



**PLANT & CO. BRANDS LTD.  
(formerly Eurolife Brands Inc.)**

**CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**



DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Plant & Co. Brands Ltd.

### Opinion

We have audited the consolidated financial statements of Plant & Co. Brands Ltd. (formerly Eurolife Brands Inc.) (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Otto Ehinger.

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DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS  
Vancouver, BC  
April 28, 2021

**PLANT& CO. BRANDS LTD (formerly Eurolife Brands Inc.)**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

As as December 31,

<i>(Canadian dollars)</i>	<b>Note</b>	<b>2020</b>	<b>2019</b>
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		<b>4,136,250</b>	303,026
Account receivable	10	<b>88,669</b>	27,600
Inventory		<b>18,590</b>	-
Prepays		<b>487,862</b>	67,597
HST recoverable		<b>76,818</b>	503,201
		<b>4,808,189</b>	901,424
Property and equipment	5	<b>278,942</b>	25,628
Licenses and other intangible assets	6	<b>204,000</b>	463,833
<b>TOTAL ASSETS</b>		<b>5,291,131</b>	1,390,885
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	10,11	<b>604,272</b>	279,378
Deferred revenue	12	<b>104,745</b>	4,000
Lease obligations	7	<b>50,048</b>	-
Other liabilities		<b>20,000</b>	9,948
<b>TOTAL CURRENT LIABILITIES</b>		<b>779,065</b>	293,326
Canada Emergency Business Account (CEBA) Loan	8	<b>20,175</b>	-
<b>TOTAL LIABILITIES</b>		<b>799,240</b>	293,326
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	9	<b>18,300,070</b>	12,033,390
Share subscriptions receivable	9,10	<b>(339,552)</b>	(299,157)
Share-based payment reserve	9	<b>3,565,293</b>	2,017,580
Deficit		<b>(17,033,920)</b>	(12,654,254)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>4,491,891</b>	1,097,559
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>5,291,131</b>	1,390,885

**Nature and continuance of operations** (Note 1)

**Commitments** (Note 7)

**Subsequent events** (Note 15)

**PLANT & CO. BRANDS LTD. (formerly Eurolife Brands Inc.)**  
**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
For the years ended December 31,

<i>(Canadian dollars)</i>	Notes	2020	2019
		\$	\$
<b>Revenue</b>		<b>102,125</b>	<b>86,850</b>
<b>Expenses</b>			
Accounting and legal		150,625	72,452
Advertising and marketing		875,600	607,616
Amortization	5,6	105,405	132,857
Business development		815,770	667,358
Compliance and regulatory		91,671	99,411
Consulting	10	401,900	396,541
Financing costs	7	4,596	4,476
Hosting, licenses, and subscriptions		114,656	111,651
Impairment of licenses and intangible assets	6	415,433	379,500
Investor relations		99,510	429,542
Office and sundry		186,887	47,166
Platform development		273,161	658,590
Share-based compensation	9,10	1,109,824	3,461,129
		<b>4,645,038</b>	<b>7,068,287</b>
<b>Loss before other items</b>		<b>(4,542,913)</b>	<b>(6,981,437)</b>
<b>Other items</b>			
Loss on termination of lease	7	-	(2,006)
Gain on sale of equity investment	12	57,736	-
Gain on settlement of debt		77,963	-
Grant income	8	22,435	-
Other income		5,113	-
<b>Total comprehensive loss</b>		<b>(4,379,666)</b>	<b>(6,983,443)</b>
<b>Per Share Information</b>			
Net loss per share – basic and diluted		<b>\$(0.11)</b>	<b>\$(0.27)</b>
Weighted average number of common shares outstanding – basic and diluted		<b>41,704,800</b>	<b>26,004,096</b>

See accompanying notes to the consolidated financial statements

**PLANT & CO. BRANDS LTD. (formerly Eurolife Brands Inc.)**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

(Canadian dollars)	Notes	Common Shares Number*	Common Shares Amount	Share-based payment reserve	Share subscriptions receivable	Deficit	Total
			\$	\$	\$	\$	\$
<b>Balance at December 31, 2018</b>		18,169,787	6,505,299	321,376	(744,475)	(5,670,811)	411,389
Issuance of common shares for cash	9	4,205,000	2,102,500	-	(50,010)	-	2,052,490
Share issue costs	9	-	(24,173)	8,223	-	-	(15,950)
Issuance of common shares for debt and services	9	687,429	412,150	-	-	-	412,150
Issuance of common shares upon exercise of options	9	1,716,684	1,718,981	(640,925)	(198,272)	-	879,784
Issuance of common shares upon milestone achievement	9	2,753,540	1,583,609	-	-	-	1,583,609
Share based compensation	9	-	-	1,877,530	-	-	1,877,530
Cancellation of exercised options	9	(544,000)	(1,144,976)	451,376	693,600	-	-
Share exchange for licenses	6,9	8,800,000	880,000	-	-	-	880,000
Net and comprehensive loss		-	-	-	-	(6,983,443)	(6,983,443)
<b>Balance at December 31, 2019</b>		<b>35,788,441</b>	<b>12,033,390</b>	<b>2,017,580</b>	<b>(299,157)</b>	<b>(12,654,254)</b>	<b>1,097,559</b>
Private placement	9	26,787,315	5,603,191	90,096	(240,500)	-	5,452,787
Debts settled	9	-	-	-	300,105	-	300,105
Share issue costs	9	-	(520,183)	406,543	-	-	(113,640)
Issuance of common shares for debt and services	9	2,209,267	486,025	-	-	-	486,025
Issuance of common shares upon exercise of options	9	210,000	163,750	(58,750)	(100,000)	-	5,000
Issuance of common shares upon exercise of warrants	9	158,800	79,400	-	-	-	79,400
Cancellation of common shares issued upon milestone achievement	9	(250,000)	-	-	-	-	-
Share based compensation	9	-	-	1,109,824	-	-	1,109,824
Cancellation of exercised options	9	(193,076)	-	-	-	-	-
Share exchange for licenses	6,9	566,667	226,667	-	-	-	226,667
Shares issued for assets	4,9	2,536,000	227,830	-	-	-	227,830
Net and comprehensive loss		-	-	-	-	(4,379,666)	(4,379,666)
<b>Balance at December 31, 2020</b>		<b>67,813,414</b>	<b>18,300,070</b>	<b>3,565,293</b>	<b>(339,552)</b>	<b>(17,033,920)</b>	<b>4,491,891</b>

\* On July 3, 2020 the Company completed a 10:1 share consolidation. All share numbers have been restated to reflect the consolidation.

**PLANT & CO. BRANDS LTD. (formerly Eurolife Brands Inc.)**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the years ended December 31,**

<i>(Canadian dollars)</i>	<b>2020</b>	<b>2019</b>
<b>Operating Activities</b>		
Net loss	(4,379,666)	(6,983,443)
Items not affecting cash and cash equivalents:		
Amortization	105,405	132,856
Financing costs	4,596	4,476
Impairment of licenses and intangible assets	415,433	379,500
Share based compensation	1,109,824	3,461,129
Gain on settlement of debt	(77,963)	-
Gain on sale of equity investment	(57,736)	-
Loss on termination of lease	-	2,006
Grant income	(22,435)	-
	(2,902,542)	(3,003,476)
Accounts receivable	(61,069)	(6,842)
Prepaid expenses	(170,265)	6,789
HST recoverable	426,381	(231,456)
Accounts payable and accrued liabilities	921,789	804,151
Deferred revenue	745	(5,375)
Net change in non-cash working capital related to operations	1,117,581	567,267
<b>Cash flows used in operating activities</b>	<b>(1,784,960)</b>	<b>(2,436,209)</b>
<b>Investing Activities</b>		
Property and equipment expenditures	(13,151)	(3,496)
Proceeds from sale of equity investment	157,736	-
<b>Cash flows from (used in) investing activities</b>	<b>144,585</b>	<b>(3,496)</b>
<b>Financing Activities</b>		
Proceeds from the issuance of shares (net of issuance costs)	5,329,199	2,086,550
Proceeds from government loan	40,000	-
Proceeds from option exercises	5,000	480,150
Proceeds from warrant exercises	79,400	-
Lease liabilities settled	-	(51,423)
Other liabilities	20,000	9,948
<b>Cash flows from financing activities</b>	<b>5,473,599</b>	<b>2,525,225</b>
<b>Increase in cash</b>	<b>3,833,224</b>	<b>85,520</b>
Cash, beginning of year	303,026	217,506
<b>Cash, end of year</b>	<b>4,136,250</b>	<b>303,026</b>
<b>Non-cash transactions:</b>		
Licenses acquired for shares	226,667	880,000
Assets acquired for shares	227,830	-
Subscriptions receivable on exercise of stock options	(100,000)	(597,916)
Accounts payable offset by subscriptions receivable	300,105	349,634
Common shares issued for debt	486,025	163,860
Investment in Empower Clinics Inc.	(100,000)	-
Shares cancelled	-	693,600
Value transferred from reserves on exercise of stock options	-	640,925

**PLANT & CO. BRANDS LTD. (formerly Eurolife Brands Inc.)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR YEARS ENDED DECEMBER 31, 2020 AND 2019**

(Expressed in Canadian Dollars)

**1. NATURE AND GOING CONCERN**

Plant & Co. Brands Ltd. (formerly Eurolife Brands Inc) (the “Company” or “Plant&Co”) was incorporated pursuant to the Canada Business Corporations Act on November 24, 2014.. On August 12, 2019, the Company changed its name from Cannvas MedTech Inc. to Eurolife Brands Inc. On December 4, 2020, the Company changed its name from Eurolife Brands Inc. to Plant & Co. Brands Ltd.

On June 23, 2017, the Company continued from the federal jurisdiction to the jurisdiction of British Columbia. The Company's corporate office is located at Suite 804, 750 Pender Street, Vancouver, British Columbia V6C 2T7.

The Company is a vertically integrated enterprise focused on the health and wellness sector.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred a net loss in the year ended December 31, 2020 of \$4,379,666 (2019 – \$6,983,443), and had a deficit of \$17,033,920 as at December 31, 2020 and \$12,654,254 as at December 31, 2019. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. The Company relies upon the issuance of securities for financing of its operations. The Company intends to continue relying upon the issuance of securities to finance its operations to the extent such instruments are issuable under terms acceptable to the Company. While the Company has been successful in raising funds in the past, it is uncertain whether it will be able to raise sufficient funds in the future. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. If the Company is unable to secure additional financing, repay liabilities as they come due, negotiate suitable joint venture agreements, and/or continue as a going concern, then material adjustments would be required to the carrying value of assets and liabilities and the consolidated statement of financial position classifications used. These consolidated financial statements do not include any adjustments relating to the recovery of assets and classification of assets and liabilities that may arise should the Company be unable to continue as a going concern.

**2. BASIS OF PREPARATION**

**Statement of Compliance**

These consolidated financial statements for the years ended December 31, 2020 and 2019 were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC). As part of this preparation, management is required to make estimates and assumptions under IFRS. These estimates and assumptions affect the reported amounts of assets and liabilities, disclosure of contingent amounts and the reported amounts of revenues and expenses. Although these estimates are based on management's best knowledge of the amounts, events or actions, actual results ultimately may differ from those estimates. The areas involving a higher degree of judgement and complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed within the notes.

These consolidated financial statements were reviewed by the Audit Committee and authorized for issuance by the Board of Directors as of April 28, 2021.

**Basis of consolidation**

A subsidiary is an entity the Company controls when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. These consolidated financial statements include the accounts of the Company and its Canadian wholly-owned subsidiaries Cannvas Data Inc., Plant & Company Brands Group Inc. (formerly Cannvas Creative Inc.), Cannvas Cannabis Acquisitions Corp. and 1216165 BC Ltd. Intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated in preparing these consolidated financial statements.



**PLANT & CO. BRANDS LTD. (formerly Eurolife Brands Inc.)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR YEARS ENDED DECEMBER 31, 2020 AND 2019**

(Expressed in Canadian Dollars)

**Presentation and functional currency**

The functional currency of the parent company is the Canadian dollar, which is also the presentation currency of the consolidated financial statements. The functional currency of the Company's Canadian subsidiaries is also the Canadian dollar.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

**Significant accounting judgments and estimates**

The preparation of Financial Statements is in conformity with International Financial Reporting Standards ("IFRS") and requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. The following are the key estimates and assumption uncertainties that have a significant risk of resulting in a material adjustment within the next financial year: expected life of tangible and intangible assets, valuation of financial assets, impairment of non-financial assets and share-based compensation.

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the annual financial statements. Judgement is also required in the determination of whether the Company will continue as a going concern.

On January 30, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) outbreak a Public Health Emergency of International Concern and, on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of COVID-19 include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. These measures have caused and will continue to cause significant disruption to business operations and a significant increase in economic uncertainty. The potential direct and indirect impacts of the economic downturn have been considered in management's estimates, and assumptions at year end have been reflected in the results.

The COVID-19 pandemic is an evolving situation that will continue to have widespread implications for the Company's business environment, operations and financial condition. Management cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption may materially impact the financial results in 2021.

Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**Financial instruments**

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

**PLANT & CO. BRANDS LTD. (formerly Eurolife Brands Inc.)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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(Expressed in Canadian Dollars)

The following table shows the classification of financial assets and liabilities under IFRS 9:

Cash	FVTPL
Other receivable	amortized cost
Accounts payable, and other liabilities	amortized cost
Canada Emergency Business Account Loan	amortized cost

**Measurement**

*Financial assets at FVTOCI*

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive loss.

*Financial assets and liabilities at amortized cost*

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

*Financial assets and liabilities at FVTPL*

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in the statement of loss and comprehensive loss.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

*Financial assets*

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other loss and comprehensive loss.

*Financial liabilities*

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of loss and comprehensive loss.

**Cash**

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

**Inventory**

Inventory, which consist of food, beverage and merchandise, are valued at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method. Net realizable value is the estimated selling price less applicable selling expenses. If the carrying value exceeds the net realizable amount, an impairment is recognized. The impairment may be reversed in a subsequent period if the circumstances which caused it to no longer exist.

**PLANT & CO. BRANDS LTD. (formerly Eurolife Brands Inc.)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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(Expressed in Canadian Dollars)

**Property and equipment**

Property and equipment is stated at historical cost less accumulated amortization and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of loss and comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of loss and comprehensive loss.

Amortization is calculated on a straight-line method to write off the cost of the assets to their residual values over their estimated useful lives. The amortization rates applicable to each category of property and equipment are as follows:

<b>Class of property, plant and equipment</b>	<b>Amortization rate</b>
Computer equipment	33%
Furniture and fixtures	20%
Leasehold improvements	Term of lease
Right-of-use asset	Term of lease

**Licenses and other intangible assets**

Licenses and other intangible assets are recorded at cost, less accumulated amortization, and are amortized over ten years on a straight-line basis. If the carrying value exceeds the net realizable amount, an impairment is recognized. The impairment may be reversed in a subsequent period if the circumstances which caused it to be impaired, no longer exist.

**Impairment**

At each financial position reporting date, the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the statement of loss and comprehensive loss for the year.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized in the statement of loss and comprehensive loss for the year.

**Share capital**

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Where share capital is issued, or received, as non-monetary consideration and the fair value of the asset received or given up is not readily determinable, the fair market value of the shares is used to record the transaction. The fair market value of the shares is based on the trading price of those shares on the appropriate stock exchange on the date of the agreement to issue or receive shares.

The proceeds from the exercise of share options and warrant and issuance of shares from treasury are recorded as share capital in the amount for which the option, warrant, or treasury share enabled the holder to purchase a share in the Company. Share capital issued for non-monetary consideration is recorded at an amount based on fair market value on the date the shares are issued.

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The proceeds from the issue of units consisting of a common share and a share purchase warrant is allocated between common shares and common share purchase warrants on a pro-rata basis on a relative fair value basis, wherein, the fair value of the common shares is based on the market closing price on the date the units are issued; and the fair value of the common share purchase warrants is determined using the Black-Scholes Option Pricing Model.

In the event there is a change to the warrant terms (price or exercise date), no change is made to the initial value recognized for the warrant.

**Revenue**

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Sales revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involved with the goods, and the amount of revenue can be measured reliably. The transfer of risks and rewards occurs when the product is received by the customer.

Revenue from services is recognized when the services are rendered, using the percentage of completion method based on the actual service provided as a proportion of the total services to be performed. Payment received in advance of revenue recognition is recorded as deferred revenue.

**Share-based payment transactions**

The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

Where the share options are awarded to employees, the fair value is measured at grant date, and each tranche is recognized on the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Where share options are granted to non-employees, fair value is measured at grant date at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

All share-based payments are reflected in reserves, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid.

**Income taxes**

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or loss or directly in equity, in which case it is recognized in other comprehensive income or loss or equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the liability method, providing for unused tax loss carry forwards and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and differences relating to investments in subsidiaries, associates, and joint ventures to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is more likely than not that future taxable profits will be available against which the asset can be utilized.

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Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**Loss per share**

The Company presents basic and diluted earnings (loss) per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the income attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

**IFRS 16 Leases (“IFRS 16”)**

Effective January 1, 2019, the Company adopted IFRS 16, Leases. The Company’s accounting policy under IFRS 16 is as follows: At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This policy is applied to contracts entered into, or changed, on or after January 1, 2019. The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, and estimate of costs to dismantle and remove or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use assets are subsequently amortized from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term using the straight-line method. The lease term includes consideration of an option to renew or to terminate if the Company is reasonably certain to exercise that option.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising mainly from a change in an index or rate, if there is a change in the Company’s estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, renewal or termination option due to a significant event or change in circumstances. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

**Government grants**

Government grants are recognized when there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as an expense reduction in the period in which the costs are incurred. Where the grant relates to an asset, it is recognized as a reduction to the net book value of the related asset and then subsequently in net loss over the expected useful life of the related asset through lower charges to depreciation and impairment.

**New Accounting Policies**

Beginning January 1, 2020, the Company adopted the amendment to IFRS 3 Business Combinations. This amendment narrowed and clarified the definition of a business and permits a simplified assessment to determine whether an acquired set of activities and assets can be recognized as an asset acquisition, rather than as a business combination.

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**Future Accounting Pronouncements**

The IASB has issued a number of new accounting standards, amendments to accounting standards, and interpretations that are effective for annual periods beginning on or after January 1, 2021. The Company plans to adopt the following pronouncements; however each is not expected to have a material impact. The Company will continue to evaluate the impact of the pronouncements which will be adopted on their respective effective dates.

Amendments to IAS 37 Provisions Contingent Liabilities and Contingent Assets. In May 2020, the IASB issued Onerous Contracts - Cost of Fulfilling a Contract, which made amendments to IAS 37 Provisions Contingent Liabilities and Contingent Assets. Effective January 1, 2022, the amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. This standard is not expected to have an impact on the Company.

Amendments to IAS 1 Presentation of Financial Statements. In January 2020, the IASB issued amendments to IAS 1 Presentation of Financial Statements, to clarify its requirements for the presentation of liabilities as current or non-current in the statement of financial position. This will be effective on January 1, 2023. This standard is not expected to have an impact on the Company.

Other accounting pronouncements with future effective dates are either not applicable or are not expected to have a material impact on the Company's financial statements.

**4. ACQUISITION**

On October 27, 2020, the Company entered into an asset purchase agreement with Plant and Co. Marche Inc. ("Marche") whereby the Company agreed to purchase the assets of Marche for consideration of 2,336,000 common shares of the Company plus a finder's fee of 200,000 common shares at a price of \$0.10 per common share for total consideration of \$227,830. Prior to the transaction, Marche was a board game café, however at the time of the sale of the assets the restaurant was no longer operational. The acquisition did not meet the definition of a business combination and as a result has been accounted for as an asset acquisition under IFRS 2 with the fair value of the shares issued approximating the fair value of the assets acquired.

The purchase price was allocated as follows:

<b>Fair value of asset acquired</b>	<b>\$</b>
Inventory	18,590
Furniture and fixtures	209,240
Net assets acquired	227,830
<b>Consideration</b>	
Shares issued (2,336,000 shares)	209,862
Finder's fee (200,000 shares)	17,968
Total consideration	227,830

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**5. PROPERTY AND EQUIPMENT**

	<b>Computer equipment</b>	<b>Furniture and fixtures</b>	<b>Leasehold improvements</b>	<b>ROU assets</b>	<b>Total</b>
<b>Cost:</b>	\$	\$	\$	\$	\$
December 31, 2018	26,493	23,014	47,355	-	96,862
Additions	3,496	-	-	44,941	48,437
December 31, 2019	29,989	23,014	47,355	44,941	145,299
Additions (notes 4 and 7)	<b>13,151</b>	<b>209,240</b>	-	<b>65,261</b>	<b>287,652</b>
December 31, 2020	<b>43,140</b>	<b>232,254</b>	<b>47,355</b>	<b>110,202</b>	<b>432,951</b>
<b>Amortization:</b>					
December 31, 2018	8,737	4,961	9,783	-	23,481
Amortization	9,074	4,603	37,572	44,941	96,190
December 31, 2019	17,811	9,564	47,355	44,941	119,671
Amortization	<b>8,359</b>	<b>9,664</b>	-	<b>16,315</b>	<b>34,338</b>
December 31, 2020	<b>26,170</b>	<b>19,228</b>	<b>47,355</b>	<b>61,256</b>	<b>154,010</b>
<b>Net book value:</b>					
December 31, 2019	12,178	13,450	-	-	25,628
December 31, 2020	<b>16,970</b>	<b>213,026</b>	-	<b>48,946</b>	<b>278,942</b>

**6. LICENSES AND OTHER INTANGIBLE ASSETS**

On July 29, 2019 the Company purchased 1216165 B.C. Ltd. ("TF" or "True Focus") for 8,000,000 common shares of the Company. TF is the beneficial owner of an exclusive license to develop and market products under the "True Focus" trade name, utilizing proprietary intellectual property in the jurisdictions of South America, Albania, Belarus, Bosnia, Kosovo, Moldova, Montenegro, Russia, Serbia, Turkey and Ukraine. TF also has an option on pursuing a joint-venture arrangement in which it will be permitted to utilize the True Focus proprietary intellectual property on a non-exclusive basis for the marketing of products in Mexico.

At the acquisition date, the fair market value for the license was determined to be \$800,000. The value is based upon market assessment of various factors relating to the True Focus brand in the marketplace. In addition, a finder's fee of 800,000 shares was granted which were valued at \$80,000.

In late 2019, the cannabis market in general declined significantly and the Company impaired the value of True Focus by approximately 45% at December 31, 2019. In 2020, with the Covid-19 pandemic limiting access to the European and South American markets the Company has impaired the value of the True Focus license down to \$nil, although it continues to hold the license.

On January 10, 2020, the Company acquired intellectual property in exchange for 566,667 common shares valued at a fair market value of \$226,667.

The licenses and other intangible assets will be depreciated over a period of 10 years.

	<b>\$</b>
Balance, December 31, 2018	-
Additions	880,000
Amortization	(36,667)
Impairment expense	(379,500)
Balance, December 31, 2019	463,833
<b>Additions</b>	<b>226,667</b>
<b>Amortization</b>	<b>(71,067)</b>
<b>Impairment expense</b>	<b>(415,433)</b>
<b>Balance, December 31, 2020</b>	<b>204,000</b>

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**7. LEASE LIABILITY**

On adoption of IFRS 16, the Company identified its office rental agreement as right-of-use asset, and recognized a corresponding lease liability, which was discounted at the Company's incremental borrowing rate of 8%.

The changes in the Company's lease liability for the year ended December 31, 2019 are as follows:

	\$
Recognition of office lease	82,391
Lease payments	(38,562)
Finance charges	(4,476)
Balance prior to termination	39,353
Write off of right-of-use asset, net of amortization of \$44,941	(37,451)
Deposit lost on termination	(3,908)
Loss on termination of lease	(2,006)

In conjunction with the acquisition of the Marche assets during the current year, the Company assumed the lease of a commercial space in Toronto, Ontario which expires in December, 2021. This lease was identified as a right-of-use asset with a corresponding lease liability, which was discounted using a 10% incremental borrowing rate (Note 4).

The changes in the Company's lease liability for the year ended December 31, 2020 are as follows:

	\$
Recognition of lease	65,261
Lease payments	(17,200)
Finance charges	1,987
Balance at December 31, 2020	50,048

**8. CANADA EMERGENCY BUSINESS ACCOUNT LOAN**

During 2020, the Company received an interest free loan of \$40,000 through the Canada Emergency Business Account ("CEBA"). Effective January 1, 2023, any outstanding balance on the term loan shall bear interest at a rate of 5% per annum. The term loan matures on December 31, 2025. Repaying the balance of the loan on or before December 31, 2022 will result in loan forgiveness of \$10,000. The forgivable portion of the loan has been recognized as grant income for the year ended December 31, 2020

Pursuant to IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, the benefit of a government loan at below-market rate is treated as a government grant and measured in accordance with IFRS 9 Financial Instruments: the benefit of below-market rate shall be measured as the difference between the initial carrying value of the loan (being the present value of a similar loan at market rates) and the proceeds received. The Company has estimated the initial carrying value of the CEBA Loan at \$17,565, using a discount rate of 20%. The difference of \$12,435 was recognized as grant income and will be accreted to the loan liability over the term of the CEBA Loan and offset to other income on the statements of loss and comprehensive loss.

**9. SHARE CAPITAL**

**a) Common shares**

**Authorized:**

Unlimited number of common shares without par value.

**Issued:**

As at December 31, 2020 the Company has 67,813,414 shares issued and outstanding (2019 – 35,788,441).

On July 3, 2020 the Company completed a 10:1 share consolidation. All share numbers have been retroactively restated to reflect the consolidation.

On January 18, 2019, the Company issued 600,000 common shares to directors and officers of the Company on exercise of stock options for proceeds of \$420,000.



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On January 18, 2019, the Company issued 23,481 common shares with a fair value of \$17,611 for settlement of \$17,611 of accounts payable to consultants.

On January 21, 2019, the Company issued 400,000 common shares to directors and officers of the Company for milestone achievements attained during the period.

On January 24, 2019, the Company issued 195,000 common shares with a fair value of \$146,250 for settlement of \$146,250 of accounts payable to directors and consultants.

On March 26, 2019, the Company issued 15,200 common shares to a consultant of the Company with a fair value of \$10,070 as settlement for services rendered.

On March 27, 2019, the Company issued 300,000 common shares to a consultant of the Company on exercise of stock options for proceeds of \$187,500.

On June 11, 2019, the Company cancelled 544,000 common shares issued to directors and officers of the Company for exercised stock options that remained unpaid.

On June 26, 2019, the Company issued 1,193,540 common shares to directors and officers of the Company for milestone achievements attained during the period.

On July 9, 2019, the Company issued 302,439 common shares with a fair value of \$155,000 for settlement of \$155,000 of services rendered by consultants.

On July 16, 2019, the Company issued 2,003,000 common shares at a price of \$0.50 per share for gross proceeds of \$1,001,500 pursuant to a non-brokered private placement of units. Each unit consists of one common share and one common share purchase warrant entitling the holder to acquire an additional common share at \$0.75 per share. In addition, 15,000 finder's warrants were granted with a fair value of \$3,821 which was calculated using the Black-Scholes Option Pricing Model with the following inputs: expected price volatility of 95%, risk free interest rates of 1.56%, expected life of 2 years and no dividend yield.

On July 24, 2019, the Company issued 1,012,000 common shares at a price of \$0.50 per share for gross proceeds of \$506,000 pursuant to a non-brokered private placement of units. Each unit consists of one common share and one common share purchase warrant entitling the holder to acquire an additional common share at \$0.75 per share. In addition, 16,900 finder's warrants were granted with a fair value of \$4,402, which was calculated using the Black-Scholes Option Pricing Model with the following inputs: expected price volatility of 95%, risk free interest rates of 1.43%, expected life of 2 years and no dividend yield.

On July 26, 2019, the Company issued 1,190,000 common shares at a price of \$0.50 per share for gross proceeds of \$595,000 pursuant to a non-brokered private placement of units. Each unit consists of one common share and one common share purchase warrant, with each warrant entitling the holder to acquire one additional common share at a price of \$0.75 per share for a period of 2 years.

On August 7, 2019, the Company issued 8,800,000 common shares with a fair value of \$880,000 as part of a share for share exchange to acquire licenses (Note 6).

On August 7, 2019, the Company issued 1,160,000 common shares to directors and officers of the Company for milestone achievements attained during the year.

On August 13, 2019, the Company issued 104,400 common shares to a consultant of the Company on exercise of stock options for proceeds of \$78,300.

On September 24, 2019, the Company issued 7,000 common shares to a consultant of the Company on exercise of stock options for proceeds of \$5,950.

On October 21, 2019, the Company issued 80,000 common shares to a consultant of the Company on exercise of stock options for proceeds of \$58,400.

On November 27, 2019, the Company issued 151,309 common shares for settlement of \$83,220 of services rendered by consultants.

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On December 4, 2019, the Company issued 625,284 common shares to a consultant and a director of the Company on exercise of stock options for proceeds of \$327,906.

On January 10, 2020, the Company issued 566,667 common shares with a fair value of \$226,667 to acquire intellectual property (note 6).

On January 15, 2020, the Company issued 1,211,000 units at \$0.50 per unit for gross proceeds of \$605,500. Each unit consisted of one common share of the Company and one transferable common share purchase warrant exercisable at \$0.75 per warrant for 2 years. A value of \$60,550 was allocated to the warrants under the residual value method.

On January 24, 2020, the Company cancelled an aggregate of 193,076 common shares for nil consideration.

On March 10, 2020, the Company issued 200,000 units of the Company at a price of \$0.50 per unit for gross proceeds of \$100,000. Each unit consists of one common share and one transferable common share purchase warrant with an exercise price of \$0.75 per share, expiring 2 years from the date of grant. A value of \$30,000 was allocated to the warrants under the residual value method.

On March 11, 2020, the Company issued 519,750 common shares to consultants of the Company to settle debt in the amount of \$259,875 and recognized a gain on settlement of \$77,963.

On April 14, 2020, the Company issued 158,800 common shares on the exercise of warrants for settlement of \$79,400 of debt.

On May 12, 2020, the Company issued 200,000 common shares on exercise of options for total proceeds of \$100,000.

On May 13, 2020, the Company cancelled 250,000 shares returned by a director and officer of the company, previously issued for milestone achievements.

On August 10, 2020, the Company issued 5,979,999 common shares of the Company at a price of \$0.18 per share for a total value of \$1,076,400. Of this total, 1,606,184 common shares with a fair value of \$289,113 were issued.

On November 6, 2020, the Company issued 2,536,000 common shares with a fair value of \$227,830 pursuant to an asset acquisition agreement (note 4) and 83,333 common shares with a fair value of \$15,000 pursuant to a consulting agreement entered into with a director of the Company.

On December 14, 2020, the Company issued 21,002,500 units of the Company at a price of \$0.20 per unit pursuant to a non-brokered private placement raising total proceeds of \$4,200,500. Each unit consists of one common share and one transferable common share purchase warrant with an exercise price of \$0.25 per share, expiring 2 years from the date of grant. As part of this private placement an additional 631,750 finders' warrants were issued and valued at \$ using the Black-Scholes Option Pricing Model with the following inputs: expected price volatility of 185%, risk free interest rates of 0.25%, expected life of 2 years and no dividend yield. The Company also paid cash finders fees of \$113,640 in connection with the private placement.

On December 22, 2020, the Company issued 10,000 common shares at \$0.50 per common share pursuant to an option exercise for total proceeds of \$5,000.

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**b) Share Purchase Warrants**

The issuances of the share purchase warrants are summarized as follows:

	December 31, 2020		December 31, 2019	
	Number of Warrants	Weighted average exercise price	Number of Warrants	Weighted average exercise price
Warrants outstanding, beginning of year	5,941,492	0.89	1,704,592	1.25
Issued July 16, 2019	-	-	2,018,000	0.75
Issued July 24, 2019	-	-	1,028,900	0.75
Issued July 26, 2019	-	-	1,190,000	0.75
Issued January 15, 2020	1,211,000	0.75	-	-
Issued March 10, 2020	200,000	0.75	-	-
Issued Dec 14, 2020	21,634,250	0.25	-	-
Exercised	(158,800)	1.09	-	-
Expired	(1,595,792)	1.25	-	-
Warrants outstanding, end of year	27,232,150	0.35	5,941,492	0.89

On April 2, 2020 the Company repriced an aggregate of 5,929,592 common share purchase warrants to \$0.50 per common share until May 4, 2020. The repricing was extended to outstanding warrants with an exercise price between \$0.50 and \$1.25 and an expiry date between May 4, 2020 and January 15, 2022.

As at December 31, 2020, the Company had outstanding warrants as follows:

Expiry date	Exercise price	Remaining life (years)	Warrants outstanding
July 16, 2021	\$ 0.75	0.54	1,968,000
July 24, 2021	0.75	0.56	1,028,900
July 26, 2021	0.75	0.57	1,190,000
January 14, 2022	0.75	1.04	1,211,000
March 11, 2023	0.75	2.19	200,000
December 14, 2022	0.25	1.95	21,634,250
	\$ 0.35		27,232,150

**c) Stock options**

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, grant to directors, officers, and consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares.

A summary of the Company's stock option transactions is presented below:

	December 31, 2020		December 31, 2019	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning of year	2,345,900	0.71	1,121,800	0.75
Granted	4,700,000	0.33	4,062,284	0.62
Exercised	(210,000)	0.50	(1,716,684)	0.63
Expired	(814,800)	0.58	(139,000)	0.77
Cancelled	(1,351,009)	0.81	(982,500)	1.00
Options outstanding, end of year	4,670,091	0.33	2,345,900	0.71
Options exercisable, end of year	4,670,091	0.33	2,345,900	0.71

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The share options outstanding as at December 31, 2020 are as follows:

Grant date	Number of options outstanding	Exercise price	Expiry date
November 22, 2019	270,500	\$ 0.50	November 22, 2021
January 28, 2020	464,591	0.50	January 28, 2022
January 28, 2020	30,000	0.50	January 28, 2021
January 30, 2020	430,000	0.50	January 28, 2022
March 9, 2020	100,000	0.50	March 9, 2023
April 28, 2020	75,000	0.50	April 28, 2022
November 23, 2020	3,300,000	0.26	November 22, 2022
	4,670,091	\$ 0.33	

The Company recognized \$1,109,824 (2019: \$3,461,129) in share-based compensation during the year ended December 31, 2020.

The fair value of options was estimated using the Black-Scholes Option Pricing Model based on the date of grant and using the following assumptions:

Grant date	Risk-free interest rate	Expected stock price volatility	Expected life	Fair value Option price (post consolidation)
February 4, 2019	1.83%	110%	2	0.75
November 22, 2019	1.61%	109%	2	0.13
January 28, 2020	1.52%	125%	1	0.20
January 28, 2020	1.48%	149%	2	0.31
January 30, 2020	1.47%	149%	2	0.27
March 9, 2020	0.55%	152%	3	0.27
April 1, 2020	0.44%	159%	1	0.07
April 28, 2020	0.34%	150%	2	0.36
November 23, 2020	0.34%	171%	2	0.20

All option grants have an expended dividend yield of 0% and a forfeiture rate of 0%.

**d) Share-based payment reserve**

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

**10. RELATED PARTY TRANSACTIONS**

The Company incurred the following transactions with companies that are controlled by directors and related parties of the Company:

	December 31, 2020	December 31, 2019
Consulting and other fees	\$ 177,266	\$ 330,291
Stock-based compensation	97,479	1,289,220
Milestone shares issued	-	1,583,599
	\$ 274,745	\$ 3,203,110

As at December 31, 2020, the Company owed the CEO and related companies \$49,115, the CFO \$500 and a director \$500.

As at December 31, 2019, the CEO owed the Company \$9,864 and a director and a company related to him owed the Company \$247,753 for subscriptions receivable.

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**11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

As at December 31, 2020, the Company has total accounts payable of \$286,326 (2019 - \$249,378). and accrued liabilities of \$317,945 (2019 - \$30,000). Such costs relate mainly to payables for work fees and general operating expenses.

**12. DEFERRED REVENUE**

On May 15, 2020, the Company signed a definitive agreement with Empower Clinics Inc. ("Empower"). The agreement grants Empower an exclusive license to the Company's Cannvas.me cloud based online educational platform in certain international jurisdictions. The agreement includes a three-year term with a three-year renewable option. An annual licensing fee of \$70,000 will be paid over the life of the proposed agreement. In 2020, the Company received 2,500,000 common shares with a fair value of \$100,000 of Empower as part of its licencing agreement. As at December 31, 2020, the Company had deferred revenues of \$104,746 (December 31, 2019 - \$4,000). The Company has sold the Empower shares received resulting in a realized gain of \$57,736.

**13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**Fair value of financial instruments**

The carrying values of cash, accounts receivables, trade payables, and other liabilities approximate their carrying values due to the immediate or short-term nature of these instruments.

IFRS 13, establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's cash is measured using level 1 inputs.

**Financial risk management**

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist primarily of cash. The Company limits its exposure to credit risk by placing its cash with a high credit quality financial institution in Canada.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments and with the business development. The Company manages liquidity risk by maintaining adequate cash balances.

The Company's expected source of cash flow in the upcoming year will be through equity financing and revenue generation. Cash on hand at December 31, 2020 and expected cash flows for the next 12 months are sufficient to fund the Company's ongoing operational needs. The Company may need funding through equity or debt financing, entering into joint venture agreements, or a combination thereof. Liquidity risk is assessed as high.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

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(b) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in foreign currency. Foreign currency risk is assessed as low as the Company has no material expenses denominated in foreign currencies.

**Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

**14. INCOME TAXES**

A reconciliation of income tax expense (recovery) at statutory rates with the reported income taxes (recovered) is as follows:

	2020	2019
Income/(Loss) before income taxes	\$ (4,379,666)	\$ (6,983,443)
Combined statutory tax rate	27.0%	27.0%
Expected tax/(recovery) at statutory rate	(1,182,510)	(1,885,530)
Non-deductible items and other	276,797	905,873
Change in unrecognized deferred tax asset	905,712	979,657
	\$ -	\$ -

Estimated unrecognized deductible temporary (taxable) differences (tax pools) at December 31, are as follows:

	2020	2019
Non-capital losses	\$ 8,900,192	\$ 6,059,941
Share issuance costs	131,133	74,062
Equipment	45,397	74,729
Other items	902,666	416,167
	\$ 9,979,388	\$ 6,624,899

As at December 31, 2020, the Company had accumulated Canadian non-capital losses of approximately \$8.9 million expiring between 2035 and 2040.

**15. SUBSEQUENT EVENTS**

**Yamchop Acquisition**

On January 18, 2021, pursuant to a share purchase agreement, the Company acquired 100% of the issued and outstanding common shares of 2574578 Ontario Inc. and JDB Innovations Ltd., collectively referred to as "Yamchops" in exchange for payment of \$770,000 and the issuance of 344,828 common shares of the Company. The Company issued an additional 109,589 common shares as a finder's fee.

Yamchops is a plant-based butcher and marketplace restaurant offering protein alternatives, prepared foods, meals and specialty food products in Toronto, Ontario. The acquisition will be accounted for as a business combination under IFRS 3.

**Holy Crap Brands Acquisition**

On February 12, 2021 the Company via its wholly owned subsidiary Plant & Company Brands Group Inc. completed an amalgamation with Holy Crap Brands Inc. ("Holy Crap Brands") whereby the Company issued 29,300,000 common shares to the current Holy Crap Brands shareholders and 4,000,000 share purchase warrants entitling the current Holy Crap Brands warrant holders to purchase one common share of the Company at a price of \$0.40.

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Holy Crap Brands produces a high fiber plant based super-seed nutritional cereal that is sold online and in retail locations across Canada. The acquisition will be accounted for as a business combination under IFRS 3.

**Other share transactions**

In January and March 2021, the Company granted an aggregate of 5,150,000 incentive stock options to various directors, officers and consultants of the Company. The options are exercisable at prices ranging from \$0.45 - \$0.78 per common share for a period of 2 years. 500,000 of these options were cancelled on March 3, 2021.

Subsequent to year end, the Company issued 577,000 common shares pursuant to option and warrant exercises for total proceeds of \$281,500.