities:  167,161,148

Date:  July 7, 2023

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.

*Eat Well Group had a number of announcements in June, including:*

- (i) *On June 23, 2023, the Company reported that it plans to prioritize its Global Agribusiness by maintaining a 28% ownership in Amara, thereby reducing its near-term liabilities by \$7,050,000.*

- (ii) *On June 23, 2023, the Company entered into a Membership Interest Purchase Agreement (“MIPA”) to sell 100% of Sapientia for US \$10,000,000, \$2,000,000 more than it acquired the company for, while becoming one of the largest shareholders of NASDAQ:MEDS. The transaction is expected to close in late Q3 or early Q4.*
- (iii) *On June 23, 2023, the Company announced that it had closed its refinancing initiative led by the Business Development Bank of Canada for \$24,500,000, reducing its interest charges by \$2,100,000 annually.*

*These mark significant milestones for the Company and create a near term path to a highly profitable enterprise.*

*The Company continues to work towards finalizing its audited fiscal 2022 year-end financial statements and Q1, 2023 interim financial statements. On June 23, 2023 the Company announced it is working to amend and restate the August 31, 2022, interim financial statements to correct the 2022 quarter-end figures as instructed by the B.C. Securities Commission in accordance with paragraph 11.5(b) of National Instrument 51-102.*

*In April 2023, the Company determined, as part of the Company's calendar 2022 year-end audit planning process, that it no longer qualifies as an investment entity under international financial reporting standard 10. Instead, the Company meets the requirements of an integrated operating company with consolidated financials. Consequently, the operating period between June 1, 2022, and August 31, 2022, within the fiscal quarter ended August 31, 2022, will require restatement. The Company intends to file these amendments on SEDAR as soon as possible.*

*The Company is currently in the process of consolidating all its subsidiaries into a single operating company, which is the main factor causing the delay in releasing its financials. The Company has been working diligently alongside its auditors to ensure that the audits are completed as promptly as possible, while maintaining accuracy and adhering to the highest standards. This consolidation effort is aimed at streamlining the Company's operations and financial reporting for improved efficiency and transparency.*

*The Company holds the belief that by having consolidated financials, it will greatly facilitate the assessment of the enterprise's profitability. This, in turn, will enable the Company to trade more closely with that of its industry peers. Consolidated financial statements provide a comprehensive view of the financial performance and position of the entire enterprise, offering a clearer understanding of the Company's overall profitability. This enhanced transparency can contribute to improved market perception and a more accurate valuation of the Company's worth relative to its competitors.*

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

*Senior management of the Company is focused on its revised business strategy centered on its pulse processor and driving increased profitability. By reducing its near-term liabilities by over \$7,050,000, refinancing the majority of its debt with BDC to the tune of \$24,500,000, and focusing on the highly profitable agribusiness, the Company is creating a leading North American agricultural innovation and agribusiness company. The go-forward strategy includes refinancing*

*the balance of its outstanding debt with Cortland Credit (\$ 16,500,000, which has been reduced to approximately \$ 13,500,000 through further debt paydowns of its revolving credit facilities) further insulating its balance sheet, strategic partnerships, and near term M&A focused within the agribusiness sector.*

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.

*Not applicable.*

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.

*Not applicable.*

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.

*The Company entered into a business relationship with the Business Development Bank of Canada for a \$24,500,000 investment into Eat Well Group.*

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.

*The Company currently holds a 51% ownership stake in PataFoods, contingent upon fulfilling additional payments of \$7,050,000 (US \$5,300,000) as specified in the promissory note. However, the Company and PataFoods have recently reached an agreement to waive the requirement for the additional payments, thereby reducing the Company's ownership to 28% and reducing its existing liabilities by \$7,050,000. This strategic decision fortifies the financial position of the Company.*

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 provides details of the relationship.

*Not applicable.*

8. Describe the acquisition of new customers or loss of customers.

*Not applicable.*

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

*Not applicable.*

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

*Not applicable.*

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.

*Not applicable.*

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

*The Company has closed its refinancing transaction, which includes:*

- (i) A \$22,500,000 secured loan from BDC at a fixed rate of 5.65% per annum, payable monthly and amortizing over a 20-year period (including a three-month payment holiday), which was used to repay a portion of the Company's existing credit facilities.*
- (ii) A \$2,000,000 secured loan from BDC at a fixed rate of 8.8% per annum, payable monthly and amortizing over a seven-year period (including a 12-month payment holiday), which was used to repay a portion of the Company's existing credit facilities.*
- (iii) The private lender has converted \$8,000,000 of the existing credit facilities into a secured term facility that accrues interest at a rate of prime plus 7.55% per annum, payable monthly and is repayable 12 months after closing of the refinancing.*
- (iv) The private lender has converted the remaining \$7,500,000 of the existing credit facilities into a secured revolving facility not to exceed \$8,500,000, that accrues interest at a rate of prime plus 7.55% per annum, payable monthly, and is repayable 12 months after closing of the refinancing.*
- (v) The private lender will earn a commitment fee, which will be waived if the term loan is repaid by August 31, 2023, a fee of \$523,000 payable by September 30, 2023, and issue 2,500,000 common shares to the private lender. The bonus shares are subject to a four-month hold period in accordance with applicable securities laws. Management has agreed to forfeit 2,500,000 profit interest shares, to avoid added shareholder dilution in exchange for issuing common shares in the capital of the Company.*

- (vi) For additional clarity, the revised terms of the debt refinancing do not include any convertible loan or the issuance of any additional warrants, as previously contemplated in the December 23, 2022, news release.

The refinancing transaction results in several benefits for the Company, including:

- (i) Reducing the Company's interest charges by over \$2,100,000 per year.
- (ii) Reducing interest rates from 14.25% to a blended rate of 9.55%.
- (iii) Reducing monthly payments by approximately \$185,000, a savings of 38% for the first 12 months and then following the interest deferment will be \$170,000, a savings of 35%.
- (iv) Extending the maturity of the Company's outstanding credit facilities by up to 20 years.
- (v) Initiating a long-term relationship with a supportive lender that can scale with future growth plans.

The savings of over \$2,000,000 in annual interest will significantly contribute to improving the Company's bottom line. The Company expects this reduction in interest charges and favourable refinancing terms will help the Company achieve a positive net income going forward, allowing it to allocate more resources toward innovation and investment, expansion efforts, and marketing, further strengthening its market position in the plant-based food ingredient and CPG (consumer-packaged goods) industry.

14. Provide details of any securities issued and options, RSUs or warrants granted.

<b>Security</b>	<b>Number Issued</b>	<b>Details of Issuance</b>	<b>Use of Proceeds</b>
Common Shares	Nil	N/A	N/A
Warrants	Nil	N/A	N/A
Restricted Share Units ("RSUs")	Nil	N/A	N/A
Stock Options	Nil	N/A	N/A

Normal Course Issuer Bid ("NCIB")

The Company had a NCIB in place through the facilities of the Canadian Securities Exchange. Under this NCIB, the Company could acquire up to 7,686,777 common shares (the "**Shares**") in the capital of the Company. This NCIB commenced on June 27, 2022 and ended on June 26, 2023. During the month of June 2023, the Company purchased a total of nil Shares under the NCIB for a total of 188,000 Shares since commencement of the NCIB. On March 8, 2023, the 188,000 Shares were returned to treasury. The Company did not renew the NCIB but has plans to in the future.

Profits Interest Shares

*There is no change in the status of the profits interest shares that are outstanding.*

15. Provide details of any loans to or by Related Persons

*Daniel Brody, a Director of the Company, has increased his loan to the Company to \$410,000 for the purposes of accelerating the audit timelines. It is expected that this will be converted to equity or a convertible debenture.*

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

*No specific comments on this matter for this month.*

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

*No specific comments on this matter for this month.*

## 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 is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange 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 Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: July 7, 2023.

Danny Brody  
Name of Director or Senior Officer

"Danny Brody"  
Signature

Director  
Official Capacity

<b>Issuer Details</b> Name of Issuer <b>Eat Well Investment Group Inc.</b>	For Month End <b>June 30, 2023</b>	Date of Report YY/MM/DD <b>23/07/07</b>
Issuer Address <b>#1305 - 1090 West Georgia Street</b>		
City/Province/Postal Code <b>Vancouver, B.C. V6E 3V7</b>	Issuer Fax No. <b>604-683-1585</b>	Issuer Telephone No. <b>604-685-9316</b>
Contact Name <b>Danny Brody</b>	Contact Position <b>Director</b>	Contact Telephone No. <b>604-685-9316</b>
Contact Email Address <a href="mailto:dbrody@eatwellgroup.com">dbrody@eatwellgroup.com</a>	Web Site Address <a href="http://www.eatwellgroup.com">www.eatwellgroup.com</a>	