ABACUS HEALTH PRODUCTS, INC.

LISTING STATEMENT - FORM 2A

IN CONNECTION WITH THE LISTING OF THE SUBORDINATE VOTING SHARES OF ABACUS HEALTH PRODUCTS, INC., AN ONTARIO CORPORATION FORMERLY KNOWN AS WORLD WIDE INC., AFTER THE REVERSE TAKEOVER BY ABACUS HEALTH PRODUCTS, INC., A DELAWARE CORPORATION

January 29, 2019

Neither the Canadian Stock Exchange nor any securities regulatory authority has in any way passed upon the merits of the transaction described in this Listing Statement.

This Listing Statement is prepared in connection with the listing of the subordinate voting shares of Abacus Health Products, Inc., an Ontario corporation formerly known as World Wide Inc. (the "Corporation"), after the reverse takeover (the "Transaction") involving the acquisition by the Corporation of Abacus Health Products, Inc., a Delaware corporation ("Abacus"). As a result of the completion of the Transaction, Abacus is a wholly-owned subsidiary of the Corporation, and the business of the Corporation will be the business of Abacus (the Corporation, after the completion of the Transaction, being the "Resulting Issuer").

Abacus currently does, and is expected to continue to, derive its revenues from hemp-related activities in certain states in the United States, as described below.

Abacus manufactures over-the-counter topical formulations infused with cannabidiol ("CBD") extracted from hemp (the "Products"). All hemp used in the manufacture and production of the Products is legally grown and cultivated as part of agricultural pilot programs established by the Colorado Department of Agriculture ("CDA"), the Kentucky Department of Agriculture ("KDA") and the Oregon Department of Agriculture ("ODA"), pursuant to the Agricultural Act of 2014, 7 U.S.C. § 5940 ("2014 Farm Bill"). Although Abacus has no other sources of supply at this time, Abacus may in the future access CBD from other sources, within or outside the United States. The hemp contained in the Products constitutes "hemp" as defined under the Agricultural Act of 2018, 7 U.S.C. § 5940 ("2018 Farm Bill"), as well as "hemp" and/or "industrial hemp" as defined under the laws of the states in which the farming occurs. Thus, the Products are hemp-derived products under federal law.

The 2018 Farm Bill was signed by President Donald Trump on December 20, 2018, and it permanently removes hemp and hemp derivatives such as CBD from the purview of the Controlled Substances Act ("CSA"). Previously, except for certain non-psychoactive parts of the plant, federal legislation had scheduled all cannabis grown or cultivated in the United States as a Schedule I controlled substance. As a result, the cultivation or sale of hemp—a subspecies of the cannabis plant—for any purpose in the United States without a Schedule I registration with the U.S. Drug Enforcement Agency (the "DEA") was, unless exempted by the 2014 Farm Bill, federally illegal. Now, hemp growth and processing are strictly the jurisdiction of states.

The 2014 Farm Bill permitted, but did not require, states to establish agricultural pilot programs for the growth and cultivation of hemp for research purposes. Accordingly, approximately forty-one (41) states had authorized the development of agricultural pilot programs through their departments of agriculture, including Colorado, Oregon and Kentucky.

As permitted by the 2014 Farm Bill, Colorado, Oregon and Kentucky, through their agriculture departments, established agricultural pilot programs for the growth and cultivation of hemp for commercial and research and development purposes (the "Programs"). Valid research purposes include the study of methods of cultivating, processing, or marketing hemp, including through sales of hemp and hemp products in intrastate and interstate commerce. Only persons registered by such pilot programs, including the CDA, KDA, or ODA, or their agents or designees, may legally engage in hemp cultivation for commercial purposes or grow hemp for research and development purposes. The hemp laws of the three states are similar, and the Products of Abacus meet each of these definitions:

- **Colorado law defines industrial hemp as "a plant of the genus cannabis and any part of the plant, whether growing or not, containing a delta-9 tetrahydrocannabinol concentration of no more than three-tenths of one percent on a dry weight basis." Colorado's hemp laws also expressly permit "the exportation of Industrial Hemp in accordance with the CSA."**
- **In Kentucky, industrial hemp is defined as having the same definition as under federal law. Kentucky explicitly exempts from the definition of marijuana (and thus from drug control) "a cannabidiol product derived from industrial hemp."**
- **In Oregon, industrial hemp is defined as all "non-seed parts and varieties of the Cannabis plant, whether growing or not" with an average THC (tetrahydrocannabinol) concentration of 0.3% or less. Industrial hemp is excluded from the definitions of marijuana and cannabinoid product and, thus, not subject to Oregon's cannabis laws.**

The CDA, KDA and ODA each have promulgated a robust regulatory framework that alignswith the strictures of the 2014 Farm Bill. These regulations specify, among other things, requirements for licensure and restrictions on hemp activities. Upon application, CDA, ODA and KDA may issue a hemp registration. A registrant may legally engage in hemp cultivation for commercial purposes or grow hemp for research and development purposes. The hemp registration, among other things, imposes inspection, sampling, and testing protocols and requires pre- and post-harvest reports. In each of these states, Abacus contracts with local farmers who have been duly licensed by their state's agriculture department for their state's hemp pilot program. Abacus has examined these licenses and cross-referenced state websites to ensure compliance and good standing with the program requirements.

Under the 2018 Farm Bill, the 2014 Farm Bill pilot program regime expires in a year, and states have the right to apply for permanent program status to the U.S. Department of Agriculture ("USDA"). The USDA then has 60 days to accept or reject the states' applications. Kentucky has already submitted its application, while Oregon and Colorado are expected to follow suit soon.

Abacus sells its Products into all fifty states and takes the position that these sales are legal as a matter of federal law and are not explicitly violative of the laws of each of these fifty states.

The position of Abacus is that its activities fall within the relief from federal interference (e.g. by the DEA) provided by the 2018 Farm Bill. The 2018 Farm Bill prohibits federal agencies such as the DEA from interfering with the interstate sale of hemp, whose definition includes "derivatives," "extracts" and "cannabinoids" such as CBD. The DEA, however, has not issued any public statements concerning the impact of the 2018 Farm Bill, so it is unclear if they will attempt to exercise any jurisdiction over hemp or hemp products.

Certain government agencies (such as the DEA and the U.S. Food and Drug Administration (the "FDA")) and certain federal officials have challenged the scope of permissible commercial activities. Some DEA representatives, for example, have stated they believe that producers of all CBD-based products, including Abacus, produce and sell their products in violation of the CSA and the federal Food, Drug, and Cosmetic Act (the "FDCA") because the hemp-based Products sold by Abacus are derived from the cannabis plant.

The FDA recently recognized a limited approval of CBD as a drug. As a consequence, the DEA rescheduled the approved drug, and any future FDA-approved CBD drugs, under schedule V of the CSA, the least restrictive category. However, it is the position of Abacus that the approval— and the general rescheduling of CBD—does not apply to the Products. The FDA's approval emerged from thorough and scientific review of CBD, and a memorandum report published by the FDA included several positive observations, including that CBD has a low potential for abuse and dependency. Nevertheless, the U.S. Department of Justice and the DEA remained firm in their positions that marijuana and CBD derived from marijuana are federally illegal and that de-scheduling CBD altogether would violate international treaty obligations.

Further, the FDA has not deemed CBD or other individual cannabinoids permissible for use in dietary supplements, as dietary ingredients, or as safe for use in food. The FDA has taken the position that CBD cannot be marketed in a dietary supplement because it has been the subject of investigation as a new drug (such restrictions referred to as "IND Preclusion"). Abacus believes there are significant arguments against this position in that all conditions of the applicable statute must be met before the IND Preclusion applies. In addition, the FDA is currently challenging whether dietary supplements can be sold in the United States without FDA approvals which have not yet been obtained. This matter is still in active discussion with the FDA and is unresolved as of the date of this Listing Statement. The FDCA does not recognize CBD as safe for use in food products. And although Abacus does not currently make or sell food products or dietary supplements, it could do so in the future.

While Abacus disagrees with the positions of each of the DEA and the FDA, there is risk that either or both of these agencies could take law enforcement actions against Abacus and/or its Products.

Shortly after the Farm Bill signing, a letter was released by FDA Commissioner Scott Gottlieb that restated the FDA's current position, opining that it is a violation of federal law to introduce CBD ingredients into the food supply or market them as dietary supplements. But the letter also contained, for the very first time, new hope

for a new path toward FDA's acceptance of hemp-derived CBD as a food additive or nutritional supplement. For the very first time, the FDA is seriously considering using its authority to issue a regulation that will specifically allow hemp-derived ingredients in foods and supplements. As it makes this decision, the FDA is reaching out to the industry and the public. Abacus, through its membership in the U.S. Hemp Roundtable, the industry's leading trade association, will be involved in these discussions.

The 2018 Farm Bill does not pre-empt state law, and unlike Kentucky, Oregon and Colorado, a number of states do not provide explicit protections for the sale of hemp-derived products. At the same time, Abacus has identified no states where there is an explicit provision of law or regulation that prohibits the sale of hemp-derived CBD in topical form. Furthermore, the 2018 Farm Bill prohibits states from interfering with transportation of hemp and hemp products through their territories. In some of these states, however, law enforcement and/or regulatory officials have taken action against federally-legal hemp products under the jurisdiction of state or local law – each of these cases of which Abacus is aware involves ingestible products containing CBD. There accordingly is a risk that state or local authorities could take enforcement actions against Abacus and/or its Products.

Legal barriers applicable to selling hemp and hemp-derived CBD products result from a number of factors, including, without limitation, (i) the fact that hemp and marijuana are both derived from the cannabis plant; (ii) the rapidly changing patchwork of local and state laws governing hemp and hemp-derived CBD; (iii) the prior position of some DEA representatives that CBD is a controlled substance; and (iv) the lack of FDA approval for CBD as a lawful food ingredient, food additive, or dietary supplement.

Any investment in the securities of the Resulting Issuer is speculative due to a variety of factors, including, without limitation, the nature of the business of the Resulting Issuer subsequent to closing of the Transaction. An investment in these securities should only be made by persons who can afford a total loss of their investment. Legislative and regulatory uncertainties, along with difficulties concerning potential enforcement activities by U.S. federal, state, and local governments (or discretion exercised thereby), represent significant risks concerning the Resulting Issuer's business activities. These risks include, but are not limited to:

- **the DEA's interpretation and application of existing federal laws and rules;**
- **the DEA promulgation of its "Establishment of a New Drug Code for Marihuana Extract," and pending litigation related thereto;**
- **deference to and reliance on the DEA by federal, state, and/or local law enforcement and regulatory authorities;**
- **the position asserted by the FDA concerning products containing derivatives from hemp;**
- **uncertainty surrounding the characterization of cannabinoids as a dietary ingredient by the FDA; and**
- **enforcement activities by state and/or local law enforcement and regulatory authorities under the auspice of individual state law, regardless of any potential conflict thereby with federal law.**

If the Resulting Issuer's operations are found to be in violation of any of such laws or any other governmental rules or regulations, the Resulting Issuer may be subject to penalties, including, without limitation, civil and criminal penalties, damages, fines, the curtailment or restructuring of the Resulting Issuer's operations or asset seizures, any of which could adversely affect the Resulting Issuer's business and financial results. If the DEA takes action against the Resulting Issuer or the CBD industry, this could have a material adverse effect on the Resulting Issuer's business, financial condition, and results of operations, including the cessation of operations entirely. Failure to comply with FDA requirements may result in, among other things, injunctions, product withdrawals, recalls, product seizures, fines, and criminal prosecutions. The Resulting Issuer's suppliers, service providers, and distributors may elect, at any time, to breach or otherwise cease to participate in supply, service, or distribution agreements, or other relationships, on which the Resulting Issuer's operations rely. Loss of its suppliers, service providers or distributors would have a material adverse effect on the Resulting Issuer's business and operational results.

Materially all of Abacus' assets, liabilities, and operations are exposed to U.S. hemp-related activities.

The disclosure set forth above relating to U.S. regulatory matters in respect of the 2014 Farm Bill, the 2018 Farm Bill and the hemp activities of Abacus is supported by a legal opinion provided to Abacus by Frost Brown Todd, LLC (Lexington, KY).

See Section 4.13 - United States Regulatory Matters, Section 4.14 - International Regulatory Matters and Section 17.1 - Risks Related to the Regulatory Environment.

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Forward-Looking Statements

The information provided in this listing statement ("**Listing Statement**") may contain "forward-looking statements" about Abacus Health Products, Inc., an Ontario corporation formerly known as World Wide Inc. (the "**Corporation**"), the Corporation after completion of the Transaction (as defined below) (the "**Resulting Issuer**") and Abacus Health Products, Inc., a Delaware corporation ("**Abacus**"). In addition, the Corporation, Abacus or the Resulting Issuer may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations by representatives of the Corporation, Abacus or the Resulting Issuer that are not statements of historical fact and may also constitute forward-looking statements. The use of any words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "will likely result", "are expected to", "will continue", "is anticipated", "believes", "interprets", "estimated", "intends", "plans", "projection", "outlook" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, assumptions, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Each of the Corporation and Abacus believe there is a reasonable basis for the expectations reflected in the forward-looking statements, however no assurance can be given that these expectations will prove to be correct and the forward-looking statements included in this Listing Statement should not be unduly relied upon. The forward-looking statements speak only as of the date of this Listing Statement and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this Listing Statement contains forward-looking statements pertaining to the following:

- the regulatory regimes applicable to Abacus, and those regimes in jurisdictions in which Abacus intends to expand into;
- the listing of the Subordinate Voting Shares (as defined below) on the CSE;
- expectations regarding industry trends, overall market growth rates, Abacus' growth rates and growth strategies;
- expectations regarding certain future results and information, including expectations regarding future revenue, expenses, sales growth, capital expenditures, operations and use of future cash flow;
- Abacus' business plans and strategies, including expectations regarding expansion activities, product development and diversification, and marketing initiatives;
- Abacus' ability to identify new product opportunities and scale its production capacity and sales and marketing infrastructures;
- expectations regarding future products;
- Abacus' competitive position in its industry;
- annual growth rates of the market for Abacus' products;
- the amount of compensation (including pursuant to the Resulting Issuer's LTIP) expected to be paid/granted to the directors and officers of the Resulting Issuer;
- Abacus' ability to attract and retain employees necessary for its operations and to scale its operations;
- the Resulting Issuer's ability to raise capital;
- the Resulting Issuer's and Abacus' treatment under regulatory regimes and tax laws;
- Abacus' growth and business strategies;
- consumer behaviour; and
- expected levels of operating costs, general administrative costs, costs of services and other costs and expenses.

With respect to forward-looking statements contained in this Listing Statement, the Corporation and Abacus have made assumptions regarding, among other things:

- the regulatory climate in which Abacus operates and such climate continuing to be favourable to Abacus' business;
- the continued sales success of Abacus' products;
- the continued success of sales and marketing activities;
- there being no significant delays in the development and commercialization of Abacus' products;

- Abacus continuing to maintain sufficient and effective production and research and development;
- capabilities to compete on the attributes and cost of its products;
- there being no significant reduction in the availability of qualified and cost-effective human resources;
- that new products will continue to be added to Abacus' portfolio;
- that demand for hemp-based wellness related products will continue to grow in the foreseeable future;
- there will be no significant barriers to the acceptance of Abacus' products in the market;
- that Abacus will be able to maintain compliance with applicable contractual and regulatory obligations and requirements;
- there will be adequate liquidity available to Abacus to carry out its operations;
- that superior products do not develop that would render Abacus' current and future product transactions undesirable or uncompetitive;
- Abacus' ability to compete in the CPG industry;
- Abacus' ability to obtain and retain key personnel;
- Abacus' expectations regarding the advancement and adoption of new product lines and ingredients;
- the ability to build brand awareness, including securing media coverage, use of subject matter experts, legislative participation and public speaking engagements;
- the ability of Abacus to optimize search engine results and leverage social media and display advertising platforms;
- the effectiveness of Abacus' marketing initiatives;
- Abacus' ability to analyze customer data;
- Abacus' ability to secure partnerships with manufacturers and/or distributors in international markets and to maintain its existing partnerships;
- future product viability and success;
- the ability to obtain licenses when required;
- continued growth of the CBD industry; and
- success of intellectual property applications.

Actual results could differ materially from those anticipated in the forward-looking statements as a result of the risk factors set forth below and elsewhere in this Listing Statement:

- changes to state or federal laws pertaining to Industrial Hemp;
- risks associated with numerous laws and regulations;
- incorrect interpretation of the 2018 Farm Bill;
- international regulatory risks;
- uncertainty caused by potential changes to the current regulatory framework;
- receipt of necessary regulatory approvals and permits;
- DEA jurisdiction over hemp extracts or CBD;
- environmental, health and safety laws;
- anti-money laundering laws and regulations;
- banking;
- denial of deductibility of certain expenses;
- liability for actions of employees, contractors and consultants;
- reliance on third party suppliers, service providers and distributors;
- compliance by manufacturers with cGMP requirements;
- reliance on key products;
- industry competition;
- intra-industry competition;

- other conflicts of interest;
- changing consumer preferences and customer retention;
- maintaining and promoting the Resulting Issuer's brand;
- unfavourable publicity or consumer perception;
- inability to sustain pricing models;
- reliance on key inputs;
- management of growth;
- product viability;
- success of quality control systems;
- product recalls;
- product liability;
- key officers and employees;
- product returns;
- inability to protect intellectual property;
- domestic supply risk;
- intellectual property claims;
- litigation;
- trade secrets may be difficult to protect;
- transportation risk;
- effectiveness and efficiency of advertising and promotional expenditures;
- obtaining insurance;
- additional financings;
- risks related to acquiring companies;
- use of customer information and other personal and confidential information;
- data security breaches;
- global economic uncertainty;
- emerging industry;
- inability to renew leases;
- forward-looking information;
- no prior public market;
- potential volatility of Subordinate Voting Share price;
- dividends to shareholders;
- holding company structure;
- risks related to potential changes in definition of "foreign private issuer";
- risks related to the Resulting Issuer's loss of "foreign private issuer" status in the United States;
- increased costs as a result of becoming a reporting issuer;
- financial reporting and other public issuer requirements;
- impact on resales into the United States;
- impact of future sales by existing shareholders;
- influence of the significant shareholders;
- limited control over the Resulting Issuer's operations;
- working capital and future issuances;
- securities or industry analysts;
- discretion in the use of proceeds of the Abacus Private Placement;
- tax consequences of the Transaction;

- U.S. domestic corporation for U.S. federal income tax purposes;
- U.S. tax classification;
- changes in tax laws; and
- the other factors referred to under "Risk Factors".

Readers are cautioned that the foregoing list of risk factors should not be construed as exhaustive. The forward-looking statements included in this Listing Statement are expressly qualified by this cautionary statement and are made as of the date of this Listing Statement. The Corporation, the Resulting Issuer or Abacus do not undertake any obligation to publicly update or revise any forward-looking statements except as required by applicable securities laws. You should read this entire Listing Statement and consult your own professional advisors to assess the income tax, legal, risk factors and other aspects relating to the Subordinate Voting Shares and other securities of the Resulting Issuer.

Currency

The Corporation historically presented its financial statements in Canadian dollars and Abacus historically presented its financial statements in U.S. dollars. Following closing of the Transaction, it is expected that the Resulting Issuer will present its financial statements in U.S. dollars. In this Listing Statement, unless otherwise indicated, all references to "$", "$C" or "dollars" are to Canadian dollars and all references to "US$" and "US dollars" are to U.S. dollars. Amounts are stated in Canadian dollars unless otherwise indicated.

The closing, high, low and average exchange rates for the United States dollar in terms of Canadian dollars for each of the years ended December 31, 2017 and December 31, 2016, and the quarter ended September 30, 2018 as reported by the Bank of Canada, were as follows:

	Year Ended December 31,		
	2017 ($C)	**2016 ($C)**	**Quarterly period ended September 30, 2018 ($C)**
Closing[(1)]	1.2545	1.3427	1.2945
High[(1)]	1.3743	1.4559	1.3255
Low[(1)]	1.2128	1.2536	1.2905
Average[(2)]	1.2986	1.3248	1.3070

Notes:

(1) The exchange rates are nominal quotations (not buying or selling rates) of the applicable rates published by the Bank of Canada and are intended for statistical purposes.

(2) Calculated as an average of the daily noon rates for 2016. Calculated as an average of the daily closing rates for 2017 and 2018 as a result of changes to the reporting methodology of the Bank of Canada implemented after April 28, 2017.

On January 28, 2019, the Bank of Canada daily average rate of exchange was C$1.00 = US$0.7541 or US$1.00 = C$1.3260.

Market, Independent Third-Party and Industry Data

Unless otherwise indicated, information contained in this Listing Statement concerning Abacus' industry and the markets in which it operates, including its general expectations, market position and market opportunity, is based on information from industry publications and reports generated by several third parties and management estimates. Unless otherwise indicated, management estimates are derived from publicly available information released by independent industry analysts and third-party sources, as well as data from Abacus' internal research, and are based on assumptions made by Abacus based on such data and its knowledge of such industry and markets, which Abacus believes to be reasonable. These industry publications and reports generally indicate that the information contained therein was obtained from sources believed to be reliable, but do not guarantee the accuracy and completeness of such

information. Neither the Corporation nor Abacus have independently verified the data in such publications, reports or resources, and such information is inherently imprecise. In addition, projections, assumptions and estimates of Abacus' and the Resulting Issuer's future performance and the future performance of the industry in which Abacus operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under "Forward-Looking Statements" above and Section 17 - Risk Factors.

Trade Marks, Trade Names and Service Marks

This Listing Statement contains certain trademarks which are protected under applicable intellectual property laws and are Abacus' property. Solely for convenience, the Abacus' trademarks and trade names referred to in this Listing Statement may appear without the ™ or ® symbol, but such references are not intended to indicate, in any way, that Abacus will not assert, to the fullest extent under applicable law, its rights to these trademarks and trade names.

1. GLOSSARY OF TERMS

In this Listing Statement, unless otherwise indicated or the context otherwise requires, the following terms shall have the indicated meanings. Words importing the singular include the plural and vice versa and words importing a gender include any genders. A reference to an agreement means the agreement as it may be amended, supplemented or restated from time to time.

"**2014 Farm Bill**" means the Agricultural Act of 2014, 7 U.S.C. § 5940.

"**2018 Farm Bill**" means the Agricultural Act of 2018, 7 U.S.C. § 5940.

"**Abacus**" means Abacus Health Products, Inc., a company existing under the laws of Delaware which, as a result of the Transaction, became a wholly-owned subsidiary of the Resulting Issuer.

"**Abacus Compensation Warrants**" means, before giving effect to the Transaction, warrants to acquire Abacus Subordinate Voting Shares issued pursuant to the Agency Agreement and pursuant to the Fiscal Advisory Agreement, as described under Section 2.4 - Fundamental Change - Concurrent Financing.

"**Abacus Debenture**" has the meaning given to such term under Section 10.6 - Prior Sales.

"**Abacus Legacy Equity Incentive Plan**" means, before giving effect to the Transaction, the existing 2018 Equity Incentive Plan of Abacus, which has been assumed by the Resulting Issuer in connection with the Transaction until all stock options existing thereunder have been exercised or have expired.

"**Abacus Multiple Voting Share**" means a Class B share of common stock (multiple voting) in the capital of Abacus.

"**Abacus Private Placement**" means the private placement of Subscription Receipts completed by Abacus for gross proceeds of US$15,000,000 completed in two tranches on December 21, 2018 and January 7, 2019, which includes a brokered portion of US$8,945,437.50 completed pursuant to the Agency Agreement and a non-brokered portion of US$6,054,562.50, as described under Section 2.4 - Fundamental Change - Concurrent Financing.

"**Abacus Non-Voting Share**" means a Class C share of common stock (non-voting) in the capital of Abacus.

"**Abacus Subordinate Voting Share**" means a Class A single voting share of common stock in the capital of Abacus.

"**Abacus Warrant**" has the meaning given to such term under Section 10.6 - Prior Sales.

"**Advance Notice Provisions**" has the meaning given to such term under Section 10.1 - General Description of the Securities - Advance Notice Provisions.

"**Advisors**" means the Lead Agent, Haywood Securities Inc., Cormark Securities Inc. and Paradigm Capital Inc.

"**affiliate**" or "**associate**" has the meaning given to such term in the *Securities Act* (Ontario), as amended from time to time.

"**Agency Agreement**" means the agency agreement dated December 21, 2018 between Abacus, the Corporation and the Agents entered into in connection with the brokered portion of the Abacus Private Placement, a summary of which is set out under Section 2.4 - Fundamental Change - Concurrent Financing.

"**Agents**" means the Lead Agent, Haywood Securities Inc., Cormark Securities Inc. and Paradigm Capital Inc.

"**Aidance Manufacturing and Services Agreement**" has the meaning given to such term under Section 4.9 - Arrangements with Suppliers and Manufacturers.

"**Articles**" has the meaning given to such term under Section 10 - Description of the Securities.

"**A&R Surviving Corporation COI**" means the amended and restated certificate of incorporation of the Surviving Corporation which became effective upon completion of the Merger, as set out in the form of amended and restated certificate of incorporation appended to the Merger Agreement.

"**Board**" or "**Board of Directors**" means the board of directors of the Resulting Issuer.

"**business day**" means a day other than a Saturday, Sunday or a day on which the principal chartered banks located at Toronto are not open for business.

"**B2B**" means business-to-business.

"**B2C**" means business-to-consumer.

"**Canadian Securities Laws**" means the securities legislation or ordinance and regulations thereunder of each province of Canada and the rules, instruments, policies and orders of each Canadian securities regulator made thereunder.

"**Cannabis**" means *Cannabis sativa L.*

"**CBD**" means a cannabinoid-rich hemp extract from Cannabis containing cannabidiol.

"**Certificate of Merger**" means the certificate of merger of the Surviving Corporation in respect of the Merger required to be filed with Secretary of State of the State of Delaware in accordance with the relevant provisions of the DGCL.

"**cGMP**" means current Good Manufacturing Practices regulations enforced by the FDA.

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended.

"**Compensation Committee**" has the meaning given to such term under Section 15 - Executive Compensation - Role and Composition of the Compensation Committee.

"**Consolidation**" has the meaning given to such term under Section 2.4 - Fundamental Change.

"**Conversion Event**" has the meaning given to such term under Section 10 - Description of the Securities - Authorized Share Capital Upon Completion of the Transaction - Conversion Rights.

"**Conversion Price**" has the meaning given to such term under Section 10.6 - Prior Sales.

"**Conversion Privilege**" has the meaning given to such term under Section 10.6 - Prior Sales.

"**CPG**" means consumer packaged goods.

"**CSA**" means the U.S. Controlled Substances Act.

"**CSE**" means the Canadian Securities Exchange.

"**DC&P**" has the meaning given to such term under Section 17.3 - Risks Related to the Transaction - Financial Reporting and Other Public Issuer Requirements.

"**DGCL**" means Delaware General Corporation Law.

"**DEA**" means the U.S. Drug Enforcement Agency.

"**diluted basis**" means the number of Subordinate Voting Shares outstanding assuming the exercise of all outstanding Options and other rights to acquire Subordinate Voting Shares, including the conversion of Proportionate Voting Shares into Subordinate Voting Shares in accordance with their terms.

"**Downward Acquisition Issuance Adjustment**" has the meaning given to such term under Section 10.6 - Prior Sales.

"**Downward Adjustment**" means any Downward Acquisition Issuance Adjustment, Downward Share Issuance Adjustment or Downward Warrant Issuance Adjustment.

"**Downward Acquisition Issuance Adjustment**" has the meaning given to such term under Section 10.6 - Prior Sales.

"**Downward Share Issuance Adjustment**" has the meaning given to such term under Section 10.6 - Prior Sales.

"**Downward Warrant Issuance Adjustment**" has the meaning given to such term under Section 10.6 - Prior Sales.

"**Effective Date**" means January 29, 2019, being the date upon which the Merger became effective as established by the date of issue shown on the Certificate of Merger.

"**Employment Agreement**" has the meaning given to such term under Section 15 - Executive Compensation - Employment Agreements, Termination and Change of Control Benefits.

"**Escrow Release Conditions**" means, collectively (i) the completion or irrevocable waiver or satisfaction of all conditions precedent to the Transaction, (ii) the receipt of all required shareholder, third party (as applicable) and regulatory approvals including, without limitation, the conditional approval of the CSE for the Transaction and the Abacus Private Placement, if applicable, and the conditional approval of the CSE of the listing of the Subordinate Voting Shares of the Resulting Issuer issuable, after giving effect to the Transaction, to former holders of the Subscription Receipts, and (iii) the Corporation and the Lead Agent (on its own behalf and on behalf of the syndicate of agents under the Offering) having delivered a joint notice to the Subscription Receipt Agent confirming that the conditions set forth in (i) and (ii) have been met or waived.

"**Exchange Act**" means the United States Securities Exchange Act of 1934, as amended.

"**FCEN**" has the meaning given to such term under Section 17.1 - Risks Related to the Regulatory Environment - Anti-money Laundering Laws and Regulations.

"**FCEN Memo**" has the meaning given to such term under Section 17.1 - Risks Related to the Regulatory Environment - Anti-money Laundering Laws and Regulations.

"**FDA**" means the U.S. Food and Drug Administration.

"**FDCA**" means the United States Federal Food, Drug, and Cosmetic Act.

"**Fiscal Advisory Agreement**" means, collectively, the fiscal advisory agreement dated December 21, 2018 and the fiscal advisory agreement dated January 7, 2019, each entered into between Abacus, the Corporation and the Advisors in connection with the Abacus Private Placement.

"**forward-looking statements**" has the meaning given to such term under "Forward-Looking Statements".

"**FPI Condition**" has the meaning given to such term under Section 10.1 - General Description of the Securities - Authorized Share Capital Upon Completion of the Transaction - Conversion Conditions.

"**FTC**" has the meaning given to such term under Section 17.1 - Risks Related to the Regulatory Environment - Risks Associated with Numerous Laws and Regulations.

"**Grants**" has the meaning given to such term under Section 15 - Executive Compensation - Long Term Incentive Plan.

"**hemp**" means any part of the Cannabis plant, including extracts, cannabinoids and derivatives, having no more than three-tenths of one percent (0.3%) concentration of THC on a dry weight basis.

"**HFA**" means the Hemp Farming Act of 2018.

"**IASB**" means the International Accounting Standards Board.

"**ICFR**" has the meaning given to such term under Section 17.3 - Risks Related to the Transaction - Financial Reporting and Other Public Issuer Requirements.

"**IFRS**" means International Financial Reporting Standards as issued by the IASB, as adopted by the Canadian Accounting Standards Board.

"**IND Preclusion**" has the meaning given to such term under Section 4.13 - United States Regulatory Matters - FDA Regulation.

"**Industrial Hemp**" means as any part of the *Cannabis sativa L.* plant, whether growing or not, with a delta-9 THC concentration of not more than 0.3% on a dry weight basis, lawfully cultivated in the United States pursuant to, and in compliance with, a state agricultural pilot program which sanctions such activity.

"**IRS**" means the U.S. Internal Revenue Service.

"**Lead Agent**" means Eight Capital.

"**Listing Statement**" means this listing statement and the documents attached hereto.

"**LTIP**" has the meaning given to such term under Section 15 - Executive Compensation - Long Term Incentive Plan.

"**MD&A**" means management's discussion and analysis.

"**Merger**" means the merger of MergerSub and Abacus, on the terms and conditions set out in the Merger Agreement.

"**Merger Agreement**" means the agreement and plan of merger dated December 21, 2018 among the Corporation, MergerSub and Abacus.

"**MergerSub**" means, before giving effect to the Transaction, World Wide Subco Inc., a corporation incorporated under the laws of the State of Delaware, USA, wholly-owned by the Corporation.

"**NEOs**" has the meaning given to such term under Section 15 - Executive Compensation - Introduction.

"**NI 52-109**" means National Instrument 52-109 — *Certification of Disclosure in Issuers' Annual and Interim Filings*.

"**NI 52-110**" means National Instrument 52-110 — *Audit Committees*.

"**Non-Executive Directors**" has the meaning given to such term under Section 15 - Executive Compensation - Director Compensation.

"**Notice Date**" has the meaning given to such term under Section 10.1 - General Description of the Securities - Advance Notice Provisions.

"**OBCA**" means the *Business Corporations Act* (Ontario), as amended.

"**Odd Lot**" has the meaning given to such term under Section 10.1 - General Description of the Securities - Authorized Share Capital Upon Completion of the Transaction - Take-Over Bid Protection.

"**Omnibus Appropriations Law**" has the meaning given to such term under Section 4.13 - United States Regulatory Matters - The Omnibus Appropriations Law.

"**Option**" means an option to acquire a Subordinate Voting Share granted pursuant to the LTIP.

"**Proportionate Voting Share**" means a proportionate voting share in the capital of the Resulting Issuer, as described under Section 10.1 - General Description of the Securities - Authorized Share Capital Upon Completion of the Transaction.

"**Person**" means any individual, partnership, association, body corporate, trust, trustee, executor, administrator, legal representative, government, regulatory authority or other entity.

"**PVS Offer**" has the meaning given to such term under Section 10.1 - General Description of the Securities - Authorized Share Capital Upon Completion of the Transaction - Take-Over Bid Protection.

"**Resulting Issuer Compensation Warrant**" has the meaning given to such term under Section 2.4 - Fundamental Change - Concurrent Financing.

"**Resulting Issuer Debenture**" has the meaning given to such term under Section 14.2 - Convertible/Exchangeable Securities.

"**Resulting Issuer Warrant**" has the meaning given to such term under Section 14.2 - Convertible/Exchangeable Securities.

"**R&D**" means research and development.

"**SEC**" means the U.S. Securities and Exchange Commission.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval.

"**Share Structure Amendment**" has the meaning given to such term under Section 2.4 - Fundamental Change.

"**Shares**" means, collectively, the Subordinate Voting Shares and the Proportionate Voting Shares.

"**Subordinate Voting Share**" means a subordinate voting share in the capital of the Resulting Issuer, as described under Section 10.1 - General Description of the Securities - Authorized Share Capital Upon Completion of the Transaction.

"**Subscription Receipts**" means the subscription receipts of Abacus issued under the Subscription Receipt Agreement pursuant to the Abacus Private Placement, as described under Section 2.4 - Fundamental Change - Concurrent Financing.

"**Subscription Receipt Agent**" means Odyssey Trust Company.

"**Subscription Receipt Agreement**" means the subscription receipt agreement dated December 21, 2018 between the Corporation, Abacus, the Subscription Receipt Agent and the Lead Agent, governing the Subscription Receipts, as described under Section 2.4 - Fundamental Change - Concurrent Financing.

"**Surviving Corporation**" means Abacus as the surviving corporation in the Merger with MergerSub, and which became a wholly-owned subsidiary of the Resulting Issuer.

"**Surviving Corporation Class A Shares**" means Class A shares of the Surviving Corporation, the terms of which are set out in the A&R Surviving Corporation COI.

"**Surviving Corporation Class B Shares**" means Class B shares of the Surviving Corporation, the terms of which are set out in the A&R Surviving Corporation COI, which were exchanged for Subordinate Voting Shares, as described under Section 2.4 - Fundamental Change.

"**Surviving Corporation Class C Shares**" means Class C shares of the Surviving Corporation, the terms of which are set out in the A&R Surviving Corporation COI, which were exchanged for Proportionate Voting Shares, as described under Section 2.4 - Fundamental Change.

"**THC**" means tetrahydrocannabinol.

"**Transaction**" has the meaning given to such term under Section 2.4 - Summary of Transaction.

"**United States**" and "**U.S.**" mean the United States of America, its territories and possessions, including the District of Columbia.

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended from time to time.

2. CORPORATE STRUCTURE

2.1 Corporate Name and the Address of Head and Registered Office

Prior to the completion of the Transaction, the registered and head office of the Corporation was 1 Adelaide Street East, Suite 801, Toronto, Ontario, M5C 2V9.

The registered and head office of Abacus is 184 Burnside Avenue, Woonsocket, Rhode Island, USA 02895.

Following the completion of the Transaction, the registered and head office of the Resulting Issuer is located at 10 Wanless Avenue, Suite 201, Toronto, Ontario, M4N 1V6.

2.2 Jurisdiction of Incorporation

The Corporation

The Corporation results from the amalgamation of 1194137 Ontario Inc. and Silver Circle Compact Disc Books Inc. on October 30, 1996, under the OBCA, under the name World Wide Interactive Discs Inc. The Corporation became a reporting issuer in Ontario on November 19, 1996 and changed its name to World Wide Co-Generation Inc. on February 13, 2004 and to World Wide Inc. on July 17, 2007. Following the closing of the Transaction, the Corporation changed its name to "Abacus Health Products, Inc."

MergerSub

As an initial step of the Transaction, the Corporation incorporated MergerSub under the DGCL on November 29, 2018 for the purpose of participating in the Merger. MergerSub was a wholly-owned subsidiary of the Corporation, did not own any assets and did not carry on any business.

Abacus

Abacus was originally organized as a US limited liability company, named "Abacus of Colorado, LLC," on September 2, 2014. Its name was changed to "Abacus Health Products, LLC" on April 20, 2017, and it was converted to a Delaware, USA corporation, named "Abacus Health Products, Inc.," on June 29, 2018. Abacus amended its Certificate of Incorporation to permit fractional shares of capital stock, and to establish three classes of common stock (Class A subordinate voting, Class B multi-voting and Class C non-voting) on August 29, 2018. On December 20, 2018, Abacus further amended its Certificate of Incorporation to increase the authorized number of shares of its three classes of common stock under its Certificate of Incorporation and effect a share split of each of its three classes of common stock at a ratio of 4,204.51 to one.

2.3 Inter-corporate Relationships

See Section 2.4 - Fundamental Change.

2.4 Fundamental Change

As a result of the Transaction, the Corporation directly wholly owns Abacus. Prior to the closing of the Transaction, the Corporation was a largely inactive mineral exploration company. Details regarding the Transaction, including the background to, reasons for, details and effect of the Transaction are set forth in this Listing Statement and the Schedules hereto. Readers are urged to carefully read the information in this Listing Statement and the Schedules.

Summary of Transaction

On December 21, 2018, the Corporation, Abacus and MergerSub entered into the Merger Agreement pursuant to which Abacus and MergerSub agreed that MergerSub would merge with and into Abacus under the DGCL, with Abacus being the surviving corporation. As a result of the Merger and the transactions contemplated under the Merger Agreement (collectively, the "**Transaction**"), upon closing, the shareholders of Abacus became shareholders of the Corporation (which is then referred to as the Resulting Issuer) and the Surviving Corporation became the operating subsidiary of the Corporation.

Pre-Transaction Steps

On December 18, 2018, the Corporation consolidated its common shares on the basis of one (1) post-consolidation common share for every 100 common shares existing immediately before such consolidation (the "**Consolidation**"), and on January 28, 2019, before the completion of the Transaction, the Corporation filed articles of amendment for the amendment to the articles of the Corporation providing for the re-designation of the common shares of the Corporation as the Subordinate Voting Shares and the amendment of their terms, and the creation of the Proportionate Voting Shares (the "**Share Structure Amendment**").

On January 28, 2019, in connection with the Transaction, the Resulting Issuer changed its name to "Abacus Health Products, Inc.".

Concurrent Financing

In connection with the Transaction, Abacus issued in aggregate under two tranches completed on December 21, 2018 and January 7, 2019 an aggregate of 4,000,000 Subscription Receipts pursuant to the Abacus Private Placement for gross proceeds of approximately US$15.0 million, which proceeds, less certain expenses of the Agents and 50% of the cash commission payable in connection with the Abacus Private Placement and 50% of the fee payable under the Fiscal Advisory Agreement, were initially held in escrow pursuant to the terms of the Subscription Receipt Agreement. Following the satisfaction of the Escrow Release Conditions on January 29, 2019, each Subscription Receipt was converted, immediately prior to the closing of the Transaction and without any additional payment by the holder thereof, into one Abacus Subordinate Voting Share.

The Abacus Private Placement included 2,385,450 Subscription Receipts sold on a brokered basis pursuant to the Agency Agreement for gross proceeds of US$8,945,437.50 and also included 1,614,650 Subscription Receipts sold on a non-brokered basis for gross proceeds of US$6,054,562.50.

Under the Agency Agreement, the Agents were entitled to an aggregate cash fee equal to 6% of the gross proceeds of the Abacus Private Placement, representing a total cash fee of US$536,726.25, and a number of warrants to acquire Abacus Subordinate Voting Shares ("**Abacus Compensation Warrants**") equal to 6% of the number of Subscription Receipts issued pursuant to the Abacus Private Placement, representing an aggregate of 143,127 Abacus Compensation Warrants.

Under the Fiscal Advisory Agreement, the Advisors were entitled to a success fee of US$200,000, half of which was payable at the closing of the Abacus Private Placement and the balance of which was payable following the satisfaction of the Escrow Release Conditions, and to receive 52,800 Abacus Compensation Warrants prior to the closing of the Transaction, following the satisfaction of the Escrow Release Conditions.

Each Abacus Compensation Warrant became exercisable following the satisfaction of the Escrow Release Conditions and, pursuant to the Merger Agreement and the transactions contemplated therein, each Abacus Compensation Warrant outstanding became a compensation warrant of the Resulting Issuer (a "**Resulting Issuer Compensation Warrant**"), the holder thereof becoming entitled to receive Subordinate Voting Shares at a price of US$3.75 per Subordinate Voting Share at any time in whole or from time to time in part for a period of 24 months following the closing of the Transaction.

Regulatory Approvals and Filings

The Corporation is not aware of any material licenses or regulatory permits that should have been obtained or of any other action by any federal, provincial, state or foreign government or administrative or regulatory agency that would have been required prior to the completion of the Transaction, other than approval from the CSE. The Transaction was conditionally approved by the CSE and the listing of the Subordinate Voting Shares is subject to satisfaction of all of the CSE's requirements.

The Merger Agreement

The following is a summary of certain material provisions of the Merger Agreement and is not comprehensive but is qualified in its entirety by reference to the complete text of the Merger Agreement, a copy of which is available under the Corporation's issuer profile at www.sedar.com.

Overview

Pursuant to the terms of the Merger Agreement, the Corporation acquired, by way of a merger transaction and the transactions contemplated under the Merger Agreement, all of the issued and outstanding securities of Abacus. As an initial step of such merger transaction, the Corporation incorporated MergerSub under the DGCL for the purpose of participating in the Merger.

Pursuant to the Merger Agreement and the transactions contemplated therein:

(a) MergerSub was merged with and into Abacus, with Abacus surviving as a wholly-owned subsidiary of the Corporation (Abacus after the merger being the Surviving Corporation);

(b) each outstanding share of MergerSub held by the Corporation was exchanged for and the Corporation received, on a one-for-one basis, Surviving Corporation Class C Shares, which after the completion of the Transaction continue to be held by the Corporation and are the only shares of the Surviving Corporation outstanding;

(c) each outstanding Abacus Subordinate Voting Share (including the Abacus Subordinate Voting Shares issued upon conversion of the Subscription Receipts) and each outstanding Abacus Non-Voting Share was exchanged for and the holder thereof received, on a one-for-one basis, Surviving Corporation Class A Shares, and such Surviving Corporation Class A Shares were exchanged for Subordinate Voting Shares of the Resulting Issuer on a one-for-one basis pursuant to step (e) below;

(d) each outstanding Abacus Multiple Voting Share was exchanged for and the holder thereof received, on a one-for-one basis, Surviving Corporation Class B Shares, and such Surviving Corporation Class B Shares were exchanged for Proportionate Voting Shares of the Resulting Issuer on a one-for-one basis pursuant to step (f) below;

(e) immediately after the issuance of Surviving Corporation Class A Shares described in the foregoing clause (c), the Surviving Corporation and the Corporation caused each outstanding Surviving Corporation Class A Share to be exchanged and the holder thereof received, on a one-for-one basis, Subordinate Voting Shares (and the Resulting Issuer acquired such Surviving Corporation Class A Share) pursuant to the A&R Surviving Corporation COI;

(f) immediately after the issuance of Surviving Corporation Class B Shares described in the foregoing clause (d), the Surviving Corporation and the Corporation caused each outstanding Surviving Corporation Class B Share to be exchanged and the holder thereof received, on a one-for-one basis, Proportionate Voting Shares (and the Resulting Issuer acquired such Surviving Corporation Class B Share) pursuant to the A&R Surviving Corporation COI;

(g) the Abacus Legacy Equity Incentive Plan was amended to provide that existing options under the Abacus Legacy Equity Incentive Plan will be exercisable for Proportionate Voting Shares following the Transaction and such Abacus Legacy Equity Incentive Plan was assumed by the Resulting Issuer;

(h) each Abacus Warrant outstanding was exchanged for a Resulting Issuer Warrant, and the holders thereof became entitled to receive Subordinate Voting Shares upon payment of the exercise price thereof;

(i) each Abacus Compensation Warrant outstanding was exchanged for a Resulting Issuer Compensation Warrant, and the holders thereof became entitled to receive Subordinate Voting Shares upon the payment of the exercise price thereof; and

(j) each Abacus Debenture outstanding was exchanged for a Resulting Issuer Debenture, and the holders thereof became entitled to receive Subordinate Voting Shares upon conversion of their Resulting Issuer Debenture.

The number of securities of the Corporation issuable in connection with the Transaction consists of: (a) 5,261,351 Subordinate Voting Shares issued at closing of the Transaction, (b) 117,319.64 Proportionate Voting Shares issued at closing of the Transaction, (c) 887,520 Subordinate Voting Shares issuable upon exercise of options under the Abacus Legacy Equity Incentive Plan, (d) 195,927 Subordinate Voting Shares issuable upon exercise of the Abacus Compensation Warrants, (e) 1,048,371 Subordinate Voting Shares issuable upon conversion of the Resulting Issuer Debentures, and (f) 1,048,371 Subordinate Voting Shares issuable upon exercise of the Resulting Issuer Debenture Warrants. In addition, the Corporation had, immediately prior to the closing of the Transaction, 302,980 Subordinate Voting Shares outstanding.

The consideration to be paid to the securityholders of Abacus in connection with the Merger was determined pursuant to arm's length negotiations among the management of each of the Corporation and Abacus. Following the completion of the Merger, Abacus became a wholly-owned subsidiary of the Resulting Issuer.

Implementation of the Transaction

On January 29, 2019, following the satisfaction of all conditions precedent to the Merger set forth in the Merger Agreement, the Corporation and Abacus filed with the Secretary of State of the State of Delaware in accordance with the relevant provisions of the DGCL the certificate of merger together with such other documents as may be required pursuant to the DGCL to give effect to the Merger. The Merger became effective on January 29, 2019 in accordance with the DGCL.

Conditions to the Transaction

The Merger Agreement contained conditions to the obligations of the Corporation and Abacus to complete the Transaction. The following is a summary of the significant conditions in favour of the Corporation and Abacus that were contained in the Merger Agreement.

The completion of the Transaction depended on the satisfaction of a number of mutual conditions precedent in favour of both the Corporation and Abacus, including, but not limited to:

(a) the shareholders of Abacus approving the Transaction, the Merger Agreement and such other matters that were required to be approved in order to give effect to the Transaction;

(b) as necessary, the shareholders of the Corporation approving the Transaction, the Merger Agreement and such other matters that may be required to be approved in order to give effect to the Transaction, including the Share Structure Amendment;

(c) the number of voting rights attached to the Abacus Non-Voting Shares, Abacus Subordinate Voting Shares and Abacus Multiple Voting Shares for which appraisal rights have been properly exercised not exceeding, in aggregate, 5% of the total number of voting rights attached to all shares of Abacus issued and outstanding;

(d) receipt of all regulatory or third-party approvals, authorizations and consents as are required to be obtained by the Corporation or Abacus in connection with the Transaction, including the approval of the CSE and any other applicable regulatory authorities;

(e) the Subscription Receipts having been converted into Abacus Subordinate Voting Shares immediately prior to the completion of the Transaction; and

(f) there being no legal proceeding or regulatory actions or proceedings against any person to enjoin, restrict or prohibit the Merger.

The completion of the Transaction depended on the satisfaction of a number of conditions precedent in favour of the Corporation, including, but not limited to:

(a) the accuracy of the representations and warranties of Abacus in the Merger Agreement being confirmed in accordance with the Merger Agreement;

(b) Abacus having performed or complied in all material respects with each of its agreements and covenants required to be performed or complied with under the Merger Agreement; and

(c) no material adverse change having occurred in the financial condition, properties, assets, liabilities, obligations, operations or results of operations of Abacus since the date of the Merger Agreement.

The completion of the Transaction depended on the satisfaction of a number of conditions precedent in favour of Abacus, including, but not limited to:

(a) the accuracy of the representations and warranties of the Corporation in the Merger Agreement being confirmed in accordance with the Merger Agreement;

(b) the Corporation having performed or complied in all material respects with each of its agreements and covenants required to be performed or complied with under the Merger Agreement;

(c) no material adverse change having occurred in the financial condition, properties, assets, liabilities, obligations, operations or results of operations of the Corporation;

(d) the required consents, resignations or other documents necessary to implement, immediately after closing, the changes to the board of directors of the Corporation and to the management team of the Corporation having been obtained.

Abacus received approval of the Merger by way of written consent of shareholders of Abacus holding in excess of the requisite majority of Abacus' voting rights in lieu of a vote held at a special shareholder meeting, based on a review of the matters contained in this Filing Statement, which was provided to those shareholders from whom consent was sought. A prompt notice under Section 228 of the Delaware General Corporation Law was provided to all shareholders entitled to vote thereon but not providing written consent. The Listing Statement was also filed via SEDAR.

Directors and Officers Post-Transaction

Under the terms of the Merger, the former directors and officers of the Corporation resigned on the Effective Date and the directors of the Resulting Issuer were appointed. See Section 13 - Directors and Officers.

Share Capital Post-Transaction

As a result of the Transaction, there are 5,564,331 Subordinate Voting Shares and 117,319.64 Proportionate Voting Shares issued and outstanding. There are also options to purchase an aggregate of 887,520 Subordinate Voting Shares under the Abacus Legacy Equity Incentive Plan, Resulting Issuer Warrants to purchase an aggregate of 1,048,371 Subordinate Voting Shares, Resulting Issuer Debentures convertible into 1,048,371 Subordinate Voting Shares, subject to applicable adjustments to the conversion ratio of the Resulting Issuer Debentures, and Resulting Issuer Compensation Warrants to purchase an aggregate of 195,927 Subordinate Voting Shares. See Section 10 - Description of the Securities and Section 14.2 - Convertible/Exchangeable Securities.

Auditors

Prior to the completion of the Transaction, the auditors of the Corporation and Abacus were Zeifmans LLP and Richter LLP, respectively. After the completion of the Transaction, the auditors of the Resulting Issuer are Richter LLP.

Covenants

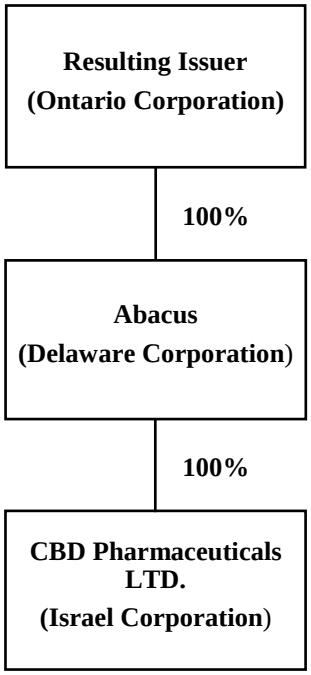
Each of the Corporation and Abacus had made certain covenants in the Merger Agreement, including customary negative and affirmative covenants requiring each party to operate its business and conduct itself in the ordinary course and use commercially reasonable efforts to satisfy the conditions precedent to their respective obligations under the Merger Agreement.

Representations and Warranties

The Merger Agreement contained customary representations and warranties, given by each of the Corporation and Abacus, in respect of matters pertaining to, among other things, organization, standing and corporate power, due authorization of the transaction, subsidiaries, capitalization, assets, agreements, disclosure and other matters relating to the business and operations of the Corporation and Abacus, which representations and warranties did not survive the Effective Date of the Merger.

Organizational Chart

The following organizational chart indicates the Resulting Issuer's organizational structure (including jurisdiction of formation or organization of the entities shown) after giving effect to the Transaction.



2.5 Non-Corporate Issuers and Issuers Incorporated outside Canada

The Corporation is neither a non-corporate issuer nor an issuer incorporated outside of Canada.

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 Three Year History

The Corporation

Prior to the closing of the Transaction, the Corporation was a largely inactive mineral exploration issuer.

On August 14, 2018, the Corporation completed a private placement of 28,200,000 common shares (on a pre-Consolidation basis) in the share capital of the Corporation at a price of C$0.02 per common share for gross proceeds of C$564,000.

On August 30, 2018 the Corporation entered into a letter of intent to complete a business combination by way of a transaction that will constitute a reverse takeover of the Corporation by Abacus. See Section 2.4 – Fundamental Change.

See the Corporation's MD&A attached as Schedule B to this Listing Statement.

Abacus

See Section 4.2 - History and Development for the three-year history of Abacus.

3.2 Significant Acquisitions or Dispositions

See Section 2.4 – Fundamental Change.

3.3 Material Trends, Commitments, Events or Uncertainties

The most significant trends and uncertainties which management of the Resulting Issuer expects could impact the business and financial condition of the Resulting Issuer are: (i) the changing legal and regulatory regime which regulates the production and sale of cannabis and cannabis-related products; (ii) the ability of companies who may receive funds from the sale of cannabis and cannabis-related products to adequately track and legally transfer such funds; (iii) the ability of companies to raise adequate capital, and if obtained, use such capital to carry out their business objectives effectively; and (iv) the shifting public perception of medical and recreational cannabis in the United States and globally.

There are significant risks associated with the business of the Resulting Issuer, as described above and in Section 17 - Risk Factors. Readers are strongly encouraged to carefully read all of the risk factors contained in that section.

4. NARRATIVE DESCRIPTION OF BUSINESS

4.1 Overview of the Business

Abacus is a company engaged in the development and commercialization of over-the-counter ("**OTC**") topical pain-relieving products infused with cannabidiol ("**CBD**"), a medicinal, non-psychoactive extract of cannabis. Abacus believes it is the first company to commercialize topical pain relief products infused with CBD registered with the U.S. Food and Drug Administration (the "**FDA**"). The products of Abacus are aimed at the rapidly growing market for topical pain relief and are based on proprietary patent-pending technologies developed by Abacus. Abacus' CBD-infused formulations combine science with organic and all-natural ingredients and provide natural and safe pain relief. All products commercialized by Abacus are registered with the FDA and utilize FDA-approved analgesic ingredients. Abacus currently offers two lines of products: (i) CBD CLINIC™, marketed to the professional practitioner market, and (ii) CBDMEDIC™, marketed to the consumer market. Abacus is also developing a pipeline of other CBD products addressing additional medical indications and targeting the health and wellness segments.

The CBD CLINIC line of products includes a line of analgesic ointments, oils, and creams which provide practitioners with a new class of products for safe and rapid relief from acute musculoskeletal pain. The CBD CLINIC products are sold exclusively to registered health practitioners, including chiropractors, acupuncturists, massage therapists, physical therapists, naturopaths and osteopaths.

The CBDMEDIC line of products is segmented into three product categories: Active Sport™, Back & Neck and Arthritis, each of which is marketed to a different demographic of individuals suffering from various types of pain. The CBDMEDIC products are sold directly to consumers through retail pharmacy chains and fitness locations, and online through the e-commerce platform of Abacus.

The products of Abacus are currently offered across the United States and are produced by a contract manufacturer in an FDA-compliant and audited manufacturing facility.

4.2 History and Development

Abacus was formed in September 2014 as a subsidiary of Aidance Skincare & Topical Solutions, LLC ("**Aidance**"), a developer and manufacturer of topical dermatology products founded in 2004 and providing therapeutic skincare solutions for physicians and customers in over 150 countries. Leveraging the resources and know-how of Aidance under licensing rights and manufacturing and services agreements, Abacus pursued in 2015 the development of a line of topical pain relief medications with the goal of securing FDA-registration of its products. Abacus reached its goal in 2016 when its CBD CLINIC line of products were registered with the FDA. The commercialization of products under the CBD CLINIC line started in the third quarter of 2016 to healthcare practitioners throughout the United States that specialize in pain management, particularly in the chiropractic industry.

By January 2017, Abacus was selling CBD CLINIC products directly to approximately 100 practitioners. During the year, Abacus also began selling its CBD CLINIC products through national distributors that sell to practitioners, mainly chiropractors and massage therapists. By December 2017, an estimated 8,000 practitioners had become customers and resellers of CBD CLINIC products. Based on the positive testimonials received from practitioners and reorders of CBD CLINIC products, which underscored the potential for significant growth, Abacus started to expand its product offerings.

In 2017, Abacus introduced three analgesic massage oils under the CBD CLINIC line and, later in 2017, Abacus developed a pain stick that allowed the user to apply the medication without needing to touch the ointment with one's hands. Sales for the pain stick grew quickly from the moment it was launched in the fourth quarter of 2017.

In 2017, Abacus began developing its CBDMEDIC line of products, to be sold to retailers and directly to consumers. Abacus secured FDA registration for the products under the CBDMEDIC line in 2017 and launched the commercialization of such products in the third quarter of 2018. Abacus is now selling its CBDMEDIC products to retail pharmacy chains and fitness locations, and directly through its e-commerce platform.

To support its growth, Abacus completed a US$3.1 million private placement of senior secured convertible debentures on August 31, 2018. For more information on the private placement, see Section 10.6 - Prior Sales and Section 14.2 - Convertible/Exchangeable Securities.

Abacus has recently been advertised in key national industry magazines, including on the front cover of Drug Store News (September 2018) and Chain Drug Review (October 2018), and Abacus is preparing to roll-out an extensive marketing campaign to support its leadership position in the CBD-infused topical pain relief market.

4.3 Industry Overview and Trends

The products of Abacus are aimed at the rapidly growing market for topical pain relief and are based on proprietary patent-pending technologies developed by Abacus. Its OTC topical pain-relieving products infused with CBD address the large unmet need for the treatment of chronic pain.

Pain is generally categorized by its duration as either acute or chronic, by its severity, as either mild, moderate or severe, and its type and/or causality, such as postoperative or neuropathic. Acute pain is typically caused by an injury resulting in nerve, tissue or bone damage and is expected to subside in severity when the injury heals. Postoperative pain is a subset of the acute pain market. Chronic pain, on the other hand, is prolonged, and can be the long-term result of an acute injury or an ongoing disease condition. According to the American Academy of Pain Medicine's "AAPM Facts and Figures on Pain", chronic pain affects far more Americans (est. 100 million) than diabetes (est. 26 million), coronary heart disease (est. 16 million) and cancer (est. 15 million) combined. Recent studies report that chronic pain affects over 1.5 billion people globally.[1]

Pain is the most common symptom for patients seeking medical attention. The annual national economic cost associated with chronic pain is estimated to be US$560-635 billion in the US (Institute of Medicine, Relieving Pain in America, 2011). The global market for pain management products, including prescription and non-prescription analgesics, reached over US$50 billion in 2009 according to an August 2010 article published in the journal Nature

[1] See "Chronic Pain and the Health of Populations", Boston University School of Medicine, September 24, 2017.

Reviews Drug Discovery. According to a 2016 report published by Transparency Market Research, the global pain management therapeutics market is expected to reach US$83 billion by 2024.

The severity of pain is the key factor in determining the appropriate therapy. Mild or mild-to-moderate pain is generally treated with nonopioid products, such as oral formulations of nonsteroidal anti-inflammatory drugs, or NSAIDs (e.g., ibuprofen, naproxen), aspirin, and acetaminophen. Moderate-to-severe pain, on the other hand, is typically treated with products containing traditional mu opioids. Mu opioid analgesics are effective to some degree for many patients, but have poor side effect and abuse liability profiles, which limit or preclude their use in treating less severe pain. For many people with moderate-to-severe pain, opioid analgesics are the only effective method of treating pain. As a result, these opioid analgesics are among the largest prescription drug classes in the United States.

Opioid analgesics decrease the perception of pain by stimulating mu, delta and/or kappa opioid receptors. All of these receptors are involved in modulating pain signals. The most widely used opioid analgesics, including hydrocodone, oxycodone, morphine, and fentanyl, act primarily through the activation of mu opioid receptors in the central nervous system. However, because of the wide distribution of mu opioid receptors throughout the brain, morphine and other mu opioid analgesics also trigger a characteristic pattern of adverse "central" side effects, including nausea and vomiting, itching and respiratory depression. Mu opioids are also known to cause euphoria, which can lead to misuse, abuse and addiction.

The most common causes of moderate-to-severe chronic pain are musculoskeletal and inflammatory conditions. Injuries from accidents resulting in fractures, dislocations or soft tissue injury, as well as lower back pain, are the most frequent causes of musculoskeletal pain. Although these injuries are mostly non-fatal, the cost in terms of long-term disability, medical expense and lost productivity is significant. Moderate-to severe chronic pain is typically treated with prescription products including immediate release and long-acting opioids, and combination products that include an opioid combined with an NSAID or acetaminophen. Prescription products for chronic pain are usually in oral tablet or capsule form because most of these patients are taking them outside of the hospital setting.

On April 7, 2005, the FDA announced a decision to require boxed warnings of potential cardiovascular risk for all NSAIDs. The 2005 FDA warning related to cardiovascular adverse events associated with NSAIDs and the increased awareness of the risk of liver toxicity associated with high doses of acetaminophen have led to increased use of mu opioid analgesics for the treatment of chronic pain. However, the use of mu opioid analgesics carries significant additional risks. Chronic opioid use causes patients to develop tolerance for the opioid, which results in the patient needing increasing opioid doses to achieve the same level of pain relief. For the most commonly prescribed analgesic combination products, the need for increasing doses to achieve the same level of pain relief means exposure to increasing amounts of NSAIDs or acetaminophen, which carry the risks attendant to these therapeutics. Moreover, due to their centre nervous system activity, mu opioids produce feelings of euphoria, which can give rise to misuse, abuse and addiction. As a reflection of the increasing awareness of the severity of this issue, in September 2013, the FDA announced class-wide safety labeling changes and new post-market study requirements for all extended-release and long-acting mu opioid analgesics intended to treat pain. In support of this action, the FDA Commissioner stated that "[t]he FDA is invoking its authority to require safety labeling changes and post-market studies to combat the crisis of misuse, abuse, addiction, overdose, and death from these potent drugs that have harmed too many patients and devastated too many families and communities." In addition, as a result of their potential for misuse, abuse and addiction, currently approved mu opioids are strictly regulated by the DEA under the Controlled Substances Act, which imposes strict registration, record keeping and reporting requirements, security control and restrictions on prescriptions, all of which significantly increase the costs and the liability attendant to prescription opioid analgesics.

Despite the size of the pain management market, there has been little innovation in the development of new analgesics, with nearly all recent new drug approvals limited to reformulations and improved methods of delivery of existing therapeutics. Mu opioids continue to be the most prescribed drugs for pain management, despite their side effects and the potential for misuse, abuse and addiction. These concerns often cause healthcare providers to administer or prescribe less than optimal doses of mu opioids and patients to take lower than prescribed doses, resulting in inadequate pain relief.

Consequently, Abacus believes that the pain management market represents a therapeutic area with substantial unmet needs for patients in pain, for physicians who must balance pain control with risks of causing severe adverse events, and for healthcare organizations that bear the costs of managing the consequences of undertreated pain and drug-related adverse events. Abacus' products are an attractive solution for chronic pain because they provide pain relief

without causing opioid-related adverse events or increasing the risk of misuse, abuse and addiction issues that are associated with currently approved mu opioid analgesics.

Market growth in the topical pain therapeutics market has been driven by the demographics of the growing geriatric population and increasing emphasis of the baby boom generation on anti-aging and longevity. Topical pain remedies target such illnesses as rheumatoid arthritis, diabetic neuropathy, sports injuries and common muscle strains. Allied Market Research reports that sales in the topical pain therapeutics market will grow at compound annual growth rate of 7.4% from US$7.4 billion in 2017 to US$13.26 billion by 2025 (Allied Market Research. (2018). Global Topical Pain Relief Market: Opportunities and Forecasts, 2018-2025. Portland, OR: Allied Analytics, LLP).

Public awareness of the harmful side effects of opioid painkillers has grown significantly, and, in the US, many states have initiated litigation against drug makers claiming that they misrepresented the risks of opioid painkillers (See Oklahoma Sues Opioid Drugmakers; New Hampshire Presses Epidemic Probe, by Heide Brandes and Nate Raymond, Reuters, available at https://www.reuters.com/article/us-oklahoma-drugs-idUSKBN19L2HJ). As patients seek to cut back their use of opioid painkillers and look for alternatives, Abacus believes that its products can offer an alternative solution.

With pain ranging from mild to debilitating forms, individuals that suffer from chronic pain need effective and safe solutions to alleviate their pain. When standard OTC medications do not provide adequate pain relief, individuals often turn to medical professionals. In many instances, doctors prescribe medications which either have unwanted side effects or are known to be addictive, including opioids. Abacus believes there is a void in the pain relief market, as individuals who suffer from medium to intense pain often and prefer to avoid taking systemic medications have limited treatment options. Abacus believes its current products provide an alternative and unique solution for this segment of the market.

Historically, the health and wellness benefits of hemp-based products focused on protein and nutritional oil content. Hemp seeds are known to provide both protein and valuable omega fatty acids. However, beginning with the publication of United States Patent No. 6,630,507 (cannabinoids as antioxidants and neuro-protectants) issued to the United States Department of Health and Human Services on October 7, 2003, consumer interest surrounding the health and wellness benefits of cannabinoids grew significantly. This interest continued until the adoption of the 2014 Farm Bill which allowed consumers to purchase CBD with greater ease. Hemp extracts contain an assortment of naturally-occurring substances, including phytocannabinoids, terpenes (e.g. camphor), flavonoids and other minor but valuable hemp compounds.

Based on the growth of large CPG brands developing natural product lines, Abacus believes that consumers are increasingly searching for topical products made with high quality, natural ingredients. Abacus is well positioned to capitalize on these consumer trends due to its commitment to quality throughout the supply chain as well as its natural product formulations that are intended to maximize pain relief. Total estimated September 2017 to September 2018 sales of OTC external analgesics in the US food, drug and mass retailer channels was approximately US$800 million.[2]

4.4 Products

Abacus believes that it is the first company to commercialize a family of FDA-registered topical pain relief products infused with CBD. All of Abacus' products are made with natural ingredients and hemp extracts. Hemp extract used by Abacus is sourced from Industrial Hemp, which contains non-detectable levels of THC. Generally, THC causes psychoactive effects when consumed. However, products containing Industrial Hemp, such as Abacus' topical products, have no noticeable psychoactive effects.

Abacus' CBD-infused formulations combine science with organic and natural ingredients and provide safe and effective pain relief. All products commercialized by Abacus are registered with the FDA and utilize FDA-registered analgesic ingredients. Abacus currently offers two branded lines of products, namely (i) CBD CLINIC, marketed to the professional practitioner market and (ii) CBDMEDIC, marketed to the consumer market. Abacus is also developing a pipeline of other CBD products addressing additional medical indications in the health and wellness sectors.

[2] See IRi Worldwide, Infoscan, Latest 52 Weeks Ending 09-09-18.

Abacus' products are not prescription drugs and have not been the subject of clinical trials. Feedback received from health care practitioners over a two-and-a-half-year period suggest that Abacus' products offer stronger, faster and long-lasting pain relief than competing products.

CBD CLINIC

The CBD CLINIC line of products includes a line of analgesic ointments, creams and oils which provide practitioners with a new class of products for safe and temporary relief from acute musculoskeletal and joint pain. The CBD CLINIC products are sold to registered health practitioners, including but not limited to chiropractors, acupuncturists, massage therapists, physical therapists, naturopaths and osteopaths. The CBD CLINIC products are formulated to support temporary relief from joint and muscle pain.

CBD CLINIC Analgesic Ointments, Creams and Pain Stick

CBD CLINIC analgesic ointments and creams are available in 5 formulations, each generally in 44 gram jars, to address incremental levels of pain, with the level 5 formulation having the highest concentrations of active analgesic ingredients permitted by the FDA in an OTC pain relief product. Each level also has increasing concentrations of CBD. The 5-level system allows the medical professional to recommend the appropriate formulation to the matching symptoms.

The level 1 formulation (green label) is an odor-free water-based cream with Lidocaine 4%, natural emollients and 25mg CBD (per 44 gram jar). The level 2 formulation (aqua blue label) is a water-based cream formulated for mild pain and discomfort with camphor 3% (active ingredient), natural emollients and 50mg CBD (per 44 gram jar). The level 3 formulation (orange label) is a water-based cream formulated for moderate pain and discomfort with menthol 4% (active ingredient), natural emollients and 75mg CBD (per 44 gram jar). The level 4 formulation (red label) is an ointment formulated for severe pain and discomfort with 7% menthol and 5% camphor (active ingredients), natural emollients and 100mg CBD (per 44 gram jar). The level 5 formulation (dark blue label), also called Pro Sport™, is an ointment formulated for extreme pain and discomfort with menthol 16% and camphor 11% (active ingredients), natural emollients and 200mg CBD (per 44 gram jar).

The CBD CLINIC products are available in 44 gram and 200 gram jars. CBD CLINIC level 5 formulation is also available as 3 gram sample packets, and a 30-gram pain stick.

CBD CLINIC Analgesic Massage Oils

The CBD CLINIC analgesic massage oils provide massage therapists and pain specialists with a new class of products for treating discomfort and pain. Abacus believes that these are the first FDA-registered massage oils, that combined topical analgesics with CBD.

The CBD CLINIC analgesic massage oils are formulated to facilitate deep and rapid absorption of pain-relieving analgesic compounds with CBD. The formulation contains all-natural cotton seed oil, jojoba oil, peppermint oil, and many other natural ingredients that help support absorption into the skin.

The analgesic massage oils are available in three formulations, each level having an increasing concentration of CBD and active analgesic ingredients.

The level 1 massage oil (green label) is formulated with organic jojoba seed oil infused with camphor 2% (active ingredient), hemp extract (400mg CBD/128 oz. bottle), and essential oils. This product is for mild to moderate musculoskeletal pain.

The level 2 massage oil (blue label) is formulated with organic jojoba seed oil infused with menthol 8% (active ingredient), hemp extract (800mg CBD/128 oz. bottle), and essential oils. This product is for moderate musculoskeletal pain.

The level 3 massage oil (orange label) is formulated with organic jojoba seed oil infused with menthol 15% and camphor 5% (active ingredients), and hemp extract (1200mg CBD/ 128 oz. bottle). This product is for moderate to severe musculoskeletal pain.

Each level is available in three different size containers: 12 oz., 64 oz., and 128 oz.

CBDMEDIC

The CBDMEDIC line of pain products is segmented into five product categories: Active Sport, Back & Neck, Muscle & Joint, Arthritis and Massage Therapy, each of which is marketed to a different demographic segment suffering from various types of pain. The CBDMEDIC products are sold directly to consumers at retail pharmacy chains and fitness locations, and online through the e-commerce platform of Abacus.

CBDMEDIC products are marketed to consumers and retailers. There are currently eight pain formulations: an ointment and pain stick for Active Sport, an ointment for Back & Neck, a cream and an ointment for Arthritis, an ointment and spray for Muscle & Joint, and a Massage Therapy oil.

Depending on the item, CBDMEDIC products are available in tubes, pump bottles, spray bottles, solid sticks and single use packets.

<u>CBDMEDIC Active Sport Ointment and Pain Stick</u>

The CBDMEDIC Active Sport ointment and pain stick are formulated to provide temporary relief from sports-related pain. The ointment and the stick are excellent for strains, muscle pulls, joint distress and general muscle soreness, and can be used before, during and after workouts. Recognizing the need for a “hands-free” application method, Abacus manufactures its pain stick as the ideal solution for on-the-go individuals. Quick and easy to apply, the pain stick is built for utility. It is compact, durable, and can be taken almost anywhere.

The CBDMEDIC Active Sport ointment is available in 40-gram tubes.

The CBDMEDIC Active Sport ointment is formulated with menthol 15% and camphor 10% (active ingredients) and beeswax (organic), honeysuckle oil, sorbic acid, cottonseed oil, jojoba seed oil, frankincense oil, myrrh oil and CBD.

The CBDMEDIC Active Sport pain stick is available in 30-gram stick.

The CBDMEDIC Active Sport pain stick is formulated with menthol 15% and camphor 10% (active ingredients), beeswax (organic), honeysuckle oil, sorbic acid, cottonseed oil, jojoba seed oil, frankincense oil, myrrh oil, Shea butter and CBD.

CBDMEDIC Muscle & Joint Ointment and Medicated Pain Spray

The CBDMEDIC Muscle & Joint ointment and pain spray are formulated to provide temporary relief from muscle and joint pain. The ointment and the spray are excellent for strains, muscle pulls, joint distress and general muscle and joint soreness.

The CBDMEDIC Muscle & Joint ointment is available in ten single use packets (3-gram packets).

The CBDMEDIC Muscle & Joint ointment is formulated with menthol 15% and camphor 10% (active ingredients) and beeswax (organic), clove oil, sorbic acid, cottonseed oil, eucalyptus oil, jojoba seed oil, peppermint oil, tea tree oil and CBD.

The CBDMEDIC Muscle & Joint medicated pain spray is available in 50 mL (1.7 Oz) spray bottle.

The CBDMEDIC Muscle & Joint medicated pain spray is formulated with menthol 10% and camphor 3% (active ingredients) and coconut oil, chamomile oil, eucalyptus oil, glycerin, isopropyl alcohol, palmarosa oil, purified water and CBD.

CBDMEDIC Back & Neck Ointment

The CBDMEDIC Back & Neck ointment is formulated for temporary relief from acute and chronic back & neck pain.

The CBDMEDIC Back & Neck ointment is available in a 40-gram tubes (1.4 oz.).

The CBDMEDIC Back & Neck ointment is formulated with menthol 15% and camphor 10% (active ingredients) and beeswax (organic), clove oil, sorbic acid, cottonseed oil, eucalyptus oil, jojoba seed oil, peppermint oil, tea tree oil and CBD.

CBDMEDIC Arthritis Hand Cream and Arthritis Ointment

The CBDMEDIC arthritis hand cream and arthritis ointment formulations are optimized for deep and fast relief from the painful inflammation of arthritic symptoms. They are formulated to be used on joint pain, stiffness, and swelling for increased comfort and flexibility.

The CBDMEDIC arthritis hand cream is available in 50-gram pump bottles.

The CBDMEDIC arthritis hand cream is formulated with menthol 4% (active ingredients) and clove oil, cottonseed oil, eucalyptus oil, emulsifying wax, jojoba seed oil, peppermint oil, purified water, shea butter, sorbic acid, tea tree oil and CBD.

The CBDMEDIC arthritis ointment is available in 40-gram tubes (1.4 oz)

The CBDMEDIC arthritis ointment is formulated with menthol 10% and camphor 10% (active ingredients) and beeswax (organic), clove oil, cotton seed oil, eucalyptus oil, frankincense oil, jojoba seed oil, lavender oil, sorbic acid and CBD.

CBDMEDIC Massage Therapy Oil

CBDMEDIC Massage Therapy Oil is formulated to facilitate deep and rapid absorption of pain-relieving analgesic compounds in order to alleviate soreness and pain in muscle and joints.

The CBDMEDIC Massage Therapy Oil is available in 3.5 Oz bottles.

The CBDMEDIC Massage Therapy Oil is formulated with menthol 4% and camphor 3% (active ingredients) and argan oil, coconut oil (MCT oil), cotton seed oil, frankincense oil, jojoba seed oil, honeysuckle oil, myrrh oil and CBD.

Development of Additional Products

Abacus is also developing a pipeline of other OTC CBD products addressing additional medical indications and the health and wellness sectors. See Section 17 - Risk Factors.

4.5 Intellectual Property and Research and Development

The intellectual property and proprietary rights of Abacus, as well as its R&D efforts, are very important to its business. In efforts to secure, maintain and protect its intellectual property and proprietary rights, Abacus relies on a combination of trademark, trade secret and other rights in the United States, Europe and Canada, and has patent applications pending for its proprietary composition of ointments and creams in the United States. The patent application covers formulations and methods that combine CBD and analgesic compounds for effectively alleviating arthritis, muscle and joint aches, sprains, strains and pain. Abacus also has confidentiality and/or license agreements with certain employees, contractors and other third parties, which limit access to and use of Abacus' proprietary intellectual property.

Abacus has filed applications for trademark rights or trademark registrations on the "CBD CLINIC" and "CBDMEDIC" names in the United States, and "CBD CLINIC" and "CBDMEDIC" names in Canada and Europe.

Abacus seeks to develop new OTC CBD products addressing additional medical indications and the health and wellness segments and continues to invest in R&D efforts. Key members of Abacus' leadership team have significant formulation and product development expertise. R&D efforts are conducted with the support of external consultants and companies, including Aidance, under third-party contract research agreements.

Abacus' internal R&D efforts are focused on the development of additional CBD-infused topical products for different medical conditions as well as reformulations of existing products to offer a wider range of delivery methods, including sprays, gels and roll-on products.

Abacus established an Israel-based subsidiary to support, amongst other goals, its efforts to identify and secure unique technologies that have been or are being developed in Israel, a country recognized to be highly active in R&D of technologies involving CBD. Abacus has an ongoing program in Israel whereby it seeks to maintain ties to key institutions and researchers and thereby give it an earlier window and opportunity to secure those technologies which it believes offer good potential for commercialization. Abacus' operations in Israel are limited to digital marketing efforts and R&D of new products, and no commercial sales or activity is occurring in Israel. Abacus' R&D efforts in Israel are limited to building and formulating relationships, intelligence gathering, and identifying potential new alliances or new products/applications/packaging and delivery solutions with other organizations and researchers in the field. Abacus does not manufacture any products in Israel, and does not have a laboratory or conduct any physical experimentation in Israel.

4.6 Sales, Customers and Distribution Strategy

Abacus' employs different sales strategies for its CBD CLINIC and CBDMEDIC product lines.

The CBD CLINIC product line is sold only to professional practitioners through a distributor network by an inside sales team and the Abacus e-commerce platform. Abacus' sales activities in this market are focused on maximizing the breadth and quality of its distributor network as well as maximizing direct sales to practitioners who have registered with Abacus through an inside-sales team. Abacus believes its dual channel approach to healthcare practitioners will allow it to efficiently reach the majority of healthcare practitioners in the United States. Abacus continues to evaluate additional distributors to further broaden availability of its products to this market.

The CBDMEDIC product line is sold directly to consumers through retail pharmacy chains and fitness locations (such as gyms, or athletic competition events) and online through the e-commerce platform of Abacus. Abacus' sales strategy for its CBDMEDIC products is focused on establishing strong relationships with, and distribution by, retail

pharmacy and grocery stores and mass retailers, and to support sales through the e-commerce platform. Abacus is using an internal sales team, and selling through various brokers and distributors, and also distribute its products through fitness locations such as gyms.

There are approximately 67,000 retail pharmacy stores in the United States, a significant proportion of which are made up by chains with over 500 stores. Abacus has directly engaged in discussions with some of the largest retail pharmacy chains and is in the process of entering into agreements with leading national brokers who sell consumer health care products to different segments of the retail pharmacy, mass and grocery store market. Abacus believes that working with sales partner organizations will allow it to efficiently and effectively sell its product in this market. Abacus also established an online sales team and expects to further invest in its capabilities to sell to consumers using its e-commerce platform. Abacus is in the process of engaging with leading brokers to the national pharmacy grocery chains (e.g. CVS, Walgreens, Albertson's, Ahold) and mass market retailers (e.g., Wal-Mart, Target) and expects to start selling through this channel in 2019. Abacus expects the retail pharmacy channel to be a key distribution channel and a driver of sales; Abacus applies significant effort in establishing this channel.

Abacus' marketing strategy is focused on supporting its varied sales efforts and growing the CBD CLINIC and CBDMEDIC brands as the most trusted names in the industry as synonyms for effective and safe topical pain relief. The CBD CLINIC and CBDMEDIC products are FDA-registered topical products infused with hemp extract (CBD) for which Abacus can make specific pain claims on its packaging. Abacus utilizes the ability to make pain claims to build consumer confidence in its highly effective and safe pain-relieving products.

Abacus directs its marketing efforts to the three segments of the market that it is initially targeting: Arthritis, Back & Neck and Active Sport. For each of these segments, Abacus is developing unique messaging and collateral materials and choosing the optimal communication channels and mediums through which to connect with and communicate to consumers. For example, within the Active Sport line, Abacus has sponsored a series of sports events within the CrossFit market and operates an active social media program dedicated to this segment.

Abacus plans to promote its brands and products through a combination of owned, earned and paid media and marketing opportunities, and to continue to invest in the packaging and collateral materials of its products to ensure that they best represent its brand values of effectiveness, safety and credibility. Abacus' internal and external sales teams act as brand champions that facilitate the day-to-day conversations with key wholesale and distributor accounts necessary to increase brand recognition. The CBDMEDIC and CBD CLINIC websites play an integral role both in serving as additional points of sale and educating consumers and business owners.

Abacus plans to engage social media influencers, as well as traditional and digital marketing partners to support its marketing efforts. Abacus is currently in the process of selecting a leading North American advertising agency to support its marketing efforts.

Additionally, Abacus is building out a digital marketing department to connect with its consumers online. By hiring specialists in traditional and experimental social media campaigns, pay-per-click advertising, media buying opportunities, search engine optimization, and online written/video content creation, Abacus intends to capitalize on the curiosity surrounding alternative pain relief methods as well as CBD.

Abacus benefits from various public relation opportunities and will continue to seek these opportunities to support its brands. Abacus benefits from social media mentions, word of mouth dialogue between consumers, and written articles by industry experts and publications.

4.7 Growth Strategy & Business Objectives

Abacus is a leader in the development, production and marketing of FDA-registered topical analgesics infused with CBD. Abacus strives to offer its customers improved pain-relief all while meeting their demands for stringent product quality, efficacy and safety. Abacus' business objectives include:

- to become a global leader in the development and commercialization of CBD-infused consumer health products addressing varied medical indications;
- to establish its brands so that they are synonymous with the highest quality products that provide superior pain relief to customers;

- to participate in the rapid growth of the industry and grow both its revenues and cash flow; and
- to maintain the primacy of R&D as a driver of the Resulting Issuer's growth, whether the R&D is carried out internally or in partnership with third parties which have unique technologies that have the potential for commercialization.

Abacus plans to achieve its objectives through the implementation of various strategies as described below:

Building Brand Awareness

Abacus has invested significant effort in the development of its two current brands, CBD CLINIC and CBDMEDIC. Abacus believes that the strength of its brands is a key factor in the successful introduction and growing interest in its products by both the professional practitioner market as well as the end consumer market. Furthermore, Abacus also believes that the strength of its brands is a key reason that trade partners, who are taking their first steps into the CBD-infused market, agree to take on Abacus' products. Abacus intends to promote the awareness of its brands through significant investment in marketing programs and continued participation in events that offer wide exposure to both trade partners and consumer retail markets. Such events include industry conferences, media events, email, social media and blogs, and the use of subject matter experts.

Increasing Market Share of its of B2B and B2C Markets

Abacus has to date primarily sold its CBD CLINIC products into the practitioner market comprising chiropractors, acupuncturists, physical and massage therapists, and has recently launched its CBDMEDIC products. The market for the CBD CLINIC products can be characterized as a B2B market and is primarily served through national distributors. Abacus currently works with nine national distributors to supply this market. Abacus believes that it can capture significant market share in this market by increasing its sales and marketing efforts targeted at this market.

Abacus recently began to sell into the consumer retail market, of which it has identified two main segments: the fitness segment and the retail/mass market segment. Abacus' initial efforts targeted the fitness segment through the build-out of a distribution network across gyms as well as direct engagement at sports events, at conferences, and on social media. Abacus' efforts to sell to the retail /mass market segment were based on a comprehensive sales and marketing program that will be completed through a mix of efforts, including potential partnerships with major national distributors and independent pharmacies.

Improve B2B and B2C Distribution

Abacus has established several distribution channels for its products and views the expansion of these channels and the establishment of new ones as important for its future growth.

Abacus' CBD CLINIC products are directly and indirectly sold to over 9,000 practitioners, many of which sell products to their patients. Given that there are over 800,000 practitioners in the United States that treat pain, Abacus believes it has significant an additional opportunity to increase the number of points of sale. Abacus is working with its existing distribution partners as well as bringing on additional distribution partners to further penetrate the practitioner market and increase the number of points of sale for its products.

Abacus recently began marketing its products to national and regional retail chains in the food, drug and mass market sectors and expects this distribution channel to be the primary channel through which it will sell CBDMEDIC products. This sector comprises over 100,000 retail locations across the United States, including approximately 67,000 pharmacy, 39,000 supermarket and 8,000 mass market stores.

Abacus operates an e-commerce platform for its B2B channel at www.cbd-medic.com. Traffic to the site is driven by social media, digital advertising, word of mouth, event sponsorships, college campus marketing programs and other marketing initiatives. Abacus expects the volume of sales through its e-commerce platform to grow as it expands its traditional and online marketing programs.

International Expansion

Abacus believes that global distribution offers significant opportunity to grow in the next 24 months with near-term focus on the Canadian, European Union and Australia markets. To achieve this international reach, Abacus is planning to partner with distributors and/or manufacturers in these territories or establish a local presence to undertake business. Abacus plans to secure the required regulatory certification to allow it to distribute in Canada and the European Union and is currently in the process of determining its international regulatory strategy.

Investment in R&D

Abacus will continue to invest in R&D which it views as a growth engine for its long-term success. R&D efforts are undertaken both internally and externally, in partnership with third parties. Abacus has an active scouting program by which it seeks to put itself in position to secure technologies before others have the opportunity to do so. While Abacus' initial focus is on additional topical products, it intends to explore and pursue R&D across the spectrum of CBD-infused products where it believes there is good likelihood of therapeutic benefit.

4.8 Competition

Abacus faces competition from competitors within the CBD space by companies such as CV Sciences, Isodiol, Elixinol, Mary's Nutritionals and Charlotte's Web. Abacus believes it has several key advantages over competitors within the CBD space, the most significant being that Abacus' products are FDA-registered, allowing Abacus to make specific pain claims unlike the majority of competing products. Pain claims on labelling such as "to alleviate muscle and joint pain" is a significant reason that drives customer purchase decisions. Additionally, Abacus' manufacturing of its products in accordance with cGMP manufacturing standards, which ensures consistent high quality of product, as well as doctor recommendations, further differentiates Abacus' products by providing consumers with the confidence that they are purchasing a highly effective and safe product. Abacus believes it is the leader in the CBD-infused topical analgesic market.

Abacus also faces competition from traditional topical analgesic products such as BenGay, Icy Hot, Salonpas and Biofreeze. Abacus' products attract significant consumer attention as a result of the strong demand and curiosity regarding the benefits of CBD. Abacus' products are positioned and perceived as premium pain-relieving products that are generally more expensive than traditional analgesic products; as a result, Abacus' products attract those consumers willing to pay a premium for more effective and longer lasting pain relief. Additionally, the strong endorsement received from the practitioner market, where sales of CBD CLINIC products continue to grow, reinforces Abacus' strong competitive position.

4.9 Arrangements with Suppliers and Manufacturers

Abacus currently uses a single manufacturer, Aidance, to manufacture its products in an FDA-approved manufacturing facility operating in accordance with cGMP located in the United States. Abacus believes that its relationship with Aidance has supported Abacus' rapid growth in sales and provides it with a unique advantage in the speed with which Abacus is able to develop and commercialize new products.

Abacus currently contracts its entire supply chain management, including formulating, manufacturing, production, packaging and order fulfillment, to Aidance, under a manufacturing, fulfillment and business services agreement entered into on June 29, 2018 (the "**Aidance Manufacturing and Services Agreement**"). Abacus is currently investigating expanding its sources for these functions, initially through new third-party suppliers and, in the future, through investment in company-owned operations. Abacus believes that Aidance has sufficient capacity to meet its production requirements in the short to mid-term. Nonetheless, Abacus is actively pursuing discussions with potential contract manufacturers to ensure that it has additional resources and redundancy in the supply chain to meet demand in the event consumer demand ends up being considerably higher than projected.

The Aidance Manufacturing and Services Agreement encompasses a mutual three-year commitment for Aidance to supply, and for Abacus to purchase, certain products commercialized by Abacus. Aidance also offers product development, inventory management, order fulfillment, regulatory, customer service and administrative services, as required by Abacus under the Aidance Manufacturing and Services Agreement.

The Aidance Manufacturing and Services Agreement enables Abacus to gradually reduce its reliance on Aidance during the term of the agreement. During the first year of the agreement, Abacus is required to purchase from Aidance at least 80% of the products purchased from Aidance the year before. During the second and third years of the agreement, Abacus is required to purchase from Aidance at least 70% and 50%, respectively, of the products purchased during the year preceding the applicable year. Abacus also has the option to terminate the Aidance Manufacturing and Services Agreement by paying a termination fee in accordance with the terms of the agreement.

The CBD (CBD oil and CBD isolate) and the other raw materials used in Abacus' products are procured from various suppliers. Under its contract with one of its suppliers of CBD, Abacus is required during an exclusivity period ending on December 31, 2019 to purchase minimum quantities of hemp extract per year in order to maintain the exclusive right to use hemp extract from such supplier in products sold with medical claim language on their labeling.

4.10 Employees and Consultants

As of January 28, 2019, Abacus had 29 full-time employees, 2 part-time employees, and 13 contractors, of which 25 are based in the United States and 19 are based in Israel. Of these, 13 were employed/contracted in sales and customer service positions, 13 were employed/contracted in marketing, 3 in product development, 5 in finance and accounting, 8 in executive management positions, and the remaining 2 employees were engaged in other aspects of the business. Abacus prides itself in hiring talented individuals with a complementary mix of professional experience and industry knowledge. Abacus believes it has an advantage in attracting these employees with its strong reputation as a leader in the CBD medical sector. Abacus continues to develop a working environment wherein everyone is valued for their contribution to the team and rewarded for their accomplishments. As of January 28, 2019, all of Abacus' employees were non-unionized. Abacus' management team and senior officers are located in the United States and Israel.

4.11 Facilities

The headquarters of Abacus are located at 184 Burnside Ave, Woonsocket Rhode Island, USA and are expected to move on February 1, 2019 to 25 John A Cummings Way, Woonsocket, Rhode Island, USA in premises leased from a landlord dealing at arm's length with Abacus. Abacus does not own any real property. Abacus believes that its facilities are not material to its business and are adequate to meet its ongoing needs for the near and mid-term and that, if it requires additional space, it will be able to obtain additional facilities on commercially reasonable terms.

4.12 Available Funds and Use of Proceeds

Abacus intends to use the proceeds of the Abacus Private Placement to expand sales and marketing efforts, to support R&D for pipeline products, and for general corporate purposes. Abacus intends to direct its sales and marketing efforts at both the practitioner and consumer markets so as to establish the CBD CLINIC and CBDMEDIC brands as synonyms for hemp-infused long-term pain relief.

As a result of the completion of the Transaction, including receipt of the net proceeds of the Abacus Private Placement, the Resulting Issuer has an estimated US$17.3 million in funds available, comprised of:

Source of Funds	Available Funds upon Completion of the Transaction and the Abacus Private Placement
Estimated working capital of Abacus as at December 31, 2018.	US$3,529,000
Estimated working capital of the Corporation as at December 31, 2018.	US$(75,000)
Net proceeds from the Abacus Private Placement (net of commission and expenses)	US$13,800,000
Total Available Funds	US$17,254,000

A pro forma consolidated balance sheet of the Resulting Issuer as at September 30, 2018, being the date of the last completed interim period of Abacus, giving effect to the Transaction, including the Abacus Private Placement, is attached to this Listing Statement as Schedule E.

The Resulting Issuer intends to spend the funds available to it upon completion of the Transaction to further the Resulting Issuer's stated business objectives. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Resulting Issuer to achieve its stated business objectives. The Resulting Issuer may also require additional funds in order to fulfill its expenditure requirements to meet existing and any new business objectives and expects to either issue additional securities or incur debt to do so. There can be no assurance that additional funding required by the Resulting Issuer will be available, if required.

It is anticipated that the available funds will be sufficient to satisfy the Resulting Issuer's objectives over the next 12 months.

4.13 United States Regulatory Matters

General Overview

The following overview is subject to and qualified by the more detailed descriptions in the following sections entitled "United States Federal Regulation of Industrial Hemp", "State Regulation Industrial Hemp", "FDA Regulation", "Future Uncertainty of Legal Status" and "The Abacus' Regulatory Compliance Activities".

Abacus does not produce or sell medicinal or recreational marijuana or products derived therefrom. It sells Hemp-based CBD products. While such products come from the same plant genus and species, hemp and marijuana are legally distinct and are generally regulated, respectively, by two separate overarching bodies of law: the 2018 Farm Bill and the CSA. Hemp, by legal definition, contains less than 0.3% THC on a dry weight basis, which is not a sufficient level to create a psychoactive effect like marijuana. Further, Abacus' current products are entirely topical, and not consumable, further eliminating the potential for a psychoactive effect.

Consequently, Abacus' products are not sold pursuant to the rules and regulations governing the cultivation, transportation and sale of medicinal or recreational marijuana. Abacus processes, develops, manufactures and sells its products pursuant to the 2018 Farm Bill and in accordance with applicable state and local laws. All products produced and sold by Abacus constitute hemp under the 2018 Farm Bill, as well as the laws of the states in which it produces and sells such hemp. If sold internationally, products are sold in accordance with the laws of the importing and exporting jurisdiction.

On December 20, 2018, the 2018 Farm Bill was signed by President Trump, and it permanently removed hemp and hemp derivatives such as CBD from the purview of the CSA. Prior to its enactment, the 2014 Farm Bill allowed Industrial Hemp to be cultivated under agricultural pilot programs conducted by state departments of agriculture and institutions of higher education. The Statement of Principles published by the USDA, the DEA and the FDA in 2016 confirmed that state departments of agriculture, and persons licensed, registered, or otherwise authorized by them to conduct research under an agricultural pilot program in accordance with the 2014 Farm Bill, or persons employed by or under a production contract or lease with them to conduct such research, may grow or cultivate industrial hemp as part of the agricultural pilot program. In addition, in connection with a federal court settlement resulting from *Kentucky Dept. of Agriculture v. Drug Enforcement Administration*, No. 3:14-cv-372 (W.D.Ky. 2014) (the "**2014 KDA Decision**") the DEA has conceded that a fair reading permits cultivation by nominees. In that case, the DEA tried to block the importation of hemp seed for Kentucky's pilot program and the Kentucky Department of Agriculture sued, asking for a temporary restraining order. The case was settled, and it was established that the Kentucky Department of Agriculture could contract out with private farmers to grow and cultivate the hemp crops. The Omnibus Appropriations Law (as defined below) prohibited the federal government from using congressionally appropriated funds in contravention of the 2014 Farm Bill or to "prohibit the transportation, processing, sale, or use of industrial hemp, or seeds of such plant, grown or cultivated in accordance with the **[**Farm Bill**]** within or outside the State in which the industrial hemp is grown and cultivated." The 2014 Farm Bill further authorized the cultivation of Industrial Hemp conducted in accordance with the 2014 Farm Bill, notwithstanding the CSA or any other federal law.

Abacus' activities related to the marketing and sale of its products comply with the 2014 Farm Bill and the 2018 Farm Bill. However, certain government agencies (such as the DEA and the FDA) and certain federal officials have challenged the scope of permissible commercial activity which may be conducted pursuant to state agricultural pilot programs. Some DEA representatives, for example, have stated they believe that producers of CBD-based products, including Abacus, produce and sell their products in violation of the CSA and the Federal Food, Drug, and Cosmetic Act (the "**FDCA**"). While Abacus disagrees with both the position of the DEA and of the FDA, and the 2018 Farm

Bill should resolve the concern about violations of the CSA, there is risk that either or both of these agencies could take law enforcement actions against Abacus.

Legal barriers applicable to selling hemp and hemp-derived CBD products result from a number of factors, including the fact that hemp and marijuana are both derived from the Cannabis plant, the rapidly changing patchwork of state laws governing hemp and hemp-derived CBD, the position of some DEA representatives that CBD is a controlled substance, and the lack of FDA approval for CBD as a lawful food ingredient, food additive or dietary supplement. However, pursuant to the 2014 Farm Bill and the purported derivation of CBD from imported hemp stalk (a part of the cannabis plant exempted from the CSA's definition of marijuana), U.S. businesses are manufacturing and selling a wide array of hemp-derived CBD products in the U.S. and internationally. Stakeholders take different positions regarding the scope of legal activity in light of the interplay of federal and state law, and recent developments such as the passage of the 2018 Farm Bill, the September 30, 2017 decision of the World Anti-Doping Agency to drop CBD from its list of prohibited substances, the World Health Organization Expert Committee on Drug Dependence resolution that CBD is "safe, well-tolerated and non-addictive and that preparations considered to be pure CBD should not be scheduled within the International Drug Control Conventions"[3], a May 2018 FDA letter concluding that CBD and its salts…could be removed from control under the CSA."[4] recent DEA directives that could be interpreted to permit the sale of hemp-derived CBD products, and recent statements made by DEA representatives to the effect that enforcement of hemp products is not a priority[5], may impact the legal status of Industrial Hemp going forward.

The 2014 Farm Bill

Approximately forty-one U.S. states implemented legislation pursuant to the 2014 Farm Bill.[6] The various state Industrial Hemp programs have different requirements regarding the registration of cultivators and processors, the involvement of institutions of higher education and permissible commercialization.[7] The 2014 Farm Bill gives significant discretion to states to adopt regulations governing hemp activity, but strictly defined "Industrial hemp" to include any part of the Cannabis plant, whether growing or not, with a delta-9 THC concentration of not more than 0.3% on a dry weight basis (i.e. Industrial Hemp). Any plant found to contain a higher concentration of THC than permitted by the 2014 Farm Bill is considered a Schedule I substance under the CSA (i.e. marijuana) and was not protected by the 2014 Farm Bill. Accordingly, a product derived from the Cannabis plant may only be classified as a Schedule I substance under the CSA to the extent that the product is derived from the parts of the Cannabis plant included in the statutory definition above and/or which are not derived lawfully from Industrial Hemp grown in accordance with the 2014 Farm Bill.

The 2014 Farm Bill's provisions only permitted the cultivation of Industrial Hemp by institutions of higher education or state departments of agriculture (i) for research purposes (which includes market research); (ii) as part of an "agricultural pilot program" or other agricultural or academic research; and (iii) where permitted by state law. Abacus only uses hemp in its products that is grown and cultivated by farmers licensed with either the KDA, the ODA or the CDA.

Accordingly, Abacus has taken the position that if a CBD product is derived from Industrial Hemp cultivated within the framework established by the 2014 Farm Bill, per the DEA, USDA and FDA, the product could legally be sold commercially among states provided such products comply with the FDCA and other applicable law.

Ann Bartuska, Acting Under Secretary of the USDA, confirmed aspects of this interpretation in an August 25, 2017, letter to Russell Redding, Secretary of Pennsylvania's Department of Agriculture, writing, "We think it is clear that

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3 See http://www.who.int/medicines/access/controlled-substances/ecdd_40_meeting/en/.

4 See https://hempindustrydaily.com/wp-content/uploads/2018/10/DHS-DEA-letter-2018-0014-0002.pdf?_ga=2.205388819.221633313.1538568567-731547511.1538568567.

5 Bob Segall, "DEA: Feds won't arrest CBD oil users, neither should Indiana," WTHR.COM, https://www.wthr.com/article/dea-feds-wont-amst-ebd-oil-users-neither-should-indiana (November 7, 2017).

6 Health and Wellness Versus Non-Health and Wellness Packaged Food and Beverages, Retail Sales 2002-2017; see http://blog.euromonitor.com/2012/11/health-and-wellness-the-trillion-dollar-industry-in-2017-key-researchhighlights.html, page 13.

7 Ibid.

Section 7606 contemplated the sale and transport of Industrial Hemp for purposes of the pilot programs authorized by Section 7606 under a limited set of circumstances; namely, those involving the study of Industrial Hemp marketing." In addition, the KDA Decision contemplates the transport of seed across state lines. Furthermore, a bipartisan group of 29 congressional members submitted the Amicus Brief (as defined below) arguing the DEA's stance is in contravention of the 2014 Farm Bill and other laws, and that the intent and plain meaning of the 2014 Farm Bill was to open Industrial Hemp to national commercial activity. See "United States Regulatory Matters — United States Federal Regulation of Industrial Hemp — DEA Position".

Note, there are differing interpretations with respect to whether states must explicitly permit the sale of Industrial Hemp and hemp products in order to comply with the 2014 Farm Bill or the Statement of Principles. Abacus takes the position that such activities comply whether or not the state has an agricultural pilot project in place. Certain other stakeholders may take a narrower interpretation, namely that in the absence of explicit state approval or recognition and/or of an agricultural pilot program, such activities are prohibited. Similarly, some DEA spokespersons have taken the position that the interstate commercial sale of consumable CBD products is outside the scope of the 2014 Farm Bill.

These issues should have been resolved by the 2018 Farm Bill, enacted in December 2018 and discussed in more detail below, but there is a risk that the DEA will maintain its previous positions on these issues.

The Omnibus Appropriations Law

A key reason why federal agencies have not taken enforcement actions against the sale of Industrial Hemp-derived products is Congress' clear intent to prohibit agency interference with state agricultural pilot programs. In 2015, Congress enacted the Consolidated and Further Continuing Appropriations Act, 2015,[8] which contained provisions to block congressionally appropriated funds from being used to interfere with state implementation of the 2014 Farm Bill, stating that "none of the funds made available" to the U.S. Justice Department and DEA "may be used in contravention" of the 2014 Farm Bill.[9] This provision was enacted, in part, in response to DEA enforcement actions, including actions to block seeds imported by some states in order to grow Industrial Hemp and in order to avoid similar DEA actions to stall full implementation of the 2014 Farm Bill.

Similar language was included in the Consolidated Appropriations Act, 2016.[10] The Omnibus Appropriations Law further clarified that agencies including the DEA, are blocked from prohibiting the "transportation, processing, sale, or use of Industrial Hemp, or seeds of such plant, grown or cultivated in accordance with the **[**Farm Bill**]** within or outside the State in which the Industrial Hemp is grown and cultivated".[11] This language was carried into the Consolidated Appropriations Act, 2017[12] and, importantly, provides significant federal protection to compliant hemp activity at the state level.

On March 23, 2018, the Consolidated Appropriations Act, 2018 became law after signature by President Trump. This bill reaffirmed the restrictions imposed by the prior consolidated appropriations acts of 2015, 2016 and 2017 and remained.

On September 28, 2018, President Trump signed the second Fiscal Year 2019 appropriations "minibus" (H.R. 6157) into law. The law contained a continuing resolution through December 7, 2018, for any appropriations bills not enacted before October 1, 2018. That list of bills includes the fiscal year 2018 Agriculture Appropriations Act and the Commerce, Justice, Science and Related Agencies Appropriations Act for fiscal year 2018, both of which included protections for the hemp pilot program from illegitimate intrusion from law enforcement agencies. This resolution was extended until December 21, 2018.

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8 P.L. 113-235.

9 P.L. 113-235, Division B, §539.

10 P.L. 114-113.

11 P.L. 114-113, Division A, §763.

12 P.L. 115-31, Division A, §537.

These appropriations bills were not extended as a result of a political deadlock that led to the partial government shutdown currently paralyzing federal government. However, as discussed below, the 2018 Farm Bill enactment makes this discussion moot, in that the 2018 Farm Bill itself, now good law, prohibits federal agency interference with hemp and hemp products.

The Consolidated Appropriations Act, 2015, Consolidated Appropriations Act, 2016, Consolidated Appropriations Act, 2017, and Consolidated Appropriations Act, 2018, are collectively defined herein as the "**Omnibus Appropriations Law**".

For purposes of both the 2014 Farm Bill and the Omnibus Appropriations Law, "industrial-hemp" includes any part of the plant *Cannabis sativa L.* having no more than 0.3% concentration of THC on a dry weight basis.

The Omnibus Appropriations Law ensured the progress of state hemp programs, effectively protecting the transfer, the transport and — most critically — the sale of Industrial Hemp pursuant to the 2014 Farm Bill from federal interference.

DEA Position

In addition to the federal government's guidance with respect to the scope of permissible activity under the 2014 Farm Bill, DEA regulation specific to CBD and other cannabinoids informs the legality of Abacus' operations. Notwithstanding the Ninth Circuit's holding in HIA v DEA II, which, as discussed above, invalidated previous final rules promulgated by the DEA in the early 2000s, the DEA subsequently published a regulation in 2016 (the "**2016 Final Rule**") also referred to as the "Marihuana Extract Rule," which states that all extracts from the cannabis plant are Schedule I controlled substances, regardless of which part of the cannabis plant the extracts are derived from. Although the DEA subsequently issued a clarification to the 2016 Final Rule, explaining that the 2016 Final Rule includes only extracts that fall within the CSA definition of marijuana, and does not include materials excluded from the CSA definition of marijuana, it makes clear that the DEA does not believe CBD can be derived in commercially viable amounts from the parts of the plant exempted from CSA control, noting that the cannabinoids are concentrated in the flower and that CBD present in stalk is generally due to the presence of resin. As defined above, according to the DEA, resin from any part of the plant is clearly included in the CSA definition of "marijuana."

This position is again emphasized in a 2018 Ninth Circuit Court of Appeals case of *Hemp Industries Association, et al., Petitioners, v. Drug Enforcement Administration, et al., Respondents*, Nos. 03-71336; 03-71603, 2017 WL 10721879 (C.A.9) ("***HIA v. DEA III***"). In this case, HIA and other industry petitioners filed a Petition for Review seeking to block the implementation of the DEA's 2016 Final Rule on marihuana extracts, in part, claiming that the 2016 Final Rule conflicted with the 2014 Farm Bill. In response to the case, a bipartisan group of 29 congressional members submitted an amicus brief (the "**Amicus Brief**") arguing the DEA's stance is in contravention of the 2014 Farm Bill and other laws, and that the intent and plain meaning of the 2014 Farm Bill was to open Industrial Hemp to national commercial activity. On April 30, 2018, the Ninth Circuit Court of Appeals denied the HIA's appeal of the 2016 Final Rule based on procedural grounds, but importantly confirmed that the 2014 Farm Bill adequately acknowledges the conflict and pre-empts the CSA, confirming that the 2016 Final Rule does not apply to Industrial Hemp grown lawfully under the 2014 Farm Bill. Therefore, to the extent products are derived lawfully pursuant to the 2014 Farm Bill, Abacus believes they are pre-empted from CSA control.

On May 22, 2018, the DEA issued an internal directive to its agents concerning the legality of hemp and hemp-derived products. The key language stating:

> "Products and materials that are made from the cannabis plant and which fall outside the CSA definition of marijuana (such as sterilized seeds, oil or cake made from the seeds, and mature stalks) are not controlled under the CSA. Such products may accordingly be sold and otherwise distributed throughout the United States without restriction under the CSA or its implementing regulations. The mere presence of cannabinoids is not itself dispositive as to whether a substance is within the scope of the CSA; the dispositive question is whether the substance falls within the CSA definition of marijuana."

Further, they clarified the controversial "marijuana extract" rule:

> "This directive does not address or alter DEA's previous statements regarding the drug code for marijuana extract and regarding resin. See *Establishment of a New Drug Code for Marihuana Extract, 81 Fed. Reg. 90194 (Dec. 14, 2016); Clarification of the New Drug Code (7350) for Marijuana Extract*. As DEA has previously explained, the drug code for marijuana extract extends no further than the CSA does, and it thus does not apply to materials outside the CSA definition of marijuana."

To be clear, the DEA believes that it has no enforcement authority over hemp or hemp products that are excluded from the CSA. This may include any product derived from hemp grown as part of a 2014 Farm Bill-authorized pilot program, which the 2014 Farm Bill explicitly includes "notwithstanding" the CSA. (The Ninth Circuit Court of Appeals stated the 2014 Farm Bill "contemplates potential conflict between the Controlled Substances Act and pre-empts it".)

Of course, the DEA did not specifically articulate this exception. As discussed elsewhere, the scope of permitted activity under the 2014 Farm Bill is still the subject of debate, and proposed federal legislation may clarify the scope of permissible activity.

Further, despite the DEA's concession that it maintains no jurisdiction with regard to 2014 Farm Bill activities, there remains concern over the extent to which other federal, state and local agencies defer to the DEA's earlier, negative rhetoric towards the 2014 Farm Bill in the Statement of Principles, thereby causing adverse impacts against those acting pursuant to the 2014 Farm Bill including limited, misguided enforcement by state and local authorities that are confused by DEA's conflicting interpretations of, and misrepresentations of the congressional intent behind, the 2014 Farm Bill's hemp amendment.

The 2018 Farm Bill, discussed below, should eliminate the DEA's role in the regulation of hemp and hemp-derived CBD. However, the DEA has issued no public statements since its enactment on December 20, 2018, so there is a risk that the DEA may maintain some or all of its previously expressed positions.

The 2018 Farm Bill

On April 12, 2018, U.S. Senate Majority Leader Mitch McConnell (R-KY) introduced the HFA, which would permanently legalize hemp, removing it from the purview of the Controlled Substances Act, and classifying it as an agricultural commodity. He was joined as an initial co-sponsor by U.S. Senator Ron Wyden (D-OR). Since the introduction, more than two dozen Senators have joined as co-sponsors, a bi-partisan array that includes U.S. Senate Minority Leader Chuck Schumer.

On April 12, 2018, U.S. Congressmen James Comer (R-KY) and Jared Polis (D-CO) introduced a companion bill, H.R. 5485, in the House of Representatives, sharing the same mission and language as the HFA.

This legislation would:

- remove hemp (all parts of the Cannabis plant with a concentration of not more than 0.3% THC) from the purview of the CSA. The bill is more expansive than the 2014 Farm Bill in that it specifically de-schedules all derivatives, extracts, cannabinoids and seeds of hemp as long as those portions of the plant remain below the THC threshold. This means that popular hemp food products like hemp-derived CBD would be more explicitly considered agricultural commodities rather than controlled substances;
- allow U.S. states (and Native American Tribes) to regulate hemp growth and cultivation in their jurisdictions, building off of the 2014 Farm Bill pilot programs. The states would submit a regulatory plan to the USDA, which plan must demonstrate policies to pinpoint locations of hemp production, to test for THC, and to destroy uncompliant plants. Many states have already developed compliant regulatory structures for their pilot programs which Abacus believes can be easily transitioned for these purposes;
- make hemp research eligible for competitive grant funding at USDA. Moreover, crop insurance would be made available for hemp farmers; and

- clarify that nothing in the proposed Hemp Faming Act would authorize interference with the interstate transportation or commerce of hemp or hemp products.

The HFA was included in its entirety, with a few technical adjustments, in the Senate version of the 2018 Farm Bill, which was approved by a 20-1 vote by the Senate Agriculture Committee on June 13, 2018. The senate version of the 2018 Farm Bill was passed on June 28, 2018 by a margin of 86-11. An effort by U.S. Senator Charles Grassley (R-IA) to offer an amendment that would have explicitly excepted hemp extracts like CBD from the Controlled Substances Act exemption was debated and was so unpopular that it was not formally considered.

However, this language was not in the version passed by the House of Representatives. In July 2018, House and Senate leaders appointed members to the joint House/Senate conference committee to resolve the differences between the two versions of the 2018 Farm Bill. The House named 47 conferees, including Congressman James Comer (R-KY), who previously introduced the Hemp Farming Act House companion bill. The Senate named nine members, including U.S. Senate Majority Leader Mitch McConnell, to the conference committee.

Ultimately, the House/Senate conference committee accepted the Senate version of the hemp provisions in its final approved version. On December 12, the U.S. House of Representatives passed the 2018 Farm Bill, by a vote of 369 to 47. The previous day, the U.S. Senate passed the same bill by a vote of 87-13.

On December 20, 2018, President Trump signed the 2018 Farm Bill, and its enactment was immediate.[13]

The impact on the hemp industry is monumental:

- Hemp is now permanently removed from the CSA. It is forever deemed an agricultural commodity, no longer mistaken as a controlled substance, like marijuana.
- By redefining hemp to include its "extracts, cannabinoids and derivatives," Congress explicitly has removed popular hemp products -- such as hemp-derived CBD -- from the purview of the CSA. Accordingly, it is Abacus' position that the DEA no longer has any possible claim to interfere with the interstate commerce of hemp products. This should also give comfort to federally regulated institutions – pharmacies, banks, merchant services, credit card companies, e-commerce sites and advertising platforms -- to conduct commerce with the hemp and hemp product industry.
- Hemp farmers now may finally access needed crop insurance and can fully participate in USDA programs for certification and competitive grants.
- State and Tribal governments may impose separate restrictions or requirements on hemp growth and the sale of hemp products – however, they cannot interfere with the interstate transport of hemp or hemp products.
- States will now have one year to apply to the USDA for approval of a permanent hemp program. The USDA will have sixty days to act on this. It is widely expected that Kentucky, Oregon and Colorado will apply for such permanency and be granted approval for their programs by USDA.
- The FDA continues to exercise jurisdiction over the regulation of ingestible and topical hemp products.

<u>FDA Approval of Epidiolex</u>

On June 25, 2018, the FDA issued to GW Pharmaceuticals plc its approval for Epidiolex, the first Cannabis-derived prescription medicine to be available in the U.S. The active ingredient in Epidiolex is CBD.

As a consequence of the FDA's action, on September 27, 2018 the DEA re-scheduled Epidiolex, and any future FDA-approved CBD drug, under Schedule V of the Controlled Substances Act.[14] In doing so, DEA noted that the drug no longer meets the criteria for schedule I, following FDA's approval of the drug for certain medical conditions. DEA also indicated that any material, compound, mixture, or preparation other than Epidiolex that falls within the CSA definition of marijuana set forth in 21 U.S.C. 802(16), *including any non-FDA-approved CBD extract that falls within such definition*, remains a schedule I controlled substance under the CSA. The placement of Epidiolex under schedule

[13] The Farm Bill can be found in its entirety at https://docs.house.gov/billsthisweek/20181210/CRPT-115hrpt1072.pdf.

[14] See https://www.federalregister.gov/documents/2018/09/28/2018-21121/schedules-of-controlled-substances-placement-in-schedule-v-of-certain-fda-approved-drugs-containing.

V – the least restrictive schedule – recognizes the proven health benefits of CBD and its low potential for abuse. Of note, DEA's scheduling determination is limited to only Epidiolex and generic versions of the same formulation. Therefore, it is our opinion that DEA's announcement and related statements have no bearing on the status of hemp-derived CBD.

On October 1, 2018, an FDA communication from May 16, 2018 concerning the Epidiolex re-scheduling was publicly released. The memorandum from FDA Assistant Secretary Brett Giroir concludes that "CBD and its salts…could be removed from control under the CSA." After a thorough scientific review and analysis, FDA argues:

- "There is little indication that CBD has abuse potential or presents a significant risk to the public health."
- "No evidence for a classic drug withdrawal syndrome for CBD, and no evidence that CBD causes physical or psychic dependence."
- "CBD does not appear to have abuse potential under the CSA."
- "There is no signal for the development of substance use disorder in individuals consuming CBD-containing products."
- "It is unlikely that CBD would act as an immediate precursor to THC for abuse purposes."

Nevertheless, the FDA had been advised by the DEA that federally de-scheduling CBD altogether would violate international treaty obligations. Accordingly, the FDA recommended that CBD be placed in the least restrictive category, Schedule V. However, the FDA left the door open to complete de-scheduling in the immediate future: "*If treaty obligations do not require control of CBD, or the international controls on CBD…are removed at some future time, the above recommendation for Schedule V under the CSA would need to be revisited promptly.*"

It is important to understand that this scheduling discussion is limited to marijuana-derived CBD formulations such as Epidiolex. In Abacus' opinion, hemp-derived CBD is already exempted from the Controlled Substances Act in the 2014 Farm Bill's pilot program regime and would be permanently and explicitly exempted from the CSA by the HFA.

However, as discussed above, federal agencies have issued conflicting statements on this point. The FDA letter is important because it makes clear that the federal agency with primary jurisdiction over the health and welfare of the American public has taken the formal position that CBD should not be treated as a controlled substance.

Furthermore, while there still is some debate over what international treaties require (Abacus disagrees with DEA's position), all signs point to more clarity soon under international law that CBD should not be scheduled as a controlled substance. As discussed above, the World Health Organization in August recommended that CBD not be scheduled under international drug conventions.

Shortly after the 2018 Farm Bill signing, a letter was released by FDA Commissioner Scott Gottlieb that restated the FDA's current position, opining that it is a violation of federal law to introduce CBD ingredients into the food supply or market them as dietary supplements. But the letter also contained, for the very first time, new hope for a new path toward FDA's acceptance of hemp-derived CBD as a food additive or nutritional supplement. For the very first time, the FDA is seriously considering using its authority to issue a regulation that will specifically allow hemp-derived ingredients in foods and supplements:

> [P]athways remain available for the FDA to consider whether there are circumstances in which certain cannabis-derived compounds might be permitted in a food or dietary supplement. Although such products are generally prohibited to be introduced in interstate commerce, the FDA has authority to issue a regulation allowing the use of a pharmaceutical ingredient in a food or dietary supplement. We are taking new steps to evaluate whether we should pursue such a process.

As it makes this decision, the FDA is reaching out to the industry and the public:

> Given the substantial public interest in this topic and the clear interest of Congress in fostering the development of appropriate hemp products, we intend to hold a public meeting in the near future for stakeholders to share their experiences and challenges with these products, including information and views related to the safety of such products. We'll use this meeting to gather additional input relevant to the lawful pathways by which products containing cannabis or cannabis-derived compounds can be marketed, and how we can make these legal pathways more predictable and efficient. We'll also solicit input relevant to our regulatory strategy related to existing products, while we continue to evaluate and take action against products that are being unlawfully marketed and create risks for consumers. At the same time, we recognize the potential opportunities that cannabis or cannabis-derived compounds could offer and acknowledge the significant interest in these possibilities. We're committed to pursuing an efficient regulatory framework for allowing product developers that meet the requirements under our authorities to lawfully market these types of products.

By virtue of its membership in the U.S. Hemp Roundtable, the industry's leading trade association, Abacus will be represented in these discussions.

The same day as well, FDA issued a statement opining that the agency has no questions about the conclusion that hulled hemp seed, hemp seed protein powder and hemp seed oil are generally recognized as safe ("**GRAS**") under their intended conditions of use. While the GRAS evaluation was made at the request of a specific company, Fresh Hemp Foods, the GRAS conclusions can apply to ingredients from other companies, if they are manufactured in a way that is consistent with the notices and they meet the listed specifications. Some of the intended uses for these ingredients include adding them as source of protein, carbohydrates, oil, and other nutrients to beverages (juices, smoothies, protein drinks, plant-based alternatives to dairy products), soups, dips, spreads, sauces, dressings, plant-based alternatives to meat products, desserts, baked goods, cereals, snacks and nutrition bars.

State Regulation of Industrial Hemp

At present, Abacus sources only from proprietary operations and contract suppliers located in Colorado, Kentucky and Oregon that are in compliance with state and federal regulations. All Industrial Hemp purchased by Abacus constitutes Industrial Hemp under the 2014 Farm Bill and hemp under the 2018 Farm Bill. The DEA has made public statements suggesting that CBD remains a controlled substance, and that the retail sale as such would be prohibited. Abacus strongly disagrees with this conclusion, particularly in light of the 2018 Farm Bill, but understands that there remains the risk of federal law enforcement action against it. There is also a risk that state law enforcement officials may read the statutes as a whole differently and that such interpretations may change (both favorably and unfavorably) over time.

Abacus believes that the 2018 Farm Bill prohibits the DEA from interfering with the interstate sale and transport of hemp and hemp products. However, it permits states to have more restrictive policies when it comes to the growth and sale of hemp and hemp products.

The fifty U.S. states have fifty different laws (or lack thereof) when it comes to this subject. Abacus has reviewed the laws of all fifty states and has identified no state statutory language which explicitly prohibits the retail sale of hemp-derived CBD. In a few states, the respective Boards of Pharmacy have declared CBD products cannot be sold through licensed pharmacies.

Accordingly, the sale of CBD at the retail level in most U.S. states remains a gray area of the law. Abacus has chosen to sell its products in all fifty states, understanding that there is a risk of state or local law enforcement action. See Section 17.1 - Risks Related to the Regulatory Environment.

Abacus has no knowledge about or control over which states its products may transit through once delivered to the applicable carrier. However, the 2018 Farm Bill prohibits states, even those with more restrictive hemp regimes, from interfering with the transportation of hemp or hemp products through their jurisdictions.

Regulations with respect to the treatment of Industrial Hemp vary from state to state and continue to evolve. The regulations of the particular states most impactful to Abacus' business are described below.

Abacus' contract cultivation supplier in Kentucky has obtained a "Grower License in respect of a Kentucky Department of Agriculture Industrial Hemp Research Pilot Program" issued on March 7, 2018, and its contract cultivation supplier in Oregon has obtained an "Industrial Hemp Certificate" dated March 13, 2018 (all of the foregoing Colorado, Kentucky and Oregon licenses collectively, the "**Licenses**").

Colorado

Passed in 2012, Amendment 64 to the Colorado Constitution directed the General Assembly to enact legislation governing the cultivation, processing and sale of Industrial Hemp by July 1, 2014.[15] In 2013, responsibility for establishing regulations pertaining to the cultivation of Industrial Hemp, including registration and inspection, was delegated to the CDA.[16] The CDA adopted rules and regulations that set forth requirements for registration, inspection, and testing.[17] Registration requirements include but are not limited to: disclosing the name and address of the entity that will hold the registration, and the name of each officer, director, member, partner or owner of at least 10% of the entity and any other person who has managing or controlling authority over the entity; providing the CDA with GPS coordinates and a map of the land area where the Industrial Hemp will be cultivated; listing the intended use of harvested Industrial Hemp materials; and payment of a non-refundable fee.[18] All registrants are subject to routine inspection and sampling by the CDA to verify that the THC concentration of the plants being cultivated does not exceed 0.3% on a dry weight basis, and to ensure registrants are complying with applicable reporting requirements.[19] Reporting requirements include a pre-planting report detailing the varieties to be planted, a planting report specifying the exact land areas where planning occurred, and a harvest report documenting the size of the harvest and the anticipated harvest date.[20]

After the passage of the 2014 Farm Bill, the Colorado legislature passed the Colorado Industrial Hemp Regulatory Program Act establishing the Colorado Industrial Hemp Regulatory Program.[21] The Colorado Industrial Hemp Regulatory Program Act expressly authorizes two distinct categories of Industrial Hemp cultivation registration to be issued and administered by the CDA: (i) R&D; and (ii) commercial. "Research and Development" is defined as the "cultivation of Industrial Hemp by an institution of higher education under the pilot program administered by the CDA for purposes of agricultural or academic research in the development of growing Industrial Hemp."[22] In comparison, "Commercial" is defined as "the growth of Industrial Hemp, for any purpose including engaging in commerce, market development and market research, by any person or legal entity other than an institution of higher education or under a pilot program administered by the CDA for purposes of agricultural or academic research in the development of growing Industrial Hemp."[23]

Finally, on May 30, 2018, the governor of Colorado signed House Bill 18-1295 into law. This legislation modifies the Colorado Food and Drug Act to establish that food, cosmetics, drugs, and devices, as those terms are defined in the act, are not adulterated or misbranded by virtue of containing Industrial Hemp. This law codified a policy established in 2017 by the Colorado Department of Health and Environment ("**CDPHE**") that allowed for the production and sale of food products containing Industrial Hemp, so long as certain express conditions were satisfied. Under applicable legislation, food products containing Industrial Hemp must be produced by a wholesale food manufacturing facility

[15] Colo. Const. art. XVIII, § 16.

[16] Colorado Senate Bill 13-41.

[17] 8 CCR 1203-23.

[18] Id.

[19] Id.

[20] Id.

[21] See C.R.S. §§35-61-101, et seq.

[22] 8 CCR §1203-23(1.12).

[23] 8 CCR §1203-23(1.3).

that has registered with the CDPHE, and the finished product must contain a delta-9 THC concentration of no more than three-tenths of one percent (0.3%).

While Abacus itself is not a program participant, it does take steps to ensure that the Colorado-based suppliers with which it contracts are participants in the Colorado agricultural pilot program, including requiring suppliers to represent and warrant their compliance with Colorado law in writing and obtaining a copy of the applicable License issued to such supplier.

Kentucky

Kentucky established a robust agricultural pilot program in 2013,[24] which it expanded in 2017. Program participants may grow, cultivate, handle, process or market Industrial Hemp and Industrial Hemp products. In 2017, the program covered 3,100 acres and included hundreds of participants. For 2018, the program has approved 14,000 acres for the agricultural pilot program. The Kentucky Department of Agriculture has promulgated regulations[25] and issued a policy guide for the program, both of which have served as models for newer Industrial Hemp regimes in other states.

Kentucky adopts the definition of "Industrial Hemp"[26] set forth under federal law. Kentucky's definition of marijuana[27] excludes lawful Industrial Hemp and Industrial Hemp products, as well as the stalks, fiber and oil from seeds of the Cannabis plant.

Kentucky's definition of marijuana specifically exempts Industrial Hemp products that do not contain any living plants, viable seeds, leaf materials or floral materials, as well as CBD products derived from hemp.[28]

While Abacus itself is not a program participant, it does take steps to ensure that the Kentucky-based suppliers with which it contracts are participants in the Kentucky agricultural pilot program, including requiring suppliers to represent and warrant their compliance with Kentucky law in writing and obtaining a copy of the applicable License issued to such supplier.

Oregon

Oregon's Industrial Hemp laws are also evolving. Industrial Hemp extracts and CBD are referred to or defined in Oregon's Industrial Hemp statutes and the state's hemp regulations,[29] pursuant to which an "industrial hemp commodities or product" includes CBD and other compounds derived from hemp.[30] Further, all cannabinoid products from hemp must be tested for their THC and CBD content and microbiological contaminants.[31] Only a grower registered with Oregon Department of Agriculture (the "**ODA**") may produce Industrial Hemp, and only a handler registered with the ODA may process Industrial Hemp. A separate registration is required to handle Industrial Hemp seed. There are further restrictions on who an Industrial Hemp registrant can sell to[32] and Abacus' packaged goods must comply with Oregon's THC, CBD and microbiological testing requirements.

While Abacus itself is not registered in Oregon, it does take steps to ensure the Oregon-based suppliers with which it contracts are appropriately registered with the ODA, including requiring suppliers to represent and warrant such compliance in writing and obtaining a copy of the applicable License issued to such supplier.

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24 Ky. Rev. Stat. §§ 260.850-.858.

25 302 Ky. Admin. Regs. 50:010-080.

26 Ky. Rev. Stat. § 260.850(5).

27 Ky. Rev. Stat. § 218A.010(27).

28 Ky. Rev. Stat. § 218A.010(27)(c)-(f).

29 See Oregon Revised Statutes § 571.300 et seq.; Oregon Administrative Rules § 603-048-0010 et seq.

30 OAR § 603-048-0010 (11)(a).

31 Id. at § 603-048-2320, 603-048-2340.

32 OAR § 603-048-0100.

Under the 2018 Farm Bill, the pilot program regime of the 2014 Farm Bill expires in a year. In its place, states are permitted to apply to the USDA for approval of permanent regulatory programs. Kentucky has already submitted its application, and Oregon and Colorado are expected to follow suit shortly. It is expected that each state will obtain USDA approval of their permanent programs, but there is a risk that one or more might not.

FDA Regulation

Non-prescription drug products, referred to as OTC drug products, are regulated by the FDA. To legally market an OTC drug product, the FDCA and FDA regulations promulgated under its authority require FDA approval of a New Drug Application ("**NDA**") that includes substantial evidence of effectiveness based on adequate and well-controlled studies, or an Abbreviated New Drug Application ("**ANDA**"). Alternatively, an OTC drug product may be marketed without an FDA approved NDA or ANDA if the drug product is manufactured in compliance with an OTC final monograph established for that therapeutic class of drug. The OTC drug monographs identify permissible active ingredients, labeling, and claims. OTC monographs generally do not specify inactive ingredients that may be used in the manufacture of OTC drugs. OTC drugs marketed in compliance with a final monograph are "generally recognized as safe and effective" ("**GRASE**"), and are exempt from premarket approval requirements.

The FDA has also issued "tentative final monographs," which are proposed rules that when finalized, will become final monographs. The FDA allows drugs that comply with the tentative final monograph to be marketed under its enforcement discretion policy. Once the monograph is finalized for that therapeutic class of drug, marketing must then conform to the final monograph or the OTC drug products will be considered adulterated or misbranded under the FDCA and marketing will be prohibited. The active ingredients in Abacus' products (lidocaine, menthol and camphor) are currently covered by an OTC tentative final monograph for external analgesic drug products, which published in the Federal Register on February 8, 1983 (48 FR 5852). The tentative final monograph does not specify what inactive ingredients may be used in the manufacture of such analgesics. This tentative final monograph is part of the FDA's ongoing review of OTC drug products.

The FDA considers any article to meet the definition of a drug under the FDCA if it is marketed or otherwise intended for use in the cure, mitigation, treatment, or prevention of disease or intended to affect the structure or function of a human body. If CBD were marketed for such uses, and because CBD is not GRASE or the subject of an OTC final or tentative final monograph, CBD would be considered a new drug for which an approved NDA is required prior to marketing. Introducing or delivering for introduction such CBD products into interstate commerce for such uses would be in violation of the FDCA. In the absence of claims that CBD is intended to cure, mitigate, treat, or prevent disease or affect the structure or function of a human body, the CBD ingredient would not meet the definition of new drug for which preapproval would be required.

The FDA has approved Epidiolex, which contains CBD, for the treatment of seizures associated with Lennox-Gastaut syndrome or Dravet syndrome in patients 2 years of age and older. That means the FDA has concluded that this particular drug product is safe and effective for its intended indication. The FDA also has approved Marinol and Syndros for therapeutic uses, including for the treatment of anorexia associated with weight loss in AIDS patients. Marinol and Syndros include the active ingredient dronabinol, a synthetic delta-9- tetrahydrocannabinol (THC) which is considered the psychoactive component of marijuana. Another FDA-approved drug, Cesamet, contains the active ingredient nabilone, which has a chemical structure similar to THC and is synthetically derived.

The FDA has taken the position that THC and CBD products are excluded from the dietary supplement definition under the FDCA. The FDA has stated if a substance such as THC or CBD is an active ingredient in a drug product that has been approved under an NDA, or has an effective Investigational New Drug application ("**IND**") authorizing clinical studies and the existence of such studies has been made public, then products containing that substance are outside the definition of a dietary supplement. THC (dronabinol) is the active ingredient in the approved drug products, Marinol capsules (and generics) and Syndros oral solution. The existence of clinical investigations involving CBD as an active ingredient has been made public. For example, GW Pharmaceuticals' investigations regarding Sativex and Epidiolex have been the subject of press releases.[33]

[33] See Sativex Commences US Phase II/III Clinical Trial in Cancer Pain and GW Pharmaceuticals Receives Investigational New Drug (IND) from FDA for Phase 2/3 Clinical Trial of Epidiolex in the Treatment of Dravet Syndrome.

Abacus believes that the FDA approval of Epidiolex, which is an oral medication (not topical) that contains the active drug cannabidiol (CBD), should have no impact on Abacus' use of CBD because its function in Abacus products is as an inactive ingredient with no health claims ascribed to its presence.

Inactive ingredients do not require individual approval by the FDA. The FDA evaluates an inactive ingredient within the context of an NDA. After approval of the NDA, the FDA will list inactive ingredients in the approved drug product in the FDA's Inactive Ingredient Database. Based on the listings in this Database, the FDA has not approved a new drug containing CBD as an inactive ingredient. Inactive ingredients used in the manufacture of OTC drug products in accordance with an OTC monograph are not listed in the Inactive Ingredient Database. It is the drug manufacturer's responsibility to ensure the safety of the inactive ingredients in its OTC monographed drug products.

There is inherent risk in marketing a drug product containing CBD, whether as an active or inactive ingredient. Regardless of the existence or lack of FDA regulations and laws that may affect a drug product containing CBD, the federal DEA currently takes the position that CBD is regulated as a Schedule I controlled substance. Moreover, FDA policies and regulations may change from time to time, requiring formulation, packaging, or labeling changes or requiring the submission of an NDA for a drug product containing any amount of CBD. Although some states have passed laws that permit certain CBD products despite contrary federal laws, such state laws may also change. Abacus cannot predict whether new federal or state regulations or legislation affecting the use of CBD in OTC drug products or any of the activities of Abacus will be enacted or what effect any regulation or legislation would have on the Abacus' business. See Section 17.1 - Risks Related to the Regulatory Environment.

Ability to Access Public and Private Capital and Banking Services

Abacus currently holds a bank account with a regional U.S. institution. Abacus also currently has a payment processing agreement in place providing for online/credit card payments in connection with its e-commerce sales. Abacus has historically, and continues to have, access to equity and debt financing from the prospectus exempt (private placement) markets in Canada and the United States. Abacus' executive team and Board also have relationships with sources of private capital which Abacus could investigate. Abacus has not attempted to obtain bank financing in the U.S. and has not attempted to access the public capital markets prior to this Listing Statement. Abacus anticipates that funding sources may be available pursuant to private and public offerings of equity and/or debt and bank lending. However, if equity and/or debt financing was not available in the public capital markets in Canada or the United States, then Abacus expects that it would have access to raise equity and/or debt financing privately. Commercial banks, private equity firms and venture capital firms have approached the Cannabis industry cautiously to date. However, there have been an increasing number of meaningful investments from both the private and the public capital markets in companies and projects similar to Abacus' business. Although there has been an increase in the amount of financing available to companies in the Cannabis industry over the last several years, there is neither a broad nor deep pool of institutional capital that is available to Cannabis industry participants. There can be no assurance that additional financing, if raised privately or publicly, will be available to Abacus when needed or on terms which are acceptable. Abacus' inability to raise financing to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability. See Section 17.1 - Risks Related to the Regulatory Environment - Anti-money Laundering Laws and Regulations, and Section 17.1 - Risks Related to the Regulatory Environment - Banking.

Future Uncertainty of Legal Status

There remain a number of considerations and uncertainties regarding the cultivation, sourcing, production and distribution of Industrial Hemp and products containing hemp derivatives. Applicable laws and regulations remain subject to change as there are different interpretations among federal, state and local regulatory agencies, legislators, academics and businesses with respect to the treatment of the importation of derivatives from exempted portions of the Cannabis plant and the scope of operation of 2014 Farm Bill-compliant hemp programs relative to the CSA and the emerging regulation of cannabinoids. These different federal, state and local agency interpretations, as discussed above, touch on the regulation of cannabinoids by the DEA and/or the FDA and the extent to which imported derivatives, and/or 2014 Farm Bill-compliant cultivators and processors may engage in interstate commerce, whether under federal and/or state law. **The uncertainties likely cannot be resolved without further federal and state legislation, regulation or a definitive judicial interpretation of existing legislation and rules**.

Numerous states are adopting laws governing Industrial Hemp and CBD. For example, at the state level, on March 21, 2018, Indiana's Governor signed into law Senate Bill 52, which allows the distribution and retail sale of "low-THC hemp extract," defined as a product "(1) derived from Cannabis sativa L. that meets the definition of Industrial Hemp; (2) that contains not more than 0.3% delta-9-THC (including precursors); and (3) that contains no other controlled substances." More recently, on June 1, 2018, Missouri's Governor signed into law House Bill 2034, a comprehensive hemp-legalization measure which explicitly exempted from law enforcement control "industrial hemp commodities and products and topical or ingestible animal and consumer products derived from industrial hemp with a delta-9 tetrahydrocannabinol concentration of not more than three-tenths of one percent on a dry weight basis."

While over 40 other states have legalized some form of medical marijuana or CBD for certain approved conditions or with other restrictions on access, the Indiana and Missouri laws, among others, may set precedent for these and additional states to ease restrictions and expand legal access to CBD products, in particular those with low THC content.

Materially all of Abacus' assets, liabilities and operations are exposed to U.S. Cannabis-related activities.

Abacus' Regulatory Compliance Activities

Abacus' senior management team regularly monitors the development of applicable U.S. laws and Abacus engages U.S. legal counsel to ensure it is operating in compliance with all applicable laws and permits. These compliance-related activities include efforts affecting the following objectives, when and as applicable:

- ensuring all raw materials are sourced in compliance with the 2014 Farm Bill and applicable state and local laws;
- evaluating supply chain partners for quality standards;
- setting and maintaining quality standards through raw material specifications; and
- employing qualified quality assurance personnel.

4.14 International Regulatory Matters

Abacus intends to sell its products in other jurisdictions. Regulations to sell OTC's vary considerably in different countries. Similarly, regulations concerning CBD differ from country to country. Abacus is initially focusing its attention to Europe, Canada, Australia, Mexico and South Africa. In each country and/or region, Abacus will be working with third party contractors who specialize in regulatory registrations. Abacus anticipates that it will make final decisions as to its proposed international expansions after its regulatory reviews are completed. Accordingly, Abacus will explore potential manufacturing partnerships for local production, manufacturing and/or distribution in selected international markets.

4.15 Additional Disclosure

To conform with the disclosure requirements of the CSE for a listing statement, the Corporation confirms that it does not have asset backed securities, mineral projects or oil and gas operations.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 Annual Information

The Corporation

The following table summarizes financial information of the Corporation for the last two completed financial years ended June 30, 2017 and 2018 and for the subsequent three-month period ended September 30, 2018. This summary financial information should only be read in conjunction with the Corporation's financial statements and the notes thereto. See Section 25.1 - Financial Statements of Corporation.

	3 Month Period Ended September 30, 2018 (C$)	Year Ended June 30, 2018 (C$)	Year Ended June 30, 2017 (C$)
Total Revenues	-	-	-
Net Income (Loss) in total	(74,750)	125,015	(38,841)
Total Assets	48,145	-	3,721
Total Liabilities	47,151	487,956	616,692

Abacus

The following table summarizes financial information of Abacus for the last two completed financial years ended December 31, 2016 and 2017 and for the subsequent nine-month period ended September 30, 2018. This summary financial information should only be read in conjunction with Abacus' financial statements and the notes thereto. See Section 25.2 - Financial Statements of Abacus.

	9 Month Period Ended September 30, 2018 (US$)	Year Ended December 31, 2017 (US$)	Year Ended December 31, 2016 (US$)
Total Revenues	5,579,000	2,575,172	80,040
Net Income (Loss) in total	1,044,713	524,830	(514,172)
Total Assets	6,257,326	829,549	374,578
Total Liabilities	4,860,309	96,245	166,104

5.2 Quarterly Information

The Corporation

The following tables summarize the financial information of the Corporation for each of the Corporation's eight most recently completed quarters ending at the end of its most recently completed financial year. This summary financial information should only be read in conjunction with the Corporation's financial statements and the notes thereto. See Section 25.1 - Financial Statements of Corporation.

Three Months Ended	Total Revenue (C$)	Loss (Income)		Total Assets (C$)
		Total (C$)	Per Share (C$)	
June 30, 2018	-	(164,185)	(0.08)	nil
March 31, 2018	-	21,042	0.01	3,721
December 31, 2017	-	10,877	0.01	3,721
September 30, 2017	-	7,251	0.00	3,721
June 30, 2017	-	15,657	0.01	3,721
March 31, 2017	-	7,110	0.00	3,500
December 31, 2016	-	7,097	0.00	3,500
September 30, 2016	-	8,977	0.00	3,020

Abacus

Abacus is not a reporting issuer and has not prepared quarterly financial statements for the eight most recently completed quarters ending at the end of its most recently completed financial year. See Section 25.1 - Financial Statements of Corporation for information on the financial statements of Abacus.

5.3 Dividends

The Corporation has never paid any dividends on any of its securities. Abacus declared two cash distributions to its members prior to its conversion as a corporation on June 29, 2018, the final payment of which is accrued in the financial statements of Abacus but not yet paid. The Resulting Issuer currently intends to reinvest any earnings (including those of Abacus) to fund the development and growth of its business. Any future payments of dividends will be at the discretion of the Board and will depend on many factors, including, among other things, the Corporation's financial condition, current and anticipated capital requirements, contractual requirements, solvency tests imposed by applicable corporate law and other factors it may deem relevant.

5.4 Foreign GAAP

Not applicable.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

The Corporation's MD&A for the year ended June 30, 2018 and for the three months ended September 30, 2018 is attached to this Listing Statement as Schedule B – *MD&A of the Corporation.*

Abacus' MD&A for the year ended December 31, 2017 and for the nine months ended September 30, 2018 is attached to this Listing Statement as Schedule C – *MD&A of Abacus.*

7. MARKET FOR SECURITIES

The Corporation is a reporting issuer in the Province of Ontario and the Province of Nova Scotia. The shares of the Corporation are not listed and posted for trading or quoted on any stock exchange or quotation and trade reporting system. The Corporation has applied to list its Subordinate Voting Shares on the CSE following the completion of the Transaction, and the CSE has conditionally approved the listing of the Subordinate Voting Shares under the symbol "ABCS". Listing will be subject to the Corporation fulfilling all of the listing requirements of the CSE.

8. CONSOLIDATED CAPITALIZATION

The following table sets forth (i) the Corporation's capitalization as at January 29, 2019 immediately prior to the Transaction; (ii) the consolidated capitalization of Abacus as at January 29, 2019 immediately prior to the Transaction; and (iii) the Resulting Issuer's pro forma consolidated capitalization after giving effect to the Transaction. The table should be read in conjunction with the financial statements of the Corporation and Abacus, and the notes thereto, included elsewhere in this Listing Statement.

	Corporation immediately prior to the Transaction	**Abacus immediately prior to the Transaction[(1)]**	**Resulting Issuer after giving effect to the Transaction**
Subordinate Voting Shares	302,980	5,261,351	5,564,331
Proportionate Voting Shares	-	117,319.64	117,319.64
Share Capital	US$964,056	US$13,421,321	US$16,059,795
Subordinate Voting Shares Issuable – Convertible Debentures	-	1,048,371	1,048,371
Subordinate Voting Shares Issuable – Warrants	-	1,244,298	1,244,298

Notes:
(1) Including 4,000,000 shares issued upon conversion of the Subscription Receipts.

(2) Based on an exchange rate of US$1.00 = CAD$1.2945.

For further details about the Corporation's issued securities, see Section 10 – Description of the Securities.

9. OPTIONS TO PURCHASE SECURITIES

Abacus has previously granted to directors, officers, employees and consultants certain stock options under the Abacus Legacy Equity Incentive Plan. In connection with the Transaction, the Abacus Legacy Equity Incentive Plan was assumed by the Resulting Issuer. The Corporation amended the Abacus Legacy Equity Incentive Plan to provide that existing stock options under the Abacus Legacy Equity Incentive Plan will be exercisable for Subordinate Voting Shares following the Transaction with applicable adjustments to the exercise price thereof to reflect the Transaction, and no further stock options will be granted under the Abacus Legacy Equity Incentive Plan and the Abacus Legacy Equity Incentive Plan will be terminated when all stock options thereunder have been exercised or have expired. Prior to the completion of the Transaction, the Corporation adopted the LTIP. See Section 15 – Executive Compensation – Long Term Incentive Plan.

The following table sets forth, as of the date hereof and after giving effect to the Transaction, the aggregate number of stock options under the Abacus Legacy Equity Incentive Plan that are outstanding.

Category	Number of Options to Acquire Common Stock of Abacus (Pre-Transaction)	Exercise Price (Pre-Transaction)	Number of Options to Acquire Subordinate Voting Shares (Post Transaction)	Exercise Price to Acquire Subordinate Voting Share (Post-Transaction)	Expiration Date
All of the Corporation's executive officers and past executive officers, and all of the Corporation's directors and past directors who are not also executive officers, as a group	0	0	0	0	0
All of Abacus' executive officers and past executive officers, and all of Abacus' directors and past directors who are not also executive officers, as a group	477,886	US$3.09	477,886	US$3.09	10/15/2028
All other of the Corporation employees and past employees, as a group	0	0	0	0	0
All other of Abacus' past consultants and founders, as a group	0	0	0	0	0
All other of Abacus' employees	193,082	US$3.09	193,082	US$3.09	10/15/2028

Category	Number of Options to Acquire Common Stock of Abacus (Pre-Transaction)	Exercise Price (Pre-Transaction)	Number of Options to Acquire Subordinate Voting Shares (Post Transaction)	Exercise Price to Acquire Subordinate Voting Share (Post-Transaction)	Expiration Date
and past employees, as a group	77,337	US$3.75	77,337	US$3.75	01/09/2029
Consultants to the Corporation and its subsidiaries	131,215	US$3.09	131,215	US$3.09	10/15/2028
	8,000	US$3.75	8,000	US$3.75	01/09/2029
Any other person or company	0	0	0	0	0

10. DESCRIPTION OF THE SECURITIES

10.1 General Description of the Securities

The following describes the material terms of the Corporation's share capital and the number of Shares issued and outstanding. The following description may not be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of our notice of articles and articles (as amended, the "**Articles**").

Authorized Share Capital Upon Completion of the Transaction

The Resulting Issuer's authorized share capital consists of (i) an unlimited number of Subordinate Voting Shares, and (ii) an unlimited number of Proportionate Voting Shares.

As of the date hereof, including the shares issued under the Transaction, 5,564,331 Subordinate Voting Shares are issued and outstanding, as fully-paid and non-assessable Subordinate Voting Shares, and 117,319.64 Proportionate Voting Shares are issued and outstanding, as fully-paid and non-assessable Proportionate Voting Shares.

If the Proportionate Voting Shares were converted on the date hereof, an equivalent of 11,731,963 Subordinate Voting Shares would be issued and outstanding and no Proportionate Voting Shares would be issued and outstanding. All of the Proportionate Voting Shares are owned or controlled, directly or indirectly, by certain former Abacus shareholders.

Generally, the Subordinate Voting Shares and Proportionate Voting Shares have the same rights, are equal in all respects and are treated by the Corporation as if they were shares of one class only.

Conversion Rights

Issued and outstanding Proportionate Voting Shares, including fractions thereof, may at any time, subject to the FPI Condition, at the option of the holder, be converted into Subordinate Voting Shares at a ratio of 100 Subordinate Voting Shares per Proportionate Voting Share. Further, the Board of Directors may determine in the future that it is no longer advisable to maintain the Proportionate Voting Shares as a separate class of shares (a "**Conversion Event**") and may cause all of the issued and outstanding Proportionate Voting Shares to be converted into Subordinate Voting Shares at a ratio of 100 Subordinate Voting Shares per Proportionate Voting Share and the Board of Directors shall not be entitled to issue any more Proportionate Voting Shares under the Articles thereafter.

Conversion Conditions

The right of the Proportionate Voting Shares to convert into Subordinate Voting Shares is subject to certain conditions in order to maintain the Corporation's status as a "foreign private issuer" under U.S. securities laws. Unless otherwise waived by the Corporation, the right to convert the Proportionate Voting Shares is subject to the condition that the aggregate number of Subordinate Voting Shares and Proportionate Voting Shares (calculated as a single class) held

of record, directly or indirectly, by residents of the United States (as determined in accordance with Rules 3b-4 and 12g3-2(a) under the Exchange Act may not exceed forty percent (40%) of the aggregate number of Subordinate Voting Shares and Proportionate Voting Shares issued and outstanding after giving effect to such conversions (calculated as a single class) (the "**FPI Condition**").

No fractional Subordinate Voting Shares will be issued on any conversion of any Proportionate Voting Shares and any fractional Subordinate Voting Shares will be rounded down to the nearest whole number.

Voting Rights

All holders of Shares will be entitled to receive notice of any meeting of shareholders of the Corporation, and to attend, vote and speak at such meetings, except those meetings at which only holders of a specific class of shares are entitled to vote separately as a class under the OBCA. A quorum for the transaction of business at a meeting of shareholders is present if shareholders who, together, hold not fewer than 10% of the votes attaching to the outstanding voting shares entitled to vote at the meeting are present in person or represented by proxy.

On all matters upon which holders of Shares are entitled to vote:

- each Subordinate Voting Share is entitled to one vote per Subordinate Voting Share; and
- each Proportionate Voting Share is entitled to 100 votes per Proportionate Voting Share, and each fraction of a Proportionate Voting Share is entitled to the number of votes calculated by multiplying the fraction by 100.

The number of votes represented by fractional Proportionate Voting Shares will be rounded down to the nearest whole number. Unless a different majority is required by law or the Articles, resolutions to be approved by holders of Shares require approval by a simple majority of the total number of votes of all Shares cast at a meeting of shareholders at which a quorum is present based on the voting entitlements of each class of Shares described above.

Immediately after the completion of the Transaction, the former Abacus shareholders (including the former holders of the 4,000,000 Subscription Receipts) collectively owned an equivalent of 16,993,314 Subordinate Voting Shares (assuming the conversion of all Proportionate Voting Shares to Subordinate Voting Shares on the basis of 100 Subordinate Voting Shares for one Proportionate Voting Share) on a non-diluted basis, representing an 98.2% equity and voting interest in the Corporation (83.0% on a fully-diluted basis).

Dividend Rights

Holders of Shares are entitled to receive dividends out of the assets available for the payment or distribution of dividends at such times and in such amount and form as the Board of Directors may from time to time determine, on the following basis, and otherwise without preference or distinction among or between the Shares: each Proportionate Voting Share will be entitled to 100 times the amount paid or distributed per Subordinate Voting Share (including by way of share dividends, which holders of Proportionate Voting Shares will receive in Proportionate Voting Shares, unless otherwise determined by the Board of Directors) and each fraction of a Proportionate Voting Share will be entitled to the applicable fraction thereof. See "Conversion Rights" above.

Liquidation Rights

In the event of the liquidation, dissolution or winding-up of the Corporation or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs, whether voluntarily or involuntarily, the holders of Shares will be entitled to receive all of the Corporation's assets remaining after payment of all debts and other liabilities, on the basis that each Proportionate Voting Share will be entitled to 100 times the amount distributed per Subordinate Voting Share (and each fraction of a Proportionate Voting Share will be entitled to the amount calculated by multiplying the fraction by the amount otherwise payable in respect of a whole Proportionate Voting Share), and otherwise without preference or distinction among or between the Shares. See "Conversion Rights".

Pre-emptive and Redemption Rights

Holders of Shares will not have any pre-emptive or redemption rights.

Subdivision or Consolidation

No subdivision or consolidation of any class of Shares may be carried out unless, at the same time, the Subordinate Voting Shares and Proportionate Voting Shares, as the case may be, are subdivided or consolidated in the same manner and on the same basis, so as to preserve the relative rights of the holders of each class of Shares.

Issuance of Additional Proportionate Voting Shares

The Corporation may issue additional Proportionate Voting Shares upon the approval of the Board of Directors. Approval is not required in connection with a subdivision or consolidation on a pro rata basis as between the Subordinate Voting Shares and the Proportionate Voting Shares.

Take-Over Bid Protection

If an offer is being made for Proportionate Voting Shares (a "**PVS Offer**") where: (i) by reason of applicable securities legislation or stock exchange requirements, the offer must be made to all holders of the class of Proportionate Voting Shares; and (ii) no equivalent offer is made for the Subordinate Voting Shares, the holders of Subordinate Voting Shares have the right, pursuant to the Articles, at their option, to convert their Subordinate Voting Shares into Proportionate Voting Shares for the purpose of allowing the holders of the Subordinate Voting Shares to tender to such PVS Offer, provided that such conversion into Proportionate Voting Shares will be solely for the purpose of tendering the Proportionate Voting Shares to the PVS Offer in question and that any Proportionate Voting Shares that are tendered to the PVS Offer but that are not, for any reason, taken up and paid for by the offeror will automatically be reconverted into the Subordinate Voting Shares that existed prior to such conversion.

In the event that holders of Subordinate Voting Shares are entitled to convert their Subordinate Voting Shares into Proportionate Voting Shares in connection with a PVS Offer pursuant to (ii) above, holders of an aggregate of Subordinate Voting Shares of less than 100 (an "**Odd Lot**") will be entitled to convert all but not less than all of such Odd Lot of Subordinate Voting Shares into an applicable fraction of one Proportionate Voting Share, provided that such conversion into a fractional Proportionate Voting Share will be solely for the purpose of tendering the fractional Proportionate Voting Share to the PVS Offer in question and that any fraction of a Proportionate Voting Share that is tendered to the PVS Offer but that is not, for any reason, taken up and paid for by the offeror will automatically be reconverted into the Subordinate Voting Shares that existed prior to such conversion.

Advance Notice Provisions

The Corporation has included certain advance notice provisions with respect to the election of its directors in the Articles (the "**Advance Notice Provisions**"). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings; (ii) ensure that all shareholders receive adequate notice of Board of Director nominations and sufficient information with respect to all nominees; and (iii) allow shareholders to register an informed vote. Only persons who are nominated by shareholders in accordance with the Advance Notice Provisions will be eligible for election as directors at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors.

Under the Advance Notice Provisions, a shareholder wishing to nominate a director would be required to provide the Corporation notice, in the prescribed form, within the prescribed time periods. These time periods include, (i) in the case of an annual meeting of shareholders (including annual and special meetings), not fewer than 30 days prior to the date of the annual meeting of shareholders; provided, that if the first public announcement of the date of the annual meeting of shareholders (the "**Notice Date**") is less than 50 days before the meeting date, not later than the close of business on the 10th day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes electing directors, not later than the close of business on the 15th day following the Notice Date, provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 — *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy related materials in respect of a meeting described above, and the Notice Date in respect of the meeting is not fewer than 50 days prior to the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the applicable meeting.

10.2 Debt Securities

The Corporation is only seeking a listing of the Subordinate Voting Shares and not a listing of any other securities, including but not limited to, debt securities.

10.3 Other Securities

The Corporation is only seeking a listing of the Subordinate Voting Shares and not a listing of any other securities, including but not limited to, debt securities.

10.4 Modification of Terms

In addition to any other voting right or power to which the holders of Subordinate Voting Shares and Proportionate Voting Shares shall be entitled by law or regulation or other provisions of the Articles from time to time in effect, but subject to the provisions of the Articles, holders of Subordinate Voting Shares and Proportionate Voting Shares shall each be entitled to vote separately as a class, in addition to any other vote of shareholders that may be required, in respect of any alteration, repeal or amendment of our Articles which would adversely affect the rights or special rights of the holders of Subordinate Voting Shares or Proportionate Voting Shares, or which would affect the rights of the holders of the Subordinate Voting Shares and the holders of Proportionate Voting Shares differently, on a per share basis.

Pursuant to the Articles, holders of Shares will be treated equally and identically, on a per share basis, in certain change of control transactions that require approval of our shareholders under the OBCA, unless different treatment of the shares of each such class is approved by a majority of the votes cast by the holders of the Subordinate Voting Shares and Proportionate Voting Shares, each voting separately as a class.

10.5 Other Attributes

For a full description of the characteristics of the Subordinate Voting Shares and the Proportionate Voting Shares, reference should be made to the articles of amendment and by-laws of the Corporation which are available under the Corporation's SEDAR profile at www.sedar.com, and the relevant provisions of the OBCA. See Section 10.1 – General Description of the Securities.

10.6 Prior Sales

The Corporation

The following tables set forth the issuances of securities of the Corporation within the last 12 months prior to the date of this Listing Statement (excluding securities issued upon closing of the Transaction).

Date of Issue	Type of Security Issued	Number of Securities Issued	Price Per Share	Total Consideration
August 10, 2018	Common shares	28,200,000[1]	C$0.02[1]	C$564,000

Note:
(1) Number of securities and price is presented on a pre-Consolidation basis.

Abacus

The following tables set forth the issuances of securities of Abacus within the last 12 months prior to the date of this Listing Statement (excluding securities issued upon closing of the Transaction).

Date of Issue	Type of Security Issued	Number of Securities Issued	Price Per Share	Total Consideration
August 31, 2018	Units comprised of senior secured convertible debentures and warrants	4,000	C$1,000	C$4,000,000
October 16, 2018	Abacus Options	802,183	US$3.09 (exercise price)	-
December 21, 2018	Subscription Receipts	3,272,350	US$3.75	US$12,271,312.50
December 21, 2018	Abacus Compensation Warrants	143,127	US$3.75 (exercise price)	-
January 7, 2019	Subscription Receipts	727,650	US$3.75	US$2,728,687.50
January 10, 2019	Abacus Options	85,337	US$3.75 (exercise price)	-
January 29, 2019	Abacus Compensation Warrants	52,800	US$3.75 (exercise price)	-

For more information on the senior secured convertible debentures and warrants issued on August 31, 2018, see Section 14.2 - Convertible/Exchangeable Securities. For more information on the Subscription Receipts and the Abacus Compensation Warrants, see and Section 14.2 - Convertible/Exchangeable Securities.

10.7 Stock Exchange Price

Not applicable.

11. ESCROWED SECURITIES

The securities of the Resulting Issuer will not be subject to escrow. Each director and officer of the Resulting Issuer, as well as Aidance, have entered into lock-up agreements pursuant to which such parties have agreed, subject to customary carve-outs and exceptions, to certain restrictions on the resale of their securities of the Resulting Issuer for a period of 180 days following the closing of the Transaction.

12. PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers of each of the Corporation and Abacus, after due inquiry, subsequent to the Transaction, the following Persons beneficially own, directly or indirectly, or exercise control or direction over voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Resulting Issuer:

Name of Shareholder	Number of Proportionate Voting Shares Owned[(1)(2)]	Number of Subordinate Voting Shares Owned	Percentage of Voting Shares Owned[(3)]
Perry Antelman	18,158.80	0	10.50%

Notes:

(1) Each Proportionate Voting Share has one hundred (100) votes per share, and each Subordinate Voting Share has one (1) vote per share. Except as required by the OBCA or the articles of amendment of the Corporation, the holders of the Proportionate Voting Shares and holders of the Subordinate Voting Shares vote together as a single class on all matters at meetings of the shareholders.

(2) Includes 9,292.97 Proportionate Voting Shares beneficially owned by Perry Antelman and 8,865.83 Proportionate Voting Shares beneficially owned by his spouse, Tamara Kesselman. Mr. Antelman and Ms. Kesselman respectively hold an interest of 10.56% and 10.55% in Aidance, which beneficially owns 16,000 Proportionate Voting Shares, representing 9.25% of the voting rights of the Resulting Issuer.

(3) On a fully diluted basis, approximately 8.87%.

13. DIRECTORS AND OFFICERS

13.1 Particulars of Directors and Officers

The Articles of the Corporation provide for a minimum of three directors and a maximum of 11 directors. Shareholders of the Corporation have authorized the directors of the Corporation, by resolution, to determine the number of directors within the minimum and maximum number of directors set out in the Articles. Each director holds office until the close of the next annual general meeting of the Corporation, or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated.

The following table lists the names of the directors and officers of the Resulting Issuer and their municipalities of residence, their positions and offices held with the Resulting Issuer, their principal occupations during the past five years, the date on which they first became officers or directors of Abacus, and the number and percentage of Subordinate Voting Shares and Proportionate Voting Shares which is beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of them.

Name, Municipality of Residence and Positions Held	Principal Occupation for Past Five Years	Director or Officer of Abacus Since	Number (and Percentage) of Proportionate Voting Shares Owned or Controlled on Completion of the Transaction[(1)]	Number (and Percentage) of Subordinate Voting Shares Owned or Controlled on Completion of the Transaction	Total Percentage of Voting Rights Owned or Controlled on Completion of the Transaction
Phillip (Phil) Charles Henderson Waban, Massachusetts, USA Director	Principal of Henderson and Company since 2004.	2018	680.59 (0.6%)	200 (0.0%)	0.4%
Jesse Kaplan, CFA Toronto, Ontario, Canada Director	Investment banker at First Republic Capital Corporation since 2014. Managing Director at Seek Capital Management since 2009.	2018	0 (0.0%)	26,500 (0.5%)	0.2%
Eyal Rosenthal Tel Aviv, Israel Director	Venture partner at Finistere Ventures LLC since 2016. Managing Director at Infinity Equity Group from 2010 to 2018.	2018	0 (0.0%)	0 (0.0%)	0.0%

Perry Antelman Sharon, Massachusetts, USA Chair of the Board, Director and Chief Executive Officer	Chief Executive Officer of Abacus since 2017. Chief Executive Office of Aidance since 2004.	2017	18,158.80[(2)] (15.5%)	0 (0.0%)	10.5%[(2)]
Henry (Hank) R Hague, III Pomfret Center, Connecticut, USA Chief Financial Officer	Chief Financial Officer of Abacus since 2018. Chief Financial Officer of Foster Corporation from 2009 to 2018.	2018	0 (0.0%)	100 (0.0%)	0.0%

Notes:

(1) Each Proportionate Voting Share has one hundred (100) votes per share, and each Subordinate Voting Share has one (1) vote per share. Except as required by the OBCA or the articles of amendment of the Corporation, the holders of the Proportionate Voting Shares and holders of the Subordinate Voting Shares vote together as a single class on all matters at meetings of the shareholders.

(2) Includes 9,292.97 Proportionate Voting Shares beneficially owned by Perry Antelman and 8,865.83 Proportionate Voting Shares beneficially owned by his spouse, Tamara Kesselman. Mr. Antelman and Ms. Kesselman respectively hold an interest of 10.56% and 10.55% in Aidance, which beneficially owns 16,000 Proportionate Voting Shares, representing 9.25% of the voting rights of the Resulting Issuer.

The directors and officers of the Resulting Issuer, as a group, beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 26,800 Subordinate Voting Shares, representing approximately 0.5% of the issued and outstanding Subordinate Voting Shares, and an aggregate of 18,839.39 Proportionate Voting Shares (1,883,939 Subordinate Voting Shares on an as-converted basis), representing approximately 16.1% of the issued and outstanding Proportionate Voting Shares (10.9% of the Subordinate Voting Shares on an as-converted basis). This represents in aggregate approximately 11.0% of the total voting rights attached to the Subordinate Voting Shares and Proportionate Voting Shares.

None of the directors or officers listed above have entered into non-competition or non-disclosure agreements, or proposes to enter into such an agreement, with the Resulting Issuer.

The following biographies provide certain selected information in respect of the persons who are serving as directors and officers of the Resulting Issuer further to the completion of the Transaction:

Phillip (Phil) Charles Henderson, Director

Phillip (Phil) Charles Henderson, 78, is the founder and principal of Henderson and Company, a consulting practice founded in 2004 helping early stage and emerging companies with critical strategic and operational issues, and interim management. Mr. Henderson has held senior management positions in public and private companies. In addition to leading Henderson and Company, he has been Chief Operating Officer of Cambridge Endoscopic Devices from 2007 to 2013, President of Aquatic Treatment Systems from 1999 to 2004, Chief Executive Officer of Ecological Engineering Associates from 1990 to 2004, President and Chief Executive Officer of Memtek Corporation from 1981 to 1990, President and Chief Executive Officer of Ovutime, Inc. from 1979 to 1981, President of Burron Medical Products, Inc. from 1977 to 1979, and with Baxter International, as Director of International Marketing and General Manager South Africa from 1969 to 1976. Mr. Henderson holds an MBA from the Harvard Business School and a Bachelor of Science from the U.S. Naval Academy.

Jesse Kaplan, CFA, Director

Jesse Kaplan, 36, is an investment banker at First Republic Capital Corporation since 2014. He is also since 2009 the Managing Director of Seek Capital Management, an active investor in exciting growth company opportunities. His career has focused on advising and investing in early stage growth companies, primarily in the small cap Canadian public area. This has included extensive work helping companies through the process of going public in both Canada and the United States. Jesse was previously a senior analyst at Harborview Advisors LLC, a New York based

investment firm and Palladium Capital Advisors, LLC, a NASD member investment bank. He has sat on the boards of a number of public and private companies in Canada. Jesse holds a Bachelor of Commerce degree from the University of Toronto.

Eyal Rosenthal, Director

Eyal Rosenthal, 44, is a venture partner at Finistere Ventures LLC since 2016. Mr. Rosenthal was previously Managing Director at Infinity Equity Group, a growth fund focusing on cross border investments between Israel and China, from 2010 to 2018. Prior to that, Mr. Rosenthal advised the International Finance Corporation (the World Bank Group) on agritech investments and strategy in Israel and abroad. In addition, Mr. Rosenthal was the Chairman at Technolplast Ventures (TASE: TNPV), a publicly traded holding company, a venture partner at the European VC firm RSG Capital, and the CEO of tech company web 2 print. Before that Mr. Rosenthal was an Investment Manager in UBP in London, UK. Mr. Rosenthal holds an MSc in Investment Management from City University Business School, London, UK and BSc in Business Management from Hull University – Summa Cum Laude.

Perry Antelman, Chair of the Board, Director and Chief Executive Officer

Perry Antelman, 54, is the Chief Executive Officer of Abacus. He has over 30 years of executive business experience, funding, launching, and growing companies in the chemical and medical technology/pharmaceutical sectors. He was the founder and CEO of Tivian Industries, a chemical manufacturer of electro-plating solutions from 1988 to 1999. He was the founder and CEO of Marantech Holdings, a pharmaceutical research company specializing in broad spectrum anti-microbial materials from 1999 to 2004. Since 2004 he has been the CEO of Aidance, a pharmaceutical company specializing in unique dermatological formulations and products sold internationally and into Walgreens and CVS. He is currently the founder and CEO of Abacus. Mr. Antelman has spent over 30 years in R&D in formulating and product development and has filed more than 30 patents internationally in his extensive career. Mr. Antelman holds a Bachelor of Arts in Computer Science from Yeshiva University, New York. Mr. Antelman is expected to initially devote approximately 90% of his time to the affairs of Abacus, and 10% of his time to the affairs of Aidance.

Henry (Hank) R Hague, III, Chief Financial Officer and Secretary

Henry Hague, 46, is the Chief Financial Officer of Abacus. He has over 11 years of experience as Chief Financial Officer. Prior to joining Abacus in 2018, Mr. Hague was from 2009 to 2018 the Chief Financial Officer of Foster Corporation, a biomedical polymer compounder and distributor for the medical device industry, which operates as an ISO 13485 certified manufacturer and a cGMP CMO for drug delivery and combination devices. Mr. Hague brings to Abacus years of finance experience as well as experience working for global consumer products companies. Mr. Hague completed a BS Finance at Bentley University. Mr. Hague is a full-time employee of Abacus.

In addition to the directors and officers identified above, Abacus will also retain the services of the following key employees:

Dr. Bharat Madhavan, Ph.D., Chief Technology Officer

Dr. Madhavan, 37, is the Chief Technology Officer of Abacus. He holds several international patents and specializes in R&D and Quality Control/Assurance in the field of Pharmaceutical Science. Utilizing cutting edge techniques and technology, Dr. Madhavan designs, develops, and tests new formulations to ensure they adhere to the highest standards and provide maximum benefits. Prior to joining Abacus Health Products, he was a Lead Scientist (R&D) at Aidance from 2010 to 2018. He holds a Ph.D. from The University of Rhode Island. He will be a full-time employee of Abacus.

Each of the members of the Resulting Issuer's current management team is an independent contractor; does not provide his or her services to the Resulting Issuer as an employee or under a written contract; and has not entered into any non-competition or non-disclosure agreements with the Resulting Issuer.

13.2 Committees of the Board of Directors

Further to the completion of the Transaction, a Compensation Committee and an Audit Committee will be constituted by the Board of the Resulting Issuer.

It is anticipated that the Audit Committee will be comprised of Phillip (Phil) Charles Henderson (Chair), Jesse Kaplan and Eyal Rosenthal. Mr. Henderson is expected to be retained as a consultant of the Resulting Issuer following the completion of the Transaction, and as such is not expected to be independent within the meaning of NI 52-110. Messrs. Kaplan and Rosenthal meet the independence requirements for members of the Audit Committee pursuant to NI 52-110. Each of the three proposed members is financially literate within the meaning of NI 52-110, and has an understanding of the accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. For additional details regarding the education and experience of each member of the Audit Committee, see Section 13.1 - Particulars of Directors and Officers.

The Board will adopt a written charter setting forth the responsibilities, powers and operations of the Audit Committee consistent with NI 52-110. The principal duties and responsibilities of the Audit Committee will be to assist the Board in discharging the oversight of the nature and scope of the annual audit, management's reporting on internal accounting standards and practices, the review of financial information, accounting systems and procedures, and financial reporting and financial statements. The Board will charge the Audit Committee with the responsibility of recommending, for approval by the Board, the audited financial statements, interim financial statements and other mandatory disclosure releases containing financial information.

The Audit Committee will have access to all books, records, facilities and personnel and will be entitled to request any information about the Resulting Issuer as it may deem appropriate. It will also have the authority to retain and compensate special legal, accounting, financial and other consultants or advisors to advise the Audit Committee. The Audit Committee will review and approve all related-party transactions and prepares reports for the Board on related party transactions. The Audit Committee will also be responsible for the pre-approval of all non-audit services to be provided by the Resulting Issuer's auditors.

For additional details regarding the Compensation Committee, see Section 15 - Role and Composition of the Compensation Committee.

13.3 Cease Trade Orders or Bankruptcies

Cease Trade Orders

To the knowledge of the Corporation and Abacus, no director or executive officer of the Resulting Issuer as at the date hereof, is or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any corporation, that (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For the purposes hereof, "order" means (a) a cease trade order, (b) an order similar to a cease trade order, or (c) an order that denied the relevant corporation access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

Bankruptcies

To the knowledge of the Corporation and Abacus, except as indicated below, no director or executive officer of the Resulting Issuer, or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any corporation that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Hank Hague, the current Chief Financial Officer of Abacus and Chief Financial Officer of the Resulting Issuer, was formerly the Chief Financial Officer of Scott Brass, Inc., which he joined in September 2007. In December 2008,

Scott Brass, Inc. filed for Chapter 11 Bankruptcy in the United States. The case converted to Chapter 7 in December 2008 and to a Rhode Island State Receivership in February 2009. Mr. Hague assisted the secured lender and trustees with liquidating Scott Brass Inc. through the bankruptcy process. The business of Scott Brass Inc. was sold to House of Stainless, Inc. in March of 2009.

13.4 Penalties or Sanctions

To the knowledge of the Corporation and Abacus, no director or executive officer of the Resulting Issuer, or shareholder holding a sufficient number of securities of the Resulting Issuer to materially affect the control of the Resulting Issuer has been (i) subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

13.5 Personal Bankruptcies

No director or officer of the Resulting Issuer is, or has, within the 10 years prior to the date hereof, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

13.6 Conflicts of Interest

To the best of the Corporation's and Abacus' knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest among the Resulting Issuer, the directors and officers of the Resulting Issuer or other members of management or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Resulting Issuer and their duties as a director or officer of such other companies. A director who has a material interest in a matter before the Board or any committee on which he or she serves is required to disclose such interest as soon as the director becomes aware of it. In situations where a director has a material interest in a matter to be considered by the Board or any committee on which he or she serves, such director may be required to absent himself or herself from the meeting while discussions and voting with respect to the matter are taking place. Directors will also be required to comply with the relevant provisions of applicable corporate laws regarding conflicts of interest.

14. CAPITALIZATION

14.1 Issued Capital

The following chart is with respect to the Subordinate Voting Shares.

Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)[(1)]	%of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total outstanding (**A**)	5,564,331	20,476,483	100%	100%
Held by Related Persons or employees of the Corporation or Related Person of the Corporation, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Corporation (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Corporation upon exercise or conversion of other securities held) (**B**)	107,000	8,900,840	1.9%	43.5%
Total Public Float (**A-B**)	5,457,331	11,575,643	98.1%	56.5%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (**C**)	1,476,633	15,504,844	26.5%	75.7%
Total Tradeable Float (A-C)	4,087,698	4,971,639	73.5%	24.3%

Note:

(1) The fully diluted figure includes, in addition to the 5,564,331 outstanding Subordinate Voting Shares, the following: (i) 117,319.64 Proportionate Voting Shares which are convertible into 11,731,963 Subordinate Voting Shares, (ii) options to acquire an aggregate of 887,520 Subordinate Voting Shares, (iii) 1,048,371 Subordinate Voting Shares issuable upon conversion of the Resulting Issuer Debentures, (iv) 1,048,371 Subordinate Voting Shares issuable upon exercise of the Resulting Issuer Warrants, and (v) 195,927 Subordinate Voting Shares issuable upon conversion of the Resulting Issuer Compensation Warrants. See Section 8 – Consolidated Capitalization, Section 9 - Options to Purchase Securities and Section 14.2 - Convertible/Exchangeable Securities.

Public Securityholders (Registered)

Class of Security: Subordinate Voting Shares

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	489	1,370
100 – 499 securities	10	1,694
500 – 999 securities	1	636
1,000 – 1,999 securities	-	-
2,000 – 2,999 securities	3	7,166
3,000 – 3,999 securities	-	-
4,000 – 4,999 securities	1	4,000
5,000 or more securities	56	5,442,465
Unable to confirm	560	5,457,331

Public Securityholders (Beneficial)

Class of Security: Subordinate Voting Shares

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	489	1,370
100 – 499 securities	16	2,494
500 – 999 securities	6	3,136
1,000 – 1,999 securities	21	26,800
2,000 – 2,999 securities	38	84,666
3,000 – 3,999 securities	18	54,000
4,000 – 4,999 securities	14	56,300
5,000 or more securities	72	5,228,565
	674	5,457,331

Non-Public Securityholders (Registered)

Class of Security: Subordinate Voting Shares

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	-	-
100 – 499 securities	3	300
500 – 999 securities	-	-
1,000 – 1,999 securities	-	-
2,000 – 2,999 securities	-	-
3,000 – 3,999 securities	-	-
4,000 – 4,999 securities	-	-
5,000 or more securities	3	106,700
	6	107,000

14.2 Convertible/Exchangeable Securities

The following table sets forth, as of the date hereof, the aggregate number of convertible or exchangeable securities that are outstanding.

Description of Security[(1)]	Number of convertible/exchangeable securities	Number of listed securities (Subordinate Voting Shares) issuable upon conversion/exchange
Resulting Issuer Debentures	4,000	1,048,371[(2)]
Resulting Issuer Warrants	1,048,371	1,048,371
Resulting Issuer Compensation Warrants	195,927	195,927
Stock Options[(3)]	887,520	887,520
Proportionate Voting Shares	117,319.64	11,731,963

Notes:
(1) Pursuant to the Merger Agreement and the transactions contemplated therein, (a) each Abacus Warrant outstanding became a Resulting Issuer Warrant, (b) each Abacus Compensation Warrant outstanding became a Resulting Issuer Compensation Warrant, and (c) each Abacus Debenture outstanding became a Resulting Issuer Debenture.
(2) Assuming there is no Downward Adjustment, and assuming there is a full exercise of the Conversion Privilege.
(3) Stock options issued under the Abacus Legacy Equity Incentive Plan. See Section 9 - Options to Purchase Securities. Additional equity-based awards may also be issued under the LTIP. See Section 15 - Executive Compensation – Equity-Based Compensation – Long Term Incentive Plan.

On August 31, 2018, Abacus issued units consisting of (i) C$1,000 principal amount of 10.0% senior secured convertible debenture of Abacus (each an "**Abacus Debenture**"); and (ii) warrants of Abacus exercisable to purchase

that number of Abacus Non-Voting Shares as is equal to C$1,000 divided by the Conversion Price (as defined below) (each an "**Abacus Warrant**"). Pursuant to the Merger Agreement and the transactions contemplated therein, (a) each Abacus Warrant outstanding became a warrant of the Resulting Issuer (a "**Resulting Issuer Warrant**"), the holder thereof becoming entitled to receive Subordinate Voting Shares upon payment of the exercise price of the Abacus Warrant, and (b) each Abacus Debenture outstanding became a Resulting Issuer debenture (a "**Resulting Issuer Debenture**"). The Abacus Debentures were and the Resulting Issuer Debentures are secured by substantially all of the assets of Abacus and the Resulting Issuer pursuant to security agreements entered into with the holders of the debentures.

The principal amount of each Resulting Issuer Debenture is convertible (the "**Conversion Privilege**"), for no additional consideration, into Subordinate Voting Shares at the option of the holders at any time prior to the close of business on August 31, 2020, at a conversion price of C$3.82 (the "**Conversion Price**"), representing 0.75 multiplied by the offering price of the Subscription Receipts under the Abacus Private Placement of US$3.75 (the "**Financing Price**"), being US$2.8125, converted to Canadian dollars. Each Resulting Issuer Warrant entitles the holder to acquire one Subordinate Voting Share for an exercise price equal to the Financing Price at any time up to two (2) years following the completion of the Transaction.

If at any time the Resulting Issuer Debenture is outstanding the Resulting Issuer issues securities at a price deemed lower than the Conversion Price (exclusive of options or other forms of equity issued under an equity incentive plan), then the Conversion Price will be automatically adjusted by a standard, weighted-average formula anti-dilution adjustment (a "**Downward Share Issuance Adjustment**").

If at any time the Resulting Issuer Debenture is outstanding the Resulting Issuer issues warrants with an exercise price lower than the exercise price of the Resulting Issuer Warrants, and the number of Subordinate Voting Shares issuable upon the exercise of the new warrants represents 10% or more of the Subordinate Voting Shares (including Subordinate Voting Shares issuable upon conversion of Proportionate Voting Shares) outstanding immediately prior to the issuance of the new warrants, then the exercise price of the Resulting Issuer Warrants will be adjusted so that it equals the price determined by a 20% premium to the exercise price of the newly issued warrants (a "**Downward Warrant Issuance Adjustment**").

If the Resulting Issuer, during the 24 month period following completion of the Transaction (a "**Downward Acquisition Issuance Adjustment**"), (a) acquires an unaffiliated entity in a transaction in which new Subordinate Voting Shares (meaning either Subordinate Voting Shares themselves, or any other form of equity convertible into or exercisable for Subordinate Voting Shares (exclusive of options or other forms of equity issued under an equity incentive plan)) in a minimum aggregate amount of C$5,000,000 are issued by the Resulting Issuer to the acquired company, and (b) either the primary assets of the acquired company are cash or publicly traded shares with a readily determinable market value, or the Resulting Issuer has the report of an independent third party valuation firm showing the value of the acquired company, then the holders of a majority of the Resulting Issuer Debentures then outstanding, may elect to adjust the conversion price so that it equals the deemed price per security issued by the Resulting Issuer. If the Resulting Issuer has not obtained such a valuation, then the Resulting Issuer Debenture holders may obtain it from a mutually acceptable valuation firm, at the majority holders' sole expense.

14.3 Other Listed Securities

As of the date hereof, there are no other securities reserved for issuance that are not included in Section 14.2.

15. EXECUTIVE COMPENSATION

The statement of executive compensation contained in this section relates only to the proposed executive compensation of the Resulting Issuer, further to the completion of the Transaction. For the prior executive compensation of the Corporation, refer to the "Statement of Executive Compensation" in the management information circular of the Corporation dated November 4, 2018, available under the Corporation's profile on SEDAR at www.sedar.com.

Introduction

Securities legislation requires the disclosure of compensation received by each "**Named Executive Officer**" (or "**NEOs**") of the Resulting Issuer, further to the completion of the Transaction. "Named Executive Officer" is defined by the legislation to mean (i) each of the Chief Executive Officer and the Chief Financial Officer of the issuer, (ii) each of the issuer's three most highly compensated executive officers, other than the Chief Executive Officer and the Chief Financial Officer, who were serving as executive officers at the end of the most recently completed financial year and whose total compensation exceeds C$150,000, and (iii) any additional individual for whom disclosure would have been provided under (ii) but for the fact that the individual was not serving as an executive officer of the issuer at the end of the most recently completed financial year end of the Issuer.

This statement of executive compensation relates to the anticipated compensation for each of the Resulting Issuer's NEOs following the closing of the Transaction.

Role and Composition of the Compensation Committee

The Resulting Issuer's executive compensation program will be administered by the compensation committee of the Board (the "**Compensation Committee**"). The Compensation Committee's mandate will include reviewing and making recommendations to the Board in respect of the compensation matters relating to the Resulting Issuer's executive officers, employees and directors, including the NEOs. The Compensation Committee is expected to be composed of Phillip (Phil) Charles Henderson, Jesse Kaplan and Eyal Rosenthal. Mr. Henderson is expected to be retained as a consultant of the Resulting Issuer, and as such may not be independent within the meaning of applicable Canadian Securities Laws. Messrs. Kaplan and Rosenthal are independent within the meaning of applicable Canadian Securities Laws.

The responsibilities of the Compensation Committee in respect of compensation matters will include reviewing and recommending to the Board the compensation policies and guidelines for supervisory management and personnel, corporate benefits, bonuses and other incentives, reviewing and approving corporate goals and objectives relevant to CEO compensation; non-CEO officer and director compensation; the review of executive compensation disclosure; succession plans for officers and for key employees; and material changes and trends in human resources policy, procedure, compensation and benefits.

The Compensation Committee will have unrestricted access to the Resulting Issuer's personnel and documents and is provided with the resources necessary, including, as required, the engagement and compensation of outside advisors, to carry out its responsibilities.

Compensation Principles and Objectives

The Resulting Issuer's compensation program will support its commitment to delivering strong performance for its shareholders. The compensation policies will be designed to attract, recruit and retain quality and experienced people. In addition, the compensation program will be intended to create an alignment of interests between the Resulting Issuer's executive officers and other employees with the long-term interests of the Resulting Issuer's shareholders, and enhance share value. In this way, a significant portion of each executive's compensation will be linked to maximizing shareholder value.

At the same time, the Compensation Committee will operate under the recognition that the executive compensation program must be sufficiently flexible in order to adapt to unexpected developments in the CBD and cannabis industry and the impact of internal and market related occurrences from time to time and as such, the Compensation Committee will be given the discretion to award compensation absent attainment of specific performance goals and to increase or reduce the size of any such payouts in alignment with the overall pay-for-performance philosophy.

The compensation program will support the Resulting Issuer's long-term growth strategy and be designed to accomplish the following objectives:

- align executive compensation with corporate performance and appropriate peer group comparisons;
- produce long-term, positive results for the Resulting Issuer's shareholders;
- provide market competitive compensation and benefits to attract and retain highly qualified management; and

- provide incentives that encourage superior corporate performance to support the Resulting Issuer's overall business strategy and objectives.

The Compensation Committee will adopt a compensation program that is expected to cover the following key short-term elements: (i) a base fixed amount of salary and benefits, and (ii) a performance-based cash bonus; and the following key long-term element: (iii) awards granted under the LTIP.

The Resulting Issuer may review the public disclosure available for other comparable similar market capitalization companies to assist in determining the competitiveness of base salary, bonuses, benefits and stock options paid to each of the executive officers of the Resulting Issuer.

While the Compensation Committee is not intended to formally consider the implications of the risks associated with the Resulting Issuer's compensation policies and practices, the Compensation Committee will take into consideration the various components of the Resulting Issuer's compensation program when assessing whether the program supports the Resulting Issuer's principles and objectives and reviews the Resulting Issuer's compensation policies on a regular basis.

All of the Resulting Issuer's executives, other employees and directors will be subject to the Resulting Issuer's Insider Trading and Reporting Policy, which will prohibit trading in the Resulting Issuer's securities while in possession of material undisclosed information about the Resulting Issuer. Under this policy, such individuals will also be prohibited from entering into hedging transactions involving securities of the Resulting Issuer, such as short sales, puts and calls. Furthermore, we will permit executives, including the NEOs, to trade in the Resulting Issuer's securities, only during prescribed trading windows. Notwithstanding these prohibitions, the Resulting Issuer's directors, officers and employees will be able to sell a security which such person does not own if such person owns another security convertible into the security sold or an option or right to acquire the security sold and, within 10 days after the sale, such person: (i) exercises the conversion privilege, option or right and delivers the security so associated to the purchaser; or (ii) transfers the convertible security, option or right, if transferable, to the purchaser.

Base Salary

The objective of base salary compensation will be to reward and retain NEOs. The program will be designed to reward NEOs for maximizing shareholder value in a volatile commodity-based business in a regulatory compliant and ethical manner. In setting base compensation levels, consideration will be given to such factors as level of responsibility, experience, expertise and the amount of time devoted to the affairs of the Resulting Issuer. Subjective factors such as leadership, commitment and attitude will also be considered. The goal of the Resulting Issuer will be to pay base salary compensation to retain the NEOs in the range of industry peers, while maintaining the overall goal that total compensation should be weighted toward variable and long-term performance-based components as well.

Equity-Based Compensation

The Resulting Issuer's equity-based compensation will be an important component of its balanced total compensation program. Equity-based compensation is intended to create an ownership culture among executives that will provide an incentive to contribute to the continued growth and development of the Resulting Issuer's business and aligns the interests of its executive officers with those of its shareholders.

The LTIP will permit the granting of options to purchase shares or of other equity-based awards to NEOs. The objective of granting equity-based awards to the NEOs will be to incent the maximization of shareholder value on a long-term basis as stock options closely link the interests of the Participants (as defined in the LTIP) to those of the Resulting Issuer.

Abacus Legacy Equity Incentive Plan

Abacus has previously granted to directors, officers, employees and consultants certain stock options under the Abacus Legacy Equity Incentive Plan. In connection with the Transaction, the Abacus Legacy Equity Incentive Plan, and all outstanding stock options thereunder, were assumed by the Resulting Issuer. The Resulting Issuer amended the Abacus Legacy Equity Incentive Plan to provide for the existing stock options outstanding under the Abacus Legacy Equity Incentive Plan to be exercisable in accordance with the terms of the existing Abacus Legacy Equity Incentive Plan for

Subordinate Voting Shares following the Transaction with applicable adjustments to the exercise price thereof to reflect the Transaction. Further to the completion of the Transaction, no further stock options will be granted under the Abacus Legacy Equity Incentive Plan, and the Abacus Legacy Equity Incentive Plan will be terminated when all stock options thereunder have been exercised or have expired.

Abacus granted an aggregate of stock options exercisable for 453,587 Subordinate Voting Shares under the Abacus Legacy Equity Incentive Plan to its officers and directors during the financial year ended December 31, 2018. The allocation of the number of these option-based awards granted among the directors and officers of Abacus was determined by the board of directors of Abacus.

Immediately prior to the completion of the Transaction options to acquire common stock of Abacus were issued and outstanding under the Abacus Legacy Equity Incentive Plan exercisable for 887,520 Subordinate Voting Shares (representing 15.6% of the issued and outstanding common stock of Abacus, or 10.0% of the common stock of Abacus on a fully-diluted basis, and representing 5.1% of the issued and outstanding Subordinate Voting Shares assuming completion of the Transaction, on a non-diluted basis and assuming conversion of the Proportionate Voting Shares) and were granted to directors, officer, employees and consultants of Abacus.

Long Term Incentive Plan

Prior to completion of the Transaction, the Resulting Issuer approved and adopted the Long-Term Incentive Plan (the "**LTIP**"), pursuant to which the Resulting Issuer will be able to issue equity-based compensation in the form of stock options, stock appreciation rights, unrestricted shares or restricted shares, deferred share units, restricted stock units, performance shares, performance units, and other stock-based awards to eligible participants. The purpose of the LTIP is to enable the Resulting Issuer and certain of its affiliates to obtain and retain services of these individuals, which is essential to the Resulting Issuer's long-term success.

The granting of awards under the LTIP ("**Grants**") is intended to promote the long-term financial interests and growth of the Resulting Issuer and its subsidiaries by attracting and retaining management and other personnel and key service providers with the training, experience and ability to enable them to make a substantial contribution to the success of the Resulting Issuer's business. Moreover, the LTIP aims to align the interests of eligible participants with those of the shareholders of the Resulting Issuer through opportunities of increased equity-based ownership in the Resulting Issuer.

The maximization of shareholder value is encouraged by the granting of incentives under the LTIP. The objective of the LTIP is to reward and retain NEOs. The program is designed to reward NEOs for maximizing shareholder value in a volatile commodity-based business in a regulatory compliant and ethical manner. Increasing the value of Subordinate Voting Shares increases the value of the stock options. This incentive closely links the interests of the officers and directors to shareholders of the Resulting Issuer and encourages a long-term commitment to the Resulting Issuer.

Eligible participants under the plan include directors, officers (including the NEOs), employees and consultants of the Resulting Issuer and its subsidiaries. The LTIP will be administered by the Board of Directors or a committee thereof appointed by the Board of Directors. The following discussion is qualified in its entirety by the text of the LTIP.

The terms and conditions attaching to the Grants will be determined by the Board of Directors (or a committee thereof), in its sole discretion, and will be set forth in grant agreements. The Board of Directors will have the power and discretionary authority to determine the terms and conditions of the Grants, including the individuals who will receive the Grants, the type and number of awards subject to each Grant, the terms of settling the granted awards, the form of consideration payable on settlement of awards and the timing of the Grants. Participants will be required to pay any withholding tax obligations to the Resulting Issuer or its Affiliate.

The exercise price of any Options shall be determined by the Board of Directors, subject to CSE approval (if required), at the time such Options are granted. In no event shall such exercise price be lower than the greater of the closing market prices of the underlying securities on: (a) the trading day prior to the date of grant of the Options, and (b) the date of grant of the Options. Subject to any vesting restrictions imposed by the CSE, the Board of Directors may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, or that no vesting restriction shall exist. The terms of an Option may not be amended once issued. If an Option is cancelled prior to its

expiry date, the Resulting Issuer must post notice of the cancellation and shall not grant new Options to the same person until 30 days have elapsed from the date of cancellation.

Subject to adjustment provisions as provided in the LTIP, the maximum number of Subordinate Voting Shares issuable pursuant to Grants under the LTIP shall be equal to 1,729,625 Subordinate Voting Shares (after giving effect to the Transaction) less any Subordinate Voting Shares that are issuable pursuant to the Abacus Legacy Equity Incentive Plan, as may be adjusted from time to time. At the discretion of the Board, Grants may be awarded using the applicable Proportionate Voting Share equivalent on the basis of one Proportionate Voting Share for every 100 Subordinate Voting Shares which are the subject of the applicable Grant.

As of the date hereof, the Resulting Issuer has Options outstanding under the LTIP and the Abacus Legacy Equity Incentive Plan to acquire an aggregate of 887,520 Subordinate Voting Shares (representing 5.1% of the issued and outstanding Subordinate Voting Shares assuming the conversion of the Proportionate Voting Shares). An aggregate of 842,105 Subordinate Voting Shares (representing 4.9% of the issued and outstanding Subordinate Voting Shares assuming the conversion of the Proportionate Voting Shares) remain available for Grants pursuant to the LTIP.

Summary Compensation Table

The following table is a summary of the anticipated compensation for each of the Resulting Issuer's NEOs for the 12-month period following the closing of the Transaction, namely the Resulting Issuer's Chief Executive Officer and its Chief Financial Officer, and the Resulting Issuer's Directors.

Table of Compensation Excluding Compensation Securities

Name and Principal Position	Year Following Transaction	Salary, Consulting Fee, Retainer or Commission (US$)	Bonus (US$)	Committee or meeting fees (US$)	Value of Perquisites (US$)	Value of All Other Compensation (US$)	Total Compensation (US$)
Perry Antelman, Director and CEO	12 months following Transaction	US$280,000	US$100,000	Nil	Nil	Nil	US$380,000
Henry Hague, CFO	12 months following Transaction	US$200,000	US$50,000	Nil	Nil	Nil	US$250,000
Phillip (Phil) Charles Henderson, Director	12 months following Transaction	US$30,000	Nil	Nil	Nil	US$130,000[1]	US$160,000
Jesse Kaplan, Director	12 months following Transaction	US$30,000	Nil	Nil	Nil	Nil	US$30,000
Eyal Rosenthal, Director	12 months following Transaction	US$30,000	Nil	Nil	Nil	Nil	US$30,000

Note:
(1) Phil Henderson is expected to be retained as a consultant of the Resulting Issuer after the completion of the Transaction.

Incentive Stock Option Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth details of awards of the Resulting Issuer that are outstanding as of the date hereof for each NEO or Director of the Resulting Issuer.

Option-Based Awards

Name and Title	Number of Proportionate Voting Shares and Subordinate Voting Shares Underlying Unexercised Option Based Awards (#)	Exercise Price (US$)	Expiration Date	Value of Unexercised In-the-Money Option-Based Awards[(1)] (US$)
Perry Antelman, Director and CEO	194,395	US$3.09	10/15/2028	US$128,301
Henry Hague, CFO	64,798	US$3.09	10/15/2028	US$42,767
Phillip (Phil) Charles Henderson, Director	129,596	US$3.09	10/15/2028	US$85,533
Jesse Kaplan, Director	32,399	US$3.09	10/15/2028	US$21,383
Eyal Rosenthal, Director	32,399	US$3.09	10/15/2028	US$21,383

Note:
(1) Based on the offering price of the Subscription Receipts under the Abacus Private Placement of US$3.75.

Employment Agreements, Termination and Change of Control Benefits

Abacus has entered into an executive employment agreement with its Chief Financial Officer, Hank Hague, which provides for his annual base salary, bonus and benefits. Under his employment agreement, Mr. Hague is not entitled to any additional entitlements on a termination without cause or upon a change of control. Abacus and the Corporation have not entered into an employment agreement with Abacus' Chief Executive Officer, Perry Antelman. The Resulting Issuer is expected to enter into an employment agreement with Perry Antelman further to the closing of the Transaction.

Director Compensation

The Resulting Issuer has four directors further to the closing of the Transaction, namely Perry Antelman, Phil Henderson, Jesse Kaplan and Eyal Rosenthal. Perry Antelman is also the Chief Executive Officer of the Resulting Issuer.

Employees of the Resulting Issuer who also act as directors of the Resulting Issuer are not anticipated to receive any additional compensation for services rendered in such capacity; however, all directors will be reimbursed for any out-of-pocket expenses incurred in connection with attending Board or committee meetings.

The main objectives of the Resulting Issuer's directors' compensation program are to:

- compensate the directors in a manner that is commensurate with the risks and responsibilities assumed in respect of Board and committee membership, and competitive with other comparable companies; and
- align the interests of the directors with the Resulting Issuer's shareholders.

The chart below outlines the Resulting Issuer's anticipated director compensation program for its non-employee directors (the "**Non-Executive Directors**").

Type of Annual Fee		Annual Amount
Board Retainer	Board Member	US$30,000
Equity Based Awards	Board Member	US$50,000

Annual option grants, if any, are expected to be determined using the Black-Scholes value of the subject options or the trading price of the Subordinate Voting Shares for full value equity-based awards, and vest as to 25% each quarter.

Incentive Stock Option Plan Awards

Directors' Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth details of awards that the Resulting Issuer expects to issue after the completion of the Transaction for each Non-Executive Director of the Resulting Issuer.

Name	Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Value of Unexercised in-the-money Options (C$)	Number of Shares That Have Not Vested	Market or Payout Value of Share-Based Awards that have no vested	Market or Payout Value of vested Share-Based Awards not paid out or distributed (C$)
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

16.1 Aggregate Indebtedness

None of the Reporting Issuer's directors, executive officers, employees, former directors, former executive officers or former employees or any of its subsidiaries, and none of their respective associates, are indebted to the Resulting Issuer or any of its subsidiaries or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar agreement or understanding provided to the Resulting Issuer or any of its subsidiaries.

16.2 Indebtedness under Securities Purchase and Other Programs

Not applicable.

17. RISK FACTORS

References to the Resulting Issuer are presented on the basis of the risks applicable to the Corporation and Abacus as a whole after completion of the Transaction unless otherwise stated.

In addition to all other information set out in this Listing Statement, the following information describes certain significant risks and uncertainties inherent in the Resulting Issuer's business and the Transaction. Prospective investors should take these risks into account in evaluating the Resulting Issuer and in deciding whether to purchase Subordinate Voting Shares or other securities of the Resulting Issuer. Other risks and uncertainties that the Resulting Issuer does not presently consider to be material, or of which the Resulting Issuer is not presently aware, may become important factors that affect the Resulting Issuer's financial condition and results of operations. The occurrence of any of these risks discussed below could materially adversely affect the Resulting Issuer's business, prospects, financial condition, results of operations or cash flow.

An investment in the Subordinate Voting Shares or other securities of the Resulting Issuer is highly speculative and involves a high degree of risk. Before making any investment decision, prospective investors should carefully consider all the information contained in this document including, in particular, the risk factors described below.

17.1 Risks Related to the Regulatory Environment

Changes to State Laws Pertaining to Industrial Hemp

As of the date hereof, forty-one states have authorized Industrial Hemp programs pursuant to the 2014 Farm Bill. Continued development of the Industrial Hemp industry will be dependent upon new legislative authorization of

Industrial Hemp at the state level, and further amendment or supplementation of legislation at the federal level. Any number of events or occurrences could slow or halt progress all together in this space. While progress within the Industrial Hemp industry is currently encouraging, growth is not assured. While there appears to be ample public support for favorable legislative action at the state and federal levels, numerous factors may impact or negatively affect the legislative process(es) within the various states the Resulting Issuer has business interests in. Any one of these factors could slow or halt use of Industrial Hemp or CBD, which would negatively impact the Resulting Issuer's business or growth, including possibly causing the Resulting Issuer to discontinue operations as a whole. Finally, while the Resulting Issuer operates using hemp grown under licenses in Oregon, Kentucky, and Colorado, procured under the 2014 Farm Bill pilot program regime, those programs expire within a year, and there is a risk that the USDA does not approve permanent plans that are submitted by those state departments of agriculture.

Risks Associated with Numerous Laws and Regulations

The production, labeling and distribution of the products that the Resulting Issuer distributes are regulated by various federal, state and local agencies. These governmental authorities may commence regulatory or legal proceedings, which could restrict the permissible scope of the Resulting Issuer's product claims or the ability to sell its products in the future. The FDA regulates the Resulting Issuer's products to ensure that the products are not adulterated or misbranded.

Despite Abacus' opinion that the DEA is permanently removed from the regulation of hemp by the 2018 Farm Bill, the Resulting Issuer may still be subject to regulation by the DEA and other agencies as a result of the manufacture and sale of its CBD products. The shifting compliance environment and the need to build and maintain robust systems to comply with different regulations in multiple jurisdictions increases the possibility that the Resulting Issuer may violate one or more of the requirements. If the Resulting Issuer's operations are found to be in violation of any of such laws or any other governmental regulations, or perceived to be in violation, the Resulting Issuer may be subject to penalties or other negative effects, including, without limitation, civil and criminal penalties, damages, fines, the curtailment or restructuring of the Resulting Issuer's operations or asset seizures and the denial of regulatory applications (including those regulatory regimes outside of the scope of DEA and FDA jurisdiction, but which may rely on the positions of the DEA and FDA in the application of their respective regimes), any of which could adversely affect the Resulting Issuer's business and financial results.

Failure to comply with FDA requirements may result in, among other things, injunctions, product withdrawals, recalls, product seizures, fines and criminal prosecutions. The Resulting Issuer's advertising is subject to regulation by the Federal Trade Commission ("**FTC**") under the *Federal Trade Commission Act*. In recent years, the FTC has initiated numerous investigations of dietary and nutritional supplement products and companies based on allegedly deceptive or misleading claims. At any point, enforcement strategies of a given agency can change as a result of other litigation in the space or changes in political landscapes, and could result in increased enforcement efforts, which could materially impact the Resulting Issuer's business. Additionally, some states also permit advertising and labeling laws to be enforced by state attorney generals, who may seek relief for consumers, class action certifications, class wide damages and product recalls of products sold by the Resulting Issuer. Private litigations may also seek relief for consumers, class action certifications, class wide damages and product recalls of products sold by the Resulting Issuer. Any actions against the Resulting Issuer by governmental authorities or private litigants could have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations.

Incorrect Interpretation of the 2018 Farm Bill

The Resulting Issuer's position is that its activities fall within the relief from federal interference provided by the 2018 Farm Bill. A successful challenge to such position by the DEA, the FDA or other state or federal authority could have a material adverse effect on the Resulting Issuer, including civil and criminal penalties, damages, fines, the curtailment or restructuring of the Resulting Issuer's operations or asset seizures and the denial of regulatory applications.

International Regulatory Risks

The Resulting Issuer intends to expand internationally. As a result, it will become further subject to the laws and regulations of (as well as international treaties among) the foreign jurisdictions in which it operates or imports or exports products or materials. In addition, the Resulting Issuer may avail itself of proposed legislative changes in certain jurisdictions to expand its product portfolio, which expansion may include business and regulatory compliance

risks as yet undetermined. Failure by the Resulting Issuer to comply with the current or evolving regulatory framework in any jurisdiction could have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations. If the Resulting Issuer's sales or operations were found to be in violation of such international regulations the Resulting Issuer may be subject to enforcement actions in such jurisdictions including, but not limited to civil and criminal penalties, damages, fines, the curtailment or restructuring of the Resulting Issuer's operations or asset seizures and the denial of regulatory applications.

Uncertainty Caused by Potential Changes to Regulatory Framework

There is substantial uncertainty and different interpretations among federal, state and local regulatory agencies, legislators, academics and businesses as to the importation of derivatives from exempted portions of the Cannabis plant and the scope of 2018 Farm Bill-compliant hemp programs relative to the CSA, the 2018 Farm Bill and the emerging regulation of cannabinoids. These different opinions include, but are not limited to, the regulation of cannabinoids by the DEA and or the FDA and the extent to which manufacturers of products containing imported raw materials and/or 2014 Farm Bill-compliant cultivators and processors may engage in interstate commerce. The uncertainties cannot be resolved without further federal, and perhaps even state-level, legislation, regulation or a definitive judicial interpretation of existing legislation and rules. If these uncertainties continue, they may have an adverse effect upon the introduction of the Resulting Issuer's products in different markets.

Regulatory Approval and Permits

The Resulting Issuer may be required to obtain and maintain certain permits, licenses and approvals in the jurisdictions where its products are licensed. There can be no assurance that the Resulting Issuer will be able to obtain or maintain any necessary licenses, permits or approvals. Moreover, the Resulting Issuer and/or third-party suppliers of CBD hemp oil products could be required to obtain a CSA permit, which would likely not be a feasible option for retail products. Any material delay or inability to receive these items is likely to delay and/or inhibit the Resulting Issuer's ability to conduct its business, and would have an adverse effect on its business, financial condition and results of operations.

DEA Jurisdiction Over Hemp Extracts or CBD

DEA representatives have taken the position that CBD is subject to the CSA and classified as a controlled substance thereunder. While the Resulting Issuer cannot be certain of the basis of such position, given that compliance with the 2018 Farm Bill exempts hemp from the purview of the CSA, the DEA may determine that the 2018 Farm Bill does not apply as broadly as the Resulting Issuer believes. If the DEA takes action against the Resulting Issuer or the CBD industry, this could have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations including the cessation of operations entirely.

Environmental, Health and Safety Laws

The Resulting Issuer is subject to environmental, health and safety laws and regulations in each jurisdiction in which the Resulting Issuer operates. Such regulations govern, among other things, emissions of pollutants into the air, wastewater discharges, waste disposal, the investigation and remediation of soil and groundwater contamination, and the health and safety of the Resulting Issuer's employees. For example, the Resulting Issuer's products and the raw materials used in its production processes are subject to numerous environmental laws and regulations. The Resulting Issuer may be required to obtain environmental permits from governmental authorities for certain of its current or proposed operations. The Resulting Issuer may not have been, nor may it be able to be at all times, in full compliance with such laws, regulations and permits. If the Resulting Issuer violates or fails to comply with these laws, regulations or permits, the Resulting Issuer could be fined or otherwise sanctioned by regulators.

As with other companies engaged in similar activities or that own or operate real property, the Resulting Issuer faces inherent risks of environmental liability at its current and historical production sites. Certain environmental laws impose strict and, in certain circumstances, joint and several liability on current or previous owners or operators of real property for the cost of the investigation, removal or remediation of hazardous substances as well as liability for related damages to natural resources. In addition, the Resulting Issuer may discover new facts or conditions that may change its expectations or be faced with changes in environmental laws or their enforcement that would increase its liabilities. Furthermore, its costs of complying with current and future environmental and health and safety laws, or

the Resulting Issuer's liabilities arising from past or future releases of, or exposure to, regulated materials, may have a material adverse effect on its business, financial condition and results of operations.

Anti-money Laundering Laws and Regulations

The Resulting Issuer is subject to a variety of laws and regulations domestically and in the United States that involve money laundering, financial recordkeeping and proceeds of crime, including the U.S. *Currency and Foreign Transactions Reporting Act of 1970* (commonly known as the Bank Secrecy Act), as amended by Title III of the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001* (USA PATRIOT Act), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the *Criminal Code* (Canada), as amended and the rules and regulations thereunder, and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States and Canada.

In February 2014, the Financial Crimes Enforcement Network ("**FCEN**") of the U.S. Department of the Treasury issued a memorandum providing instructions to banks seeking to provide services to marijuana related businesses (the "**FCEN Memo**"). The FCEN Memo states that in some circumstances, it may not be appropriate to prosecute banks that provide services to marijuana-related businesses for violations of federal money laundering laws. It refers to supplementary guidance that Deputy Attorney General Cole issued to federal prosecutors relating to the prosecution of money laundering offenses predicated on Cannabis-related violations of the CSA. It is unclear at this time whether the current administration will follow the guidelines of the FCEN Memo. Under U.S. federal law, banks or other financial institutions that provide a Cannabis-related business with a checking account, debit or credit card, small business loan, or any other service could be found guilty of money laundering, aiding and abetting, or conspiracy.

If any of the Resulting Issuer's investments, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such investments in the United States or Canada were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize the ability of the Resulting Issuer to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada. Furthermore, while the Resulting Issuer has no current intention to declare or pay dividends on its Subordinate Voting Shares in the foreseeable future, the Resulting Issuer may decide or be required to suspend declaring or paying dividends without advance notice and for an indefinite period of time.

Banking

Since the production and possession of Cannabis is currently illegal under U.S. federal law and the Resulting Issuer relies on exemptions promulgated pursuant to the 2014 Farm Bill, it is possible that banks may refuse to open bank accounts for the deposit of funds from businesses involved with the Cannabis industry. The inability to open bank accounts with certain institutions could materially and adversely affect the business of the Resulting Issuer.

Denial of Deductibility of Certain Expenses

The Resulting Issuer may incur significant tax liabilities if the IRS continues to determine that certain expenses of businesses working with the cannabis plant are not permitted tax deductions under Section 280E of the Code.

Section 280E of the Code prohibits businesses from deducting certain expenses associated with trafficking controlled substances (within the meaning of Schedule I and II of the CSA). The IRS has invoked Section 280E in tax audits against various cannabis businesses in the U.S. that are permitted under applicable state laws. Although the IRS issued a clarification allowing the deduction of certain expenses, the scope of such items is interpreted very narrowly, and the bulk of operating costs and general administrative costs are not permitted to be deducted. While there are currently several pending cases before various administrative and federal courts challenging these restrictions, there is no guarantee that these courts will issue an interpretation of Section 280E favorable to cannabis businesses.

Liability for Actions of Employees, Contractors and Consultants

The Resulting Issuer could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses to claims against the Resulting Issuer.

The Resulting Issuer is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Resulting Issuer that violates: (i) government regulations; (ii) manufacturing standards; (iii) U.S. federal fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It is not always possible for the Resulting Issuer to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Resulting Issuer to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Resulting Issuer from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Resulting Issuer, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on its business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, the curtailment of the Resulting Issuer's operations or asset seizures, any of which could have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations.

17.2 Risks Related to the Resulting Issuer's Business and Industry

Reliance on Third Party Suppliers, Service Providers and Distributors

The Resulting Issuer intends to maintain a full supply chain for the material portions of the production and distribution process of its products. The Resulting Issuer's suppliers, service providers and distributors may elect, at any time, to breach or otherwise cease to participate in supply, service or distribution agreements, or other relationships, on which the Resulting Issuer's operations rely. Loss of its suppliers, service providers or distributors would have a material adverse effect on the Resulting Issuer's business and operational results.

The Resulting Issuer will initially rely on a single manufacturer, Aidance, to manufacture its products in an FDA-approved manufacturing facility operating in accordance with cGMP located in the United States. Accordingly, the Resulting Issuer will be highly dependent on the uninterrupted and efficient operation of Aidance's manufacturing facility. Aidance may not continue to maintain its FDA certification or continue or be willing or able to produce the Resulting Issuer's products at reasonable prices or at all. If for any reason Aidance discontinues production of the Resulting Issuer's products, it would likely result in significant delays in production of the Resulting Issuer's products and interruption of the Resulting Issuer's sales as it seeks to establish a relationship and commence production with another manufacturer. The Resulting Issuer may be unable to make satisfactory production arrangements with another manufacturer on a timely basis or at all. If operations at Aidance's manufacturing plant were to be disrupted as a result of equipment failures, natural disasters, fires, accidents, work stoppages, power outages or other reasons, the Resulting Issuer's business, financial condition and/or results of operations could be materially adversely affected.

In addition, the Resulting Issuer will be dependent on third parties to obtain certain raw materials, including CBD, necessary to develop and produce its products. The raw materials required for the production of the Resulting Issuer's products, including CBD, may not be available to the Resulting Issuer on favorable pricing terms in the future or at all when they are needed. If the Resulting Issuer is no longer able to obtain raw materials, including CBD, from one or more of its suppliers on terms reasonable to the Resulting Issuer, or at all, the Resulting Issuer's revenues, business, financial condition and operations would be negatively affected. This could also have a significant impact on the Resulting Issuer's capacity to complete certain of its current or projected R&D projects and, accordingly, would negatively affect its projected commercial and financial growth. Any significant increase in the price of raw materials that cannot be passed on to the Resulting Issuer's customers could have a material adverse effect on the Resulting Issuer's results of operations or financial condition. While potential alternative suppliers of raw materials may be identified, they must first pass intensive validation tests to ensure their compliance with product specifications. No assurance can be given regarding the successful outcomes of such tests or the Resulting Issuer's ability to secure alternate sources of supply at competitive pricing and upon fair and reasonable contractual terms and conditions.

Part of the Resulting Issuer's strategy is to enter into and maintain arrangements with third parties related to the development, testing, marketing, manufacture, distribution and commercialization of its products. The Resulting Issuer's revenues are dependent on the successful efforts of these third parties, including the efforts of the Resulting Issuer's distribution partners. Entering into strategic relationships can be a complex process and the interests of the Resulting Issuer's distribution partners may not be or remain aligned with the Resulting Issuer's interests. Some of the Resulting Issuer's current and future distribution partners may decide to compete with the Resulting Issuer, refuse

or be unable to fulfill or honour their contractual obligations to the Resulting Issuer, or change their plans to reduce their commitment to, or even abandon, their relationships with the Resulting Issuer. There can be no assurance that the Resulting Issuer's distribution partners will market the Resulting Issuer's products successfully or that any such third-party collaboration will be on favourable terms.

The profit margins of the Resulting Issuer and the timely delivery of its products are dependent upon the ability of its outside suppliers and manufacturers to supply it with products in a timely and cost-efficient manner. The Resulting Issuer's ability to develop its business and enter new markets and sustain satisfactory levels of sales in each market depends upon the ability of its outside suppliers and manufacturers to produce the ingredients and products and to comply with all applicable regulations. The failure of the Resulting Issuer's primary suppliers or manufacturers to supply ingredients or produce its products could adversely affect its business operations.

Compliance by Manufacturers with cGMP requirements

All manufacturers and suppliers of OTC products must comply with applicable cGMP, regulations for the manufacture of the Resulting Issuer's products, which are enforced by the FDA through its facilities inspection program. The FDA may conduct inspections of the Resulting Issuer's third-party manufacturers to assure they are in compliance with such regulations. These cGMP requirements include quality control, quality assurance and the maintenance of records and documentation, among other items. The Resulting Issuer's manufacturers may be unable to comply with these cGMP requirements and with other regulatory requirements. A failure to comply with these requirements may result in fines, product recalls or seizures and related publicity requirements, injunctions, total or partial suspension of production, civil penalties, warning or untitled letters, import or export bans or restrictions, and criminal prosecution and penalties. Any of these penalties could delay or prevent the promotion, marketing or sale of the Resulting Issuer's products. If the safety of any products supplied to the Resulting Issuer is compromised due to a third-party manufacturer's failure to adhere to applicable laws or for other reasons, the Resulting Issuer may not be able to successfully sell its products. The Resulting Issuer cannot assure you that its third-party manufacturers will continue to reliably supply products to the Resulting Issuer at the levels of quality, or the quantities, the Resulting Issuer requires, and in compliance with applicable laws and regulations, including cGMP requirements.

Reliance on Key Products

The Resulting Issuer's near-term success depends largely on the continued commercialization of its CBDMEDIC and CBD CLINIC products. The Resulting Issuer's ability to generate revenues in the foreseeable future is primarily based on the commercialization success of its CBDMEDIC and CBD CLINIC products. Although the Resulting Issuer may develop other products, all of them are at earlier stages of development and none of them may obtain the required regulatory approvals or, even if approved, be successfully commercialized. The overall commercialization success of the CBDMEDIC and CBD CLINIC products depends on several factors, including:

(a) continued market acceptance of the CBDMEDIC and CBD CLINIC products;

(b) the amount of resources devoted by the Resulting Issuer's distribution partners to continue the commercialization efforts of the CBDMEDIC and CBD CLINIC products in the Resulting Issuer's core geographic markets;

(c) maintaining satisfactory production arrangements for the production of the CBDMEDIC and CBD CLINIC products;

(d) maintaining supply agreements to ensure the availability of CBD in order to produce sufficient CBDMEDIC and CBD CLINIC products to meet the order demands of the Resulting Issuer's customers and distribution partners;

(e) receipt of regulatory approvals for the CBDMEDIC and CBD CLINIC products from regulatory agencies in certain territories in which the Resulting Issuer wishes to expand its commercialization efforts;

(f) the number of competitors in the Resulting Issuer's market; and

(g) protecting and enforcing the Resulting Issuer's intellectual property and avoiding infringement claims.

Industry Competition

The markets for businesses in the CBD and hemp oil industries are competitive and evolving. In particular, the Resulting Issuer faces strong competition from both existing and emerging companies that offer similar products. Some of its current and potential competitors may have longer operating histories, greater financial, marketing and other resources and larger customer bases than the Resulting Issuer has.

Given the rapid changes affecting the global, national, and regional economies generally and the CBD industry, in particular, the Resulting Issuer may not be able to create and maintain a competitive advantage in the marketplace. The Resulting Issuer's success will depend on its ability to keep pace with any changes in such markets, especially in light of legal and regulatory changes. Its success will depend on the Resulting Issuer's ability to respond to, among other things, changes in the economy, market conditions, and competitive pressures. Any failure by the Resulting Issuer to anticipate or respond adequately to such changes could have a material adverse effect on its financial condition, operating results, liquidity, cash flow and operational performance.

Intra-Industry Competition

The number of competitors in the Resulting Issuer's market segment is expected to increase, both nationally and internationally, which could negatively impact the Resulting Issuer's market share and demand for products.

The introduction of a recreational model for marijuana production and distribution in various jurisdictions may cause producers in those jurisdictions to expand beyond the medical marijuana market and compete with the Resulting Issuer's products. The impact of this potential development may be negative for the Resulting Issuer and could result in increased levels of competition in its existing market and/or the entry of new competitors in the overall cannabis market in which the Resulting Issuer operates.

There is potential that the Resulting Issuer will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Resulting Issuer. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer.

The Resulting Issuer also faces competition from producers who may not comply with applicable regulations. As a result, such producers may have lower operating costs, make impermissible claims and utilize other competitive advantages based on circumvention of regulatory requirements. To remain competitive, the Resulting Issuer will require continued significant investment in research and development, marketing, sales and customer support. The Resulting Issuer may not have sufficient resources to maintain research and development, marketing, sales and customer support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer.

As well, the legal landscape for the Resulting Issuer's products is changing internationally. More countries have passed laws that allow for the production and distribution of Cannabis in some form or another. Increased international competition might lower the demand for the Resulting Issuer's products on a global scale.

Other Conflicts of Interest

Certain of the employees and directors of the Resulting Issuer may also be directors, officers, consultants or stakeholders of other companies or enterprises, some of which may be in similar sectors, and conflicts of interest may arise between their duties to the Resulting Issuer and their duties to or interests in such other companies or enterprises. Certain of such conflicts may be required to be disclosed in accordance with, and subject to, such procedures and remedies as applicable under the OBCA and applicable securities laws, however, such procedures and remedies may not fully protect the Resulting Issuer. Each of Perry Antelman and Phillip Henderson, respectively Director and Chief Executive Officer and Director and proposed consultant of the Resulting Issuer, is a part-owner of Aidance, which currently manufactures all of the Resulting Issuer's products, which may create conflicts of interests in the future.

Changing Consumer Preferences and Customer Retention

As a result of changing consumer preferences, many innovative products attain financial success for a limited period of time. Even if the Resulting Issuer's products find retail success, there can be no assurance that any of its products will continue to see extended financial success. The Resulting Issuer's success will be significantly dependent upon its ability to develop new and improved product lines. Even if it is successful in introducing new products or developing its current products, a failure to gain consumer acceptance or to update products with compelling content could cause a decline in its products' popularity that could reduce revenues and harm the Resulting Issuer's business, operating results and financial condition. Failure to introduce new features and product lines and to achieve and sustain market acceptance could result in the Resulting Issuer being unable to meet consumer preferences and generate revenue which would have a material adverse effect on its profitability and financial results from operations.

The Resulting Issuer's success depends on its ability to attract and retain customers. There are many factors which could impact the Resulting Issuer's ability to attract and retain customers, including but not limited to the Resulting Issuer's ability to continually produce desirable and effective product, the successful implementation of the Resulting Issuer's customer acquisition plan and the continued growth in the aggregate number of people selecting CBD products. The Resulting Issuer's failure to acquire and retain customers could have a material adverse effect on the Resulting Issuer's business, operating results and financial position.

Maintaining and Promoting the Resulting Issuer's Brand

Management believes that maintaining and promoting the Resulting Issuer's brand is critical to expanding its customer base. Maintaining and promoting the Resulting Issuer's brand will depend largely on its ability to continue to provide quality, reliable and innovative products, which it may not do successfully. The Resulting Issuer may introduce new products or services that its customers do not like, which may negatively affect its brand and reputation. Maintaining and enhancing the Resulting Issuer's brand may require it to make substantial investments, and these investments may not achieve the desired goals. If the Resulting Issuer fails to successfully promote and maintain its brand or if it incurs excessive expenses in this effort, its business and financial results from operations could be materially adversely affected.

Unfavourable Publicity or Consumer Perception

The Resulting Issuer believes its industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of its products and perceptions of regulatory compliance. Consumer perception of the Resulting Issuer's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the CBD market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Resulting Issuer's products and the business, results of operations, financial condition and cash flows of the Resulting Issuer. The Resulting Issuer's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Resulting Issuer, the demand for products, and the business, results of operations, financial condition and cash flows of the Resulting Issuer. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of CBD products in general, or the Resulting Issuer's products specifically, with illness or other negative effects or events, could have such a material adverse effect. Consumers, vendors, landlords/lessors, industry partners or third-party service providers may incorrectly perceive hemp products as marijuana thereby applying the unfavourable stigma of marijuana to the Resulting Issuer's products. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products legally, appropriately or as directed.

Inability to Sustain Pricing Models

Significant price fluctuations or shortages in the cost of materials may increase the Resulting Issuer's cost of goods sold and cause its results of operations and financial condition to suffer. If the Resulting Issuer is unable to secure

materials at a reasonable price, it may have to alter or discontinue selling some of its products or attempt to pass along the cost to its customers, any of which could adversely affect its results of operations and financial condition.

Additionally, increasing costs of labour, freight and energy could increase its and its suppliers' cost of goods. If its suppliers are affected by increases in their costs of labour, freight and energy, they may attempt to pass these cost increases on to the Resulting Issuer. If the Resulting Issuer pays such increases, it may not be able to offset them through increases in its pricing, which could adversely affect its results of operations and financial condition.

Reliance on Key Inputs

The Resulting Issuer's business is dependent on a number of key inputs and their related costs. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of the Resulting Issuer. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition and operating results of the Resulting Issuer.

The ability of the Resulting Issuer to compete will be dependent on having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Resulting Issuer will be successful in maintaining the required supply of skilled labour, equipment, parts and components. It is also possible that the expansion plans contemplated by the Resulting Issuer may cost more than anticipated, in which circumstance the Resulting Issuer may curtail, or extend timeframes for completing the expansion plans. This could have a material adverse effect on the financial results and operations of the Resulting Issuer.

Management of Growth

The Resulting Issuer may be subject to growth-related risks, including capacity constraints and pressure on its internal systems and controls. The ability of the Resulting Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. Rapid growth of the Resulting Issuer's business may significantly strain its management, operations and technical resources. If the Resulting Issuer is successful in obtaining large orders for its products, it will be required to deliver large volumes of products to its customers on a timely basis and at a reasonable cost. The Resulting Issuer may not obtain large-scale orders for its products and if it does, it may not be able to satisfy large-scale production requirements on a timely and cost-effective basis. The inability of the Resulting Issuer to deal with this growth may have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations and prospects.

Product Viability

If the products the Resulting Issuer sells are not perceived to have the effects intended by the end user, its business may suffer. Many of the Resulting Issuer's products contain innovative ingredients or combinations of ingredients. There is little long-term data with respect to efficacy, unknown side effects and/or interaction with individual human biochemistry. Moreover, there is little long-term data with respect to efficacy, unknown side effects and/or its interaction with individual animal biochemistry. As a result, the Resulting Issuer's products could have certain side effects if not taken as directed or if taken by an end user that has certain known or unknown medical conditions.

Success of Quality Control Systems

The quality and safety of the Resulting Issuer's products are critical to the success of its business and operations. As such, it is imperative that the Resulting Issuer's (and its service provider's) quality control systems operate effectively and successfully. Quality control systems can be negatively impacted by the design of the quality control systems, the quality training program, and adherence by employees to quality control guidelines. Although the Resulting Issuer strives to ensure that all of its service providers have implemented and adhere to high caliber quality control systems, any significant failure or deterioration of such quality control systems could have a material adverse effect on the Resulting Issuer's business and operating results.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the Resulting Issuer's products are recalled due to an alleged product defect or for any other reason, the Resulting Issuer could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Resulting Issuer may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Recall of products could lead to adverse publicity, decreased demand for the Resulting Issuer's products and could have significant reputational and brand damage. Although the Resulting Issuer has detailed procedures in place for testing its products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. A recall for any of the foregoing reasons could lead to decreased demand for the Resulting Issuer's products and could have a material adverse effect on the results of operations and financial condition of the Resulting Issuer. Additionally, product recalls may lead to increased scrutiny of the Resulting Issuer's operations by regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Product Liability

The Resulting Issuer's products will be produced for sale directly to end consumers, and therefore there is an inherent risk of exposure to product liability claims, regulatory action and litigation if the products are alleged to have caused loss or injury. In addition, the production and sale of the Resulting Issuer's products involves the risk of injury to end users due to tampering by unauthorized third parties or product contamination. The Resulting Issuer may be subject to various product liability claims, including, among others, that its products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Resulting Issuer could result in increased costs, could adversely affect the Resulting Issuer's reputation, and could have a material adverse effect on its business and operational results.

Key Officers and Employees

The Resulting Issuer's success and future will depend, to a significant degree, on the continued efforts of its directors, officers and key employees, including certain technical individuals, and sales and marketing personnel, the retention of which cannot be guaranteed. The loss of key personnel could materially adversely affect the Resulting Issuer's business. The loss of any such personnel could harm or delay the plans of the Resulting Issuer's business either while management time is directed to finding suitable replacements (who, in any event, may not be available), or, if not, covering such vacancy until suitable replacements can be found. In either case, this may have a material adverse effect on the future of the Resulting Issuer's business.

Competition for such personnel can be intense, and the Resulting Issuer cannot provide assurance that it will be able to attract or retain highly qualified technical, sales, marketing and management personnel in the future. From time to time, share-based compensation may comprise a significant component of the Resulting Issuer's compensation for key personnel, and if the price of the Subordinate Voting Shares declines, it may be difficult to recruit and retain such individuals.

Positive Test for THC or Banned Substances

THC is considered a banned substance in many jurisdictions. Moreover, regulatory framework for legal amounts of consumed THC is evolving. There may be adverse consequences to end users who test positive for trace amounts of THC attributed to use of any of the Resulting Issuer's products that would contain low levels of THC. Positive drug tests may adversely affect the end user's reputation, ability to obtain or retain employment and participation in certain athletic or other activities. A claim or regulatory action against the Resulting Issuer based on such positive test results could adversely affect the Resulting Issuer's reputation and could have a material adverse effect on its business and operational results.

Product Returns

Product returns are a customary part of the Resulting Issuer's business. Products may be returned for various reasons, including expiration dates or lack of sufficient sales volume. Any increase in product returns could reduce the Resulting Issuer's results of operations.

Inability to Protect Intellectual Property

The Resulting Issuer's success is heavily dependent upon its intangible property and technology. The Resulting Issuer relies upon copyrights, patents, trade secrets, unpatented proprietary know-how and continuing innovation to protect the intangible property, technology and information that is considered important to the development of the business. The Resulting Issuer relies on various methods to protect its proprietary rights, including confidentiality agreements with consultants, service providers and management that contain terms and conditions prohibiting unauthorized use and disclosure of confidential information. However, despite efforts to protect intangible property rights, unauthorized parties may attempt to copy or replicate intangible property, technology or processes. There can be no assurances that the steps taken by the Resulting Issuer to protect its intangible property, technology and information will be adequate to prevent misappropriation or independent third-party development of the Resulting Issuer's intangible property, technology or processes. It is likely that other companies can duplicate a production process similar to the Resulting Issuer's. To the extent that any of the above would occur, revenue could be negatively affected, and in the future, the Resulting Issuer may have to litigate to enforce its intangible property rights, which could result in substantial costs and divert management's attention and other resources.

The Resulting Issuer's ability to successfully implement its business plan depends in part on its ability to obtain, maintain and build brand recognition using its trademarks, service marks, trade dress, domain names and other intellectual property rights, including the Resulting Issuer's names and logos. If the Resulting Issuer's efforts to protect its intellectual property are unsuccessful or inadequate, or if any third party misappropriates or infringes on its intellectual property, the value of its brands may be harmed, which could have a material adverse effect on the Resulting Issuer's business and might prevent its brands from achieving or maintaining market acceptance.

The Resulting Issuer may be unable to obtain registrations for its intellectual property rights for various reasons, including refusal by regulatory authorities to register trademarks or other intellectual property protections, prior registrations of which it is not aware, or it may encounter claims from prior users of similar intellectual property in areas where it operates or intends to conduct operations. This could harm its image, brand or competitive position and cause the Resulting Issuer to incur significant penalties and costs.

Domestic Supply Risk

The Resulting Issuer's business relies on full compliance under applicable laws and regulations relating to the sale of its products across the United States and internationally. The regulation of third party suppliers may have a significant impact upon the Resulting Issuer's business. Any enforcement activity or any additional uncertainties which may arise in the future could cause substantial interruption or cessation of the Resulting Issuer's business, including adverse impacts to the Resulting Issuer's supply chain and distribution channels, and other civil and/or criminal penalties at the federal level.

Intellectual Property Claims

Companies in the retail and CPG industries frequently own trademarks and trade secrets and often enter into litigation based on allegations of infringement or other violations of intangible property rights. The Resulting Issuer may be subject to intangible property rights claims in the future and its products may not be able to withstand any third-party claims or rights against their use. Any intangible property claims, with or without merit, could be time consuming, expensive to litigate or settle and could divert management resources and attention. An adverse determination also could prevent the Resulting Issuer from commercializing its products to others and may require that the Resulting Issuer procure substitute products or services.

With respect to any intangible property rights claim, the Resulting Issuer may have to pay damages or stop using intangible property found to be in violation of a third party's rights. The Resulting Issuer may have to seek a license for the intangible property, which may not be available on reasonable terms and may significantly increase operating

expenses. The technology also may not be available for license at all. As a result, the Resulting Issuer may also be required to pursue alternative options, which could require significant effort and expense. If the Resulting Issuer cannot license or obtain an alternative for the infringing aspects of its business, it may be forced to limit product Transactions and may be unable to compete effectively. Any of these results could harm the Resulting Issuer's brand and prevent it from generating sufficient revenue or achieving profitability.

Litigation

The Resulting Issuer may from time to time become party to litigation in the ordinary course of business which could adversely affect its business. Should any litigation in which the Resulting Issuer becomes involved be determined against the Resulting Issuer, such a decision could adversely affect the Resulting Issuer's ability to continue operating and the market price for the Subordinate Voting Shares and could use significant resources. Even if the Resulting Issuer is involved in litigation and wins, litigation can redirect significant company resources. Litigation may also create a negative perception of the Resulting Issuer's brand.

Enforcement of Judgements

The Resulting Issuer's operations and assets are located outside of Canada and its officers and the majority of its directors, including its Chief Executive Officer and Chief Financial Officer, reside outside of Canada. It may not be possible for investors to enforce against such person's judgements obtained in Canadian courts predicated on the civil liability provisions of applicable securities laws in Canada. Investors are advised that it may not be possible for them to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

Trade Secrets may be Difficult to Protect

The Resulting Issuer's success depends upon the skills, knowledge and experience of its scientific and technical personnel, consultants and advisors, as well as contractors. Because the Resulting Issuer operates in a highly competitive industry, it relies in part on trade secrets to protect its proprietary products and processes. However, trade secrets are difficult to protect. The Resulting Issuer generally enters into confidentiality or non-disclosure agreements with its corporate partners, employees, consultants, outside scientific collaborators, developers and other advisors. These agreements generally require that the receiving party keep confidential, and not disclose to third parties, confidential information developed by the receiving party or made known to the receiving party by the Resulting Issuer during the course of the receiving party's relationship with the Resulting Issuer. These agreements also generally provide that inventions conceived by the receiving party in the course of rendering services to the Resulting Issuer will be its exclusive property, and the Resulting Issuer enters into assignment agreements to perfect its rights.

These confidentiality, inventions and assignment agreements, where in place, may be breached and may not effectively assign intellectual property rights to the Resulting Issuer. The Resulting Issuer's trade secrets also could be independently discovered by competitors, in which case the Resulting Issuer would not be able to prevent the use of such trade secrets by its competitors. The enforcement of a claim alleging that a party illegally obtained and was using the Resulting Issuer's trade secrets could be difficult, expensive and time consuming and the outcome could be unpredictable. The failure to obtain or maintain meaningful trade secret protection could adversely affect the Resulting Issuer's competitive position.

Transportation Risk

In order for customers of the Resulting Issuer to receive their product, the Resulting Issuer relies on third party transportation services. This can cause logistical problems with, and delays in, end users obtaining their orders which the Resulting Issuer has no control over. Any delay by third party transportation services may adversely affect the Resulting Issuer's financial performance.

Moreover, transportation to and from the Resulting Issuer's facilities is critical. A breach of security during transport could have material adverse effects on the Resulting Issuer's business, financials and prospects. Any such breach could impact the Resulting Issuer's operations and financial performance.

Effectiveness and Efficiency of Advertising and Promotional Expenditures

The Resulting Issuer's future growth and profitability will depend on the effectiveness and efficiency of advertising and promotional expenditures, including its ability to (i) create greater awareness of its products; (ii) determine the appropriate creative message and media mix for future advertising expenditures; and (iii) effectively manage advertising and promotional costs in order to maintain acceptable operating margins. There can be no assurance that advertising and promotional expenditures will result in revenues in the future or will generate awareness of the Resulting Issuer's technologies or services. In addition, no assurance can be given that the Resulting Issuer will be able to manage its advertising and promotional expenditures on a cost-effective basis.

Obtaining Insurance

Due to the Resulting Issuer's involvement in the hemp industry, it may have a difficult time obtaining the various insurances that are desired to operate its business, which may expose the Resulting Issuer to additional risk and financial liability. Insurance that is otherwise readily available, such as general liability, and directors and officer's insurance, may be more difficult to find, and more expensive, because of the regulatory regime applicable to the industry. There are no guarantees that the Resulting Issuer will be able to find such insurance coverage in the future, or that the cost will be affordable. If the Resulting Issuer is forced to go without such insurance coverage, it may prevent it from entering into certain business sectors, may inhibit growth, and may expose the Resulting Issuer to additional risk and financial liabilities.

Additional Financings

If the Resulting Issuer is not able to sustain profitability or if it requires additional capital to fund growth or other initiatives, it may require additional equity or debt financing. There can be no assurances that the Resulting Issuer will be able to obtain additional financial resources on favorable commercial terms or at all. Failure to obtain such financial resources could affect the Resulting Issuer's plan for growth or result in the Resulting Issuer being unable to satisfy its obligations as they become due, either of which could have a material adverse effect on the business, results of operations and the financial condition of the Resulting Issuer.

Risks Related to Acquiring Companies

The Resulting Issuer may acquire other companies in the future and there are risks inherent in any such acquisition. Specifically, there could be unknown or undisclosed risks or liabilities of such companies for which the Resulting Issuer is not sufficiently indemnified. Any such unknown or undisclosed risks or liabilities could materially and adversely affect the Resulting Issuer's financial performance and results of operations. The Resulting Issuer could encounter additional transaction and integration related costs or other factors such as the failure to realize all of the benefits from such acquisitions. All of these factors could cause dilution to the Resulting Issuer's earnings per share or decrease or delay the anticipated accretive effect of the acquisition and cause a decrease in the market price of the Resulting Issuer's securities. The Resulting Issuer may not be able to successfully integrate and combine the operations, personnel and technology infrastructure of any such acquired company with its existing operations. If integration is not managed successfully by the Resulting Issuer's management, the Resulting Issuer may experience interruptions in its business activities, deterioration in its employee and customer relationships, increased costs of integration and harm to its reputation, all of which could have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations. The Resulting Issuer may experience difficulties in combining corporate cultures, maintaining employee morale and retaining key employees. The integration of any such acquired companies may also impose substantial demands on the management. There is no assurance that these acquisitions will be successfully integrated in a timely manner.

Use of Customer Information and Other Personal and Confidential Information

The Resulting Issuer collects, process, maintains and uses data, including sensitive information on individuals, available to the Resulting Issuer through online activities and other customer interactions with its business. The Resulting Issuer's current and future marketing programs may depend on its ability to collect, maintain and use this information, and its ability to do so is subject to evolving international, U.S. and Canadian laws and enforcement trends. The Resulting Issuer strives to comply with all applicable laws and other legal obligations relating to privacy, data protection and customer protection, including those relating to the use of data for marketing purposes. It is

possible, however, that these requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another, conflict with other rules, conflict with the Resulting Issuer's practices or fail to be observed by its employees or business partners. If so, the Resulting Issuer may suffer damage to its reputation and be subject to proceedings or actions against it by governmental entities or others. Any such proceeding or action could hurt the Resulting Issuer's reputation, force it to spend significant amounts to defend its practices, distract its management or otherwise have an adverse effect on its business.

Certain of the Resulting Issuer's marketing practices rely upon e-mail, social media and other means of digital communication to communicate with consumers on its behalf. The Resulting Issuer may face risk if its use of e-mail, social media or other means of digital communication is found to violate applicable laws. Any failure by the Resulting Issuer to comply with its privacy policy or other privacy-related laws and regulations could result in proceedings which could potentially harm its business. In addition, as data privacy and marketing laws change, the Resulting Issuer may incur additional costs to ensure it remains in compliance. If applicable data privacy and marketing laws become more restrictive at the international, federal, provincial or state levels, the Resulting Issuer's compliance costs may increase, its ability to effectively engage customers via personalized marketing may decrease, its investment in its e-commerce platform may not be fully realized, its opportunities for growth may be curtailed by its compliance burden and its potential reputational harm or liability for security breaches may increase.

Data Security Breaches

The Resulting Issuer or its third-party service providers collect, process, maintain and use sensitive personal information relating to its customers and employees, including customer financial data (e.g. credit card information) and their personally identifiable information, and rely on third parties for the operation of its e-commerce site and for the various social media tools and websites it uses as part of its marketing strategy. Any perceived, attempted or actual unauthorized disclosure of customer financial data (e.g. credit card information) or personally identifiable information regarding the Resulting Issuer's employees, customers or website visitors could harm its reputation and credibility, reduce its e-commerce sales, impair its ability to attract website visitors, reduce its ability to attract and retain customers and could result in litigation against the Resulting Issuer or the imposition of significant fines or penalties.

Recently, data security breaches suffered by well-known companies and institutions have attracted a substantial amount of media attention, prompting new foreign, federal, provincial and state laws and legislative proposals addressing data privacy and security. As a result, the Resulting Issuer may become subject to more extensive requirements to protect the customer information that it processes in connection with the purchase of its products, resulting in increased compliance costs.

The Resulting Issuer's on-line activities, including its e-commerce websites, also may be subject to denial of service or other forms of cyber-attacks. While the Resulting Issuer has taken measures to protect against those types of attacks, those measures may not adequately protect its on-line activities from such attacks. If a denial of service attack or other cyber event were to affect its e-commerce sites or other information technology systems, its business could be disrupted, it may lose sales or valuable data, and its reputation may be adversely affected.

Global Economic Uncertainty

Demand for the Resulting Issuer's products and services are influenced by general economic and consumer trends beyond the Resulting Issuer's control. There can be no assurance that the Resulting Issuer's business and corresponding financial performance will not be adversely affected by general economic or consumer trends. In particular, global economic conditions are still tight, and if such conditions continue, recur or worsen, there can be no assurance that they will not have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations.

Furthermore, such economic conditions have produced downward pressure on stock prices and on the availability of credit for financial institutions and corporations. If these levels of market disruption and volatility continue, the Resulting Issuer might experience reductions in business activity, increased funding costs and funding pressures, as applicable, a decrease in the market price of the Subordinate Voting Shares, a decrease in asset values, additional write-downs and impairment charges and lower profitability.

Emerging Industry

As a pioneer in a new industry, the Resulting Issuer has limited access to industry benchmarks in relation to the Resulting Issuer's business. Industry-specific data points such as operating ratios, research and development projects, debt structures, compliance and other financial and operational related data is limited and accordingly, management will be required to make decisions in the absence of such data points.

Inability to Renew Leases

The Resulting Issuer may be unable to renew or maintain its leases (commercial or real property) on commercially acceptable terms or at all. An inability to renew its leases, or a renewal of its leases with a rental rate higher than the prevailing rate under the applicable lease prior to expiration, may have an adverse impact on the Resulting Issuer's operations, including disruption of its operations or an increase in its cost of operations. In addition, in the event of non-renewal of any of the Resulting Issuer's leases, the Resulting Issuer may be unable to locate suitable replacement properties for its facilities or it may experience delays in relocation that could lead to a disruption in its operations. Any disruption in the Resulting Issuer's operations could have an adverse effect on its financial condition and results of operations.

17.3 Risks Related to the Transaction

Forward-Looking Information

The forward-looking information included in this Listing Statement relating to, among other things, the Resulting Issuer's future results, performance, achievements, prospects, targets, intentions or opportunities or the markets in which it operates (including, in particular, the information contained in Section 2.4 - Fundamental Change and Section 4 - Narrative Description of Business, and the other statements listed in "Forward-Looking Statements") is based on opinions, assumptions and estimates made by the Resulting Issuer's management in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Resulting Issuer believes are appropriate and reasonable in the circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct. The Resulting Issuer's actual results in the future may vary significantly from the historical and estimated results and those variations may be material. We make no representation that its actual results in the future will be the same, in whole or in part, as those included in this Listing Statement. See "Forward-Looking Statements".

No Prior Public Market

The CSE has conditionally approved the listing of the Subordinate Voting Shares under the symbol "ABCS". Listing will be subject to the Corporation fulfilling all of the listing requirements of the CSE. However, there is currently no market through which the Subordinate Voting Shares may be sold and, if a market for the Subordinate Voting Shares does not develop or is not sustained, holders of Subordinate Voting Shares may not be able to resell Subordinate Voting Shares. This may affect the pricing of the Subordinate Voting Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Subordinate Voting Shares and the extent of company regulation. In the absence of an active trading market for the Subordinate Voting Shares, it may be difficult to sell Subordinate Voting Shares. The Resulting Issuer cannot predict the prices at which the Subordinate Voting Shares will trade.

Potential Volatility of Subordinate Voting Share Price

The market price of the Subordinate Voting Shares could be subject to significant fluctuations after the Transaction. Some of the factors that may cause the market price of the Subordinate Voting Shares to fluctuate include:

(a) the public's reaction to the Resulting Issuer's press releases, announcements and filings with regulatory authorities and those of its competitors;

(b) fluctuations in broader stock market prices and volumes;

(c) changes in market valuations of similar companies;

(d) investor perception of the Resulting Issuer, its prospects or the industry in general;

(e) additions or departures of key personnel;

(f) commencement of or involvement in litigation;

(g) changes in the regulatory landscape applicable to the Resulting Issuer and/or the hemp industry;

(h) media reports, publications or public statements relating to, or public perceptions of, the regulatory landscape applicable to the Resulting Issuer and/or the hemp industry, whether correct or not;

(i) announcements by the Resulting Issuer or its competitors of strategic alliances, significant contracts, new technologies, acquisitions, commercial relationships, joint ventures or capital commitments;

(j) variations in the Resulting Issuer's quarterly results of operations or cash flows or those of other comparable companies;

(k) revenues and operating results failing to meet the expectations of securities analysts or investors in particular quarter;

(l) changes in the Resulting Issuer's pricing policies or the pricing policies of its competitors;

(m) future issuances and sales of Subordinate Voting Shares, including as a result of the conversion of Proportionate Voting Shares and the sale of the Subordinate Voting Shares issuable thereunder;

(n) sales of Subordinate Voting Shares by insiders of the Resulting Issuer;

(o) third party disclosure of significant short positions;

(p) demand for and trading volume of Subordinate Voting Shares;

(q) changes in securities analysts' recommendations and their estimates of the Resulting Issuer's financial performance;

(r) short-term fluctuation in stock price caused by changes in general conditions in the domestic and worldwide economies or financial markets; and

(s) the other risk factors described in this Section of the Listing Statement.

The realization of any of these risks and other factors beyond the Resulting Issuer's control could cause the market price of the Subordinate Voting Shares to decline significantly.

In addition, broad market and industry factors may harm the market price of the Subordinate Voting Shares. Hence, the price of the Subordinate Voting Shares could fluctuate based upon factors that have little or nothing to do with the Resulting Issuer, and these fluctuations could materially reduce the price of the Subordinate Voting Shares regardless of the Resulting Issuer's operating performance. In the past, following a significant decline in the market price of a company's securities, there have been instances of securities class action litigation having been instituted against that company. If the Resulting Issuer were involved in any similar litigation, it could incur substantial costs, management's attention and resources could be diverted and it could harm the Resulting Issuer's business, operating results and financial condition.

Dividends to Shareholders

The Resulting Issuer does not anticipate paying cash dividends on the Subordinate Voting Shares or Proportionate Voting Shares in the foreseeable future. The Resulting Issuer currently intends to retain all future earnings to fund the development and growth of its business. Any payment of future dividends will be at the discretion of the directors and will depend on, among other things, the Resulting Issuer's earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends, and other considerations that the directors deems relevant.

Holding Company Structure

The Resulting Issuer is a holding company and substantially all of its assets consist of shares of Abacus. The Resulting Issuer will not have any significant assets and will conduct substantially all of its business through Abacus, which will generate all or substantially all of the Resulting Issuer's revenues. The ability of Abacus to distribute funds to the Resulting Issuer will depend on its operating results, tax considerations (both domestic and cross-border) and will be subject to applicable laws and regulations which require that solvency and capital standards be maintained by Abacus and contractual restrictions contained in the instruments governing its debt, existing or if incurred. In the event of a bankruptcy, liquidation or reorganization of Abacus or any other future subsidiary, holders of indebtedness and trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to the Resulting Issuer.

Risks Related to Potential Changes in Definition of Foreign Private Issuer

The transactions contemplated by the Transaction were structured so that the Resulting Issuer would be a foreign private issuer as defined in Rule 405 under the U.S. Securities Act and Rule 3b-4 under the Exchange Act, following the completion of the Transaction. The term "foreign private issuer" is defined as any non-U.S. Issuer, other than a non-U.S. government, *except* any issuer meeting the following conditions as of the last business day of its most recently completed second fiscal quarter for any year:

(t) more than 50 percent of the outstanding voting securities of such issuer (computed by number of shares, without regard to voting power) are, directly or indirectly, held of record by residents of the United States; and

(u) any one of the following: (i) the majority of the Resulting Issuer's executive officers or directors are United States citizens *or* residents; (ii) more than 50 percent of the assets of the Resulting Issuer are located in the United States; or (iii) the business of the Resulting Issuer is administered principally in the United States.

In December 2016, the SEC issued a Compliance and Disclosure Interpretation to clarify that issuers with multiple classes of voting stock carrying different voting rights may, for the purposes of calculating compliance with the 50 percent U.S. resident threshold, examine either (i) the combined voting power of its share classes, or (ii) the number of voting securities, in each case held of record by U.S. residents. Based on this interpretation, each issued and outstanding Proportionate Voting Share is counted as one voting security and each issued and outstanding Subordinate Voting Share is counted as one voting security for the purposes of determining the 50 percent U.S. resident threshold and the Resulting Issuer is expected to be a "foreign private issuer" upon completion of the Transaction.

Should the SEC's guidance and interpretation change, the Resulting Issuer may lose its foreign private issuer status.

Risks Related to the Resulting Issuer's Loss of Foreign Private Issuer Status in the United States

The Resulting Issuer is expected to be a foreign private issuer. If, as of the last business day of the Resulting Issuer's second fiscal quarter for any year, the Resulting Issuer determines that more than 50% of its outstanding voting securities (as determined under Rule 405 under the U.S. Securities Act, as further described under "Risks Related to Potential Changes in Definition of Foreign Private Issuer") are directly or indirectly held of record by residents of the United States, effective on the first day of its fiscal year immediately succeeding such determination the Resulting Issuer will no longer meet the definition of a foreign private issuer, which may have adverse consequences on the Resulting Issuer's ability to raise capital in private placements or Canadian public offerings. In addition, the loss of the Resulting Issuer's foreign private issuer status would result in the Resulting Issuer becoming subject to U.S. domestic reporting requirements and, as such, the Resulting Issuer would be subject to the increased reporting and disclosure requirements imposed on U.S. domestic reporting companies, likely resulting in increased audit, legal and administration costs and a significant diversion of the Resulting Issuer's time and resources. These increased costs may significantly affect the Resulting Issuer's business, financial condition and results of operations.

Increased Cost as a Result of Becoming a Reporting Issuer

The Resulting Issuer will incur significant legal, accounting, insurance and other expenses as a result of being a public issuer, which may negatively impact its performance and could cause its results of operations and financial condition

to suffer. Compliance with applicable securities laws in Canada and the rules of the CSE substantially increases the Resulting Issuer's expenses, including its legal and accounting costs, and makes some activities more time-consuming and costly. Reporting obligations as a public company and the Resulting Issuer's anticipated growth may place a strain on the Resulting Issuer's financial and management systems, processes and controls, as well as on personnel.

The Resulting Issuer also expects these laws, rules and regulations to make it more expensive to obtain director and officer liability insurance, and the Resulting Issuer may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for the Resulting Issuer to attract and retain qualified persons to serve on its Board or as officers. As a result of the foregoing, the Resulting Issuer expect a substantial increase in legal, accounting, insurance and certain other expenses in the future, which could negatively impact the Resulting Issuer's financial performance and could cause results of operations and financial condition to suffer.

Financial Reporting and Other Public Issuer Requirements

The Resulting Issuer will become subject to reporting and other obligations under applicable Canadian Securities Laws and rules of any stock exchange on which the Subordinate Voting Shares are then-listed. These reporting and other obligations will place significant demands on the management, administrative, operational and accounting resources. If the Resulting Issuer is unable to accomplish any such necessary objectives in a timely and effective manner, the Resulting Issuer's ability to comply with its financial reporting obligations and other rules applicable to reporting issuers could be impaired. Moreover, any failure to maintain effective internal controls could cause the Resulting Issuer to fail to satisfy its reporting obligations or result in material misstatements in its financial statements. If the Resulting Issuer cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially adversely affected which could also cause investors to lose confidence in the Resulting Issuer's reported financial information, which could in turn result in a reduction in the trading price of the Subordinate Voting Shares.

It is anticipated that the Resulting Issuer will be a "venture issuer" as defined in NI 52-109. In contrast to the certificate required for non-venture issuers under NI 52-109, the certificates filed by the Resulting Issuer's officers will not be required to include representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and ICFR, as defined in NI 52-109. In particular, the certifying officers will not be required to make any representations relating to the establishment and maintenance of (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Resulting Issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Impact on Resales into the United States

The Subordinate Voting Shares have not been, and will not be, registered under the U.S. Securities Act.

Impact of Future Sales by Existing Shareholders

If the Resulting Issuer's shareholders sell substantial amounts of the Subordinate Voting Shares in the public market, the market price of the Subordinate Voting Shares could decrease. The perception among investors that these sales will occur could also produce this effect. All currently outstanding Subordinate Voting Shares other than those subject to lock-up agreements executed by certain existing shareholders will, subject to applicable securities laws, generally be immediately available for resale in the public markets.

Subject to compliance with applicable securities laws and the terms of any lock-up arrangements, the Resulting Issuer's officers, directors, the holders of Proportionate Voting Shares and their affiliates may sell some or all of their Subordinate Voting Shares in the future. No prediction can be made as to the effect, if any, such future sales of

Subordinate Voting Shares will have on the market price of the Subordinate Voting Shares prevailing from time to time. However, the future sale of a substantial number of Subordinate Voting Shares by our officers, directors, the holders of Proportionate Voting Shares and their affiliates, or the perception that such sales could occur, could materially adversely affect prevailing market prices for the Subordinate Voting Shares.

Additional Subordinate Voting Shares issuable upon the exercise of stock options or the conversion of Proportionate Voting Shares may also be available for sale in the public market after the date of the listing of the Subordinate Voting Shares, which may also cause the market price of the Subordinate Voting Shares to fall. Accordingly, if substantial amounts of Subordinate Voting Shares are sold in the public market, the market price could fall.

Influence of the Significant Shareholders

The Resulting Issuer has a small number of shareholders who own, in the aggregate, approximately a 38.8% voting interest of the Resulting Issuer, on a non-diluted basis. As a result, although such shareholders may not have any agreement to act in concert, such shareholders will have the ability to exercise significant influence over matters submitted to the Shareholders for approval, whether subject to approval by a majority of the Shareholders or subject to a class vote or special resolution.

Limited Control Over the Resulting Issuer's Operations

Holders of the Subordinate Voting Shares will have limited control over changes in the Resulting Issuer's policies and operations, which increases the uncertainty and risks of an investment in the Resulting Issuer. The Board will determine major policies, including policies regarding financing, growth, debt capitalization and any future dividends to Shareholders. Generally, the Board may amend or revise these and other policies without a vote of the holders of the Subordinate Voting Shares. Holders of the Subordinate Voting Shares will only have a right to vote, as a class, in the limited circumstances described elsewhere in this Listing Statement. The Board's broad discretion in setting policies and the limited ability of holders of the Subordinate Voting Shares to exert control over those policies increases the uncertainty and risks of an investment in the Resulting Issuer.

Working Capital and Future Issuances

The Resulting Issuer may issue additional Subordinate Voting Shares in the future which may dilute a shareholder's holdings in the Resulting Issuer. The Articles permit the issuance of an unlimited number of Subordinate Voting Shares and an unlimited number of Proportionate Voting Shares, and Shareholders will have no pre-emptive rights in connection with any further issuances. The directors of the Resulting Issuer have the discretion to determine the provisions attaching to the Subordinate Voting Shares and the Proportionate Voting Shares and the price and the terms of issue of further Subordinate Voting Shares and Proportionate Voting Shares.

Additional equity financing may be dilutive to holders of Subordinate Voting Shares. Debt financing may involve restrictions on the Resulting Issuer's financing and operating activities. Debt financing may be convertible into other securities of the Resulting Issuer which may result in immediate or resulting dilution. In either case, additional financing may not be available to the Resulting Issuer on acceptable terms or at all. If the Resulting Issuer is unable to raise additional funds as needed, the scope of its operations or growth may be reduced and, as a result, the Resulting Issuer may be unable to fulfil its long-term goals. In this case, investors may lose all or part of their investment. Any default under such debt instruments could have a material adverse effect on the Resulting Issuer, its business or the results of operations.

Securities or Industry Analysts

The trading market for Subordinate Voting Shares could be influenced by the research and reports that industry and/or securities analysts may publish about the Resulting Issuer, its business, the market or competitors. If any of the analysts who may cover the Resulting Issuer's business change their recommendation regarding the Subordinate Voting Shares adversely, or provide more favourable relative recommendations about its competitors, the share price would likely decline. If any analyst who may cover the Resulting Issuer's business were to cease coverage or fail to regularly publish reports on the Resulting Issuer, it could lose visibility in the financial markets, which in turn could cause the share price or trading volume to decline.

Discretion in the Use of Proceeds of the Abacus Private Placement

Management will have broad discretion concerning the use of the proceeds of the Abacus Private Placement, as well as the timing of their expenditure. As a result, purchasers will be relying on the judgment of management for the application of the proceeds of the Abacus Private Placement. Management may use the net proceeds of the Abacus Private Placement in ways that purchasers may not consider desirable. The results and the effectiveness of the application of the net proceeds are uncertain. If the proceeds are not applied effectively, the results of the Resulting Issuer's operations may suffer.

Management currently intends to allocate the net proceeds received from the Abacus Private Placement as described under Section 4.12 - Available Funds and Use of Proceeds, however, management may elect to allocate the net proceeds differently from that described under Section 4.12 - Available Funds and Use of Proceeds if it believes it would be in the Resulting Issuer's best interest to do so. Shareholders may not agree with the manner in which management chooses to allocate and spend the net proceeds of the Abacus Private Placement.

Tax Consequences of the Transaction

The Transaction may result in material tax consequences to Abacus and Corporation shareholders and other securityholders and this Listing Statement does not contain a description of the tax consequences of the Transaction to Abacus shareholders or any other securityholders. The tax consequences of the Transaction may vary with the specific circumstances of each shareholder or securityholder and may vary from jurisdiction to jurisdiction. Each shareholder and securityholder shall be solely responsible for his or her tax liability that may arise as a result of the Transaction or related matters described herein. Each shareholder and securityholder is urged to consult his or her own tax advisor as to the tax consequences of the Transaction and ownership of securities of the Resulting Issuer.

U.S. Domestic Corporation for U.S. Federal Income Tax Purposes

The Resulting Issuer intends to take the position that, as a result of the Transaction, the Resulting Issuer will be treated as a U.S. domestic corporation for U.S. federal income tax purposes under Section 7874 of the Code and this treatment is expected to continue indefinitely. As a result, it is anticipated that the Resulting Issuer will be subject to U.S. income tax on its worldwide income and that any dividends paid by the Resulting Issuer to shareholders that are not U.S. persons for U.S. federal income tax purposes will generally be subject to U.S. federal income tax withholding at a 30% rate or such lower rate as provided in an applicable treaty. Since the Resulting Issuer will remain resident in Canada, any dividend paid by the Resulting Issuer to a non-resident of Canada will be subject to Canadian federal withholding tax at a 25% rate or such lower rate as provided in an applicable treaty. For purposes of the U.S. foreign tax credit rules under the Code, dividends paid by the Resulting Issuer will be characterized as U.S. source income and, as a result, shareholders who are U.S. persons for U.S. federal income tax purposes will generally not be able to claim a credit for any Canadian tax withheld unless they have other foreign source income that is subject to a low or zero rate of foreign tax and certain other conditions are met. Similarly, Canadian resident shareholders may not be entitled to claim a foreign tax credit for any U.S. federal income tax withheld by the Resulting Issuer unless they have U.S.-source income that is not otherwise bearing full tax, although they may be entitled to claim a deduction for such U.S. withholding tax in computing income if certain conditions are met.

Furthermore, the Resulting Issuer will be subject to Canadian income tax on its worldwide income. Consequently, it is anticipated that the Resulting Issuer will be liable for both U.S. and Canadian income tax, which could have a material adverse effect on its financial condition and results of operations.

U.S. Tax Classification

As noted above, the Resulting Issuer is expected to be treated as a U.S. domestic corporation for U.S. federal income tax purposes. As a U.S. domestic corporation for U.S. federal income tax purposes, the taxation of the Resulting Issuer's Non-U.S. Holders upon a disposition of Subordinate Voting Shares generally depends on whether the Resulting Issuer is classified as a United States real property holding corporation (a "**USRPHC**") under the Code. The Resulting Issuer believes that it is not currently, and has never been, a USRPHC. However, the Resulting Issuer has not sought and does not intend to seek formal confirmation of its status as a non-USRPHC from the IRS. If the Resulting Issuer were to be or become a USRPHC, its Non-U.S. Holders may be subject to U.S. federal income tax on any gain associated with the disposition of the Subordinate Voting Shares.

Change in Tax Laws

New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time. Further, existing tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to Abacus or the Resulting Issuer. These enactments and events could require Abacus or the Resulting Issuer to pay additional tax amounts on a prospective or retroactive basis, thereby substantially increasing the amount of taxes Abacus or the Resulting Issuer pay in the relevant tax jurisdictions. Accordingly, these events could decrease the capital of Abacus or the Resulting Issuer has available to operate its business. Any or all of these events could harm the business and financial performance of Abacus and the Resulting Issuer.

18. PROMOTERS

No person or company has been within the two years immediately preceding the date of this Listing Statement a promoter of the Resulting Issuer, and the Resulting Issuer is not a party to any written or oral agreement or understanding with any person to provide any promotional or investor relations services for the Resulting Issuer.

19. LEGAL PROCEEDINGS

The Resulting Issuer may be, from time to time, involved in legal proceedings of a nature considered normal to its business. The Resulting Issuer is not involved in any legal proceedings which individually or in the aggregate would be material to the Resulting Issuer's consolidated financial condition or results of operations.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as described elsewhere in this Listing Statement, there is no material interest, direct or indirect, of: (i) any director or executive officer of the Resulting Issuer; (ii) any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Subordinate Voting Shares; or (iii) an associate or any affiliate of any persons or companies referred to above in (i) or (ii), in any transaction within the three years before the date of this Listing Statement that has materially affected or is reasonably expected to materially affect the Resulting Issuer.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

Prior to the completion of the Transaction, the auditors of the Corporation were Zeifmans LLP.

The auditors of Abacus are Richter LLP.

Further to the completion of the Transaction, the auditors of the Resulting Issuer are Richter LLP at its office located at 181 Bay Street, Suite 3320, Bay Wellington Tower, Toronto, Ontario.

The Transfer Agent and registrar of the Resulting Issuer's Subordinate Voting Shares is Odyssey Trust Company.

22. MATERIAL CONTRACTS

This Listing Statement includes a summary description of certain material contracts. Each summary description discloses all attributes material in the Subordinate Voting Shares but is not complete and is qualified by reference to the terms of the material contracts, which will be filed with the Canadian securities regulatory authorities and available on SEDAR at www.sedar.com under the Resulting Issuer's profile.

The following are the Resulting Issuer's only material contracts that are in effect (other than certain agreements entered into in the ordinary course of business):

(a) the Aidance Manufacturing and Services Agreement, as described under Section 4.9 - Arrangements with Suppliers and Manufacturers;

(b) the Agency Agreement entered into in connection with the Abacus Private Placement, as described under Section 2.4 - Fundamental Change - Concurrent Financing;

(c) the Subscription Receipt Agreement, as described under Section 2.4 - Fundamental Change - Concurrent Financing; and

(d) the Merger Agreement, as described under Section 2.4 - Fundamental Change.

23. INTEREST OF EXPERTS

No person or company named in this document as having prepared or certified a part of the document or a report described in this document and no responsible solicitor or any partner of a responsible solicitor's firm, holds any material beneficial interest, direct or indirect, in any securities or property of the Resulting Issuer or of an associate or affiliate of the Resulting Issuer.

24. OTHER MATERIAL FACTS

There are no other material facts that are not elsewhere disclosed herein and which are necessary in order for this document to contain full, true and plain disclosure of all material facts relating to the Corporation, the Resulting Issuer or Abacus and their respective securities.

25. FINANCIAL STATEMENTS

25.1 Financial Statements of Corporation

Schedule A contains copies of the audited financial statements of the Corporation for the years ended June 30, 2018 and 2017 and the unaudited financial statements of the Corporation for the three months period ended September 30, 2018.

25.2 Financial Statements of Abacus

Schedule C contains copies of the audited financial statements of Abacus for the years ended December 31, 2017 and 2016 and the unaudited financial statements of Abacus for the three and nine months period ended September 30, 2018.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, **ABACUS HEALTH PRODUCTS, INC.**, an Ontario corporation, hereby applies for the listing of the above mentioned securities on the CSE. The foregoing contains full, true and plain disclosure of all material information relating to **ABACUS HEALTH PRODUCTS, INC.** It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Date: January 29, 2019

Signed:

Perry Antelman
Chief Executive Officer

Signed:

Henry R. Hague, III
Chief Financial Officer

Signed:

Eyal Rosenthal
Director

Signed:

Phillip (Phil) Charles Henderson
Director

SCHEDULE A
FINANCIAL STATEMENTS OF THE CORPORATION

(See attached)

WORLD WIDE INC.

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2018 AND 2017

(EXPRESSED IN CANADIAN DOLLARS)

Zeifmans

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of World Wide Inc.

We have audited the accompanying financial statements of World Wide Inc. (the “Company”), which comprise the statement of financial position as at June 30, 2018, and the statements of income (loss) and comprehensive income (loss), changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors’ Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2018 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1 to the financial statements which indicates the existence of material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

Other Matter

The financial statements of the Company as at and for the year ended June 30, 2018 were audited by another accounting firm who expressed an unqualified opinion on those statements on October 23, 2017.

Zeifmans LLP

Toronto, Ontario
October 30, 2018

Chartered Professional Accountants
Licensed Public Accountants

World Wide Inc.

Statements of Financial Position
(Expressed in Canadian Dollars)

	As at June 30, 2018	As at June 30, 2017
ASSETS		
Current assets		
Sundry receivables	**-**	3,721
Total assets	**$ -**	$ 3,721
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**$ 25,967**	$ 201,987
Due to related parties (note 6)	**461,989**	414,705
Total liabilities	**487,956**	616,692
Equity		
Share capital (note 5)	**684,571**	684,571
Reserves	**2,000**	2,000
Deficit	**(1,174,527)**	(1,299,542)
Total equity	**(487,956)**	(612,971)
Total equity and liabilities	**$ -**	$ 3,721

The accompanying notes to the financial statements are an integral part of these statements.

Nature of operations and going concern (note 1)
Subsequent event (note 8)

Approved on behalf of the Board:

"Yaron Conforti", Director

"Jesse Kaplan", Director

World Wide Inc.

Statements of Income (loss) and Comprehensive Income (loss)
(Expressed in Canadian Dollars)

	Year Ended June 30, 2018	Year Ended June 30, 2017
Operating expenses		
Management fees (note 6)	**$ 36,000**	$ 24,000
Accounting fees (note 6)	**6,000**	-
Office and general	**3,910**	90
Professional fees	**6,721**	8,146
Shareholder relations	**9,282**	6,605
	(61,913)	(38,841)
Change in accruals	**186,928**	-
Net income (loss) and comprehensive income (loss) for the year	**$ 125,015**	$ (38,841)
Basic and diluted net income (loss) per share	**$ 0.06**	$ (0.02)
Weighted average number of common shares outstanding	**2,162,643**	2,162,643

The accompanying notes to the financial statements are an integral part of these statements.

World Wide Inc.

Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended June 30, 2018	Year Ended June 30, 2017
Operating activities		
Net income (loss) for the year	**$ 125,015**	$ (38,841)
Adjustments for:		
Change in accruals	**(186,928)**	-
Changes in non-cash working capital items:		
Sundry receivables	**3,721**	(319)
Accounts payable and accrued liabilities	**10,908**	(8,351)
Net cash used in operating activities	**(47,284)**	(47,511)
Financing activities		
Due to related parties	**47,284**	47,511
Net cash provided by financing activities	**47,284**	47,511
Net change in cash	**-**	-
Cash, beginning of year	**-**	-
Cash, end of year	**$ -**	$ -

The accompanying notes to the financial statements are an integral part of these statements.

World Wide Inc.

Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share Capital		Reserves for Share-based		
	Number	Amount	Payments	Deficit	Total
Balance, June 30, 2016	**2,162,643**	**$ 684,571**	**$ 2,000**	**$ (1,260,701)**	**$ (574,130)**
Net loss for the year	-	-	-	(38,841)	(38,841)
Balance, June 30, 2017	**2,162,643**	**$ 684,571**	**$ 2,000**	**$ (1,299,542)**	**$ (612,971)**
Net income for the year	-	-	-	125,015	125,015
Balance, June 30, 2018	**2,162,643**	**$ 684,571**	**$ 2,000**	**$ (1,174,527)**	**$ (487,956)**

The accompanying notes to the financial statements are an integral part of these statements.

1. Nature of operations and going concern

Pursuant to letters of amalgamation, under the laws of Ontario, dated October 30, 1996 Silver Circle Compact Disc Books Inc., amalgamated with 1194137 Ontario Inc., to form World Wide Interactive Discs Inc. ("WWID"). On February 13, 2005 WWID changed its name to World Wide Co-Generation Inc. by Articles of Amendment. The Company in 2007 changed its name to World Wide Inc. ("World Wide" or the "Company"). The Company currently has no business activity and is focused on identifying a new project. The head office of the Company is located at 1 Adelaide Street East, Suite 801, Toronto, Ontario M5C 2V9.

The financial statements have been prepared on the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company had a net income of $125,015 during the year ended June 30, 2018 and as of that date the Company had a shareholders' deficiency of $487,956.

Given that the Company has not generated any ongoing income nor cash flows from operations, there is significant doubt regarding the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to raise additional financing and to establish profitable operations (see note 8). The carrying amount of assets, liabilities, revenues and expenses presented in the financial statements have not been adjusted as would be required if the going concern assumption was not appropriate.

2. Significant accounting policies

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The policies applied in these financial statements are based on IFRS issued and outstanding as of October 29, 2018, the date the Board of Directors approved the statements.

Basis of presentation

These financial statements have been prepared on the historical cost basis, with the exception of financial instruments classified at fair value through profit or loss, which are measured at fair value. All items were initially recorded at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Functional and presentation currency

These financial statements have been prepared in Canadian dollars, which is the Company's functional and presentation currency.

Significant accounting judgments and estimates

The preparation of these financial statements requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to accrued liabilities. The most significant judgements relate to recognition of deferred tax assets and liabilities and the appropriateness of the going concern assumption.

2. Significant accounting policies (continued)

Financial instruments

The Company recognizes financial assets and financial liabilities when the Company becomes a party to a contract. Financial assets and financial liabilities, with the exception of financial assets classified as at fair value through profit or loss, are measured at fair value plus transaction costs on initial recognition. Financial assets at fair value through profit or loss are measured at fair value on initial recognition and transaction costs are expensed when incurred. Securities are accounted for at the trade date.

Measurement in subsequent periods depends on the classification of the financial instrument.

Financial assets:

Financial assets are classified into the following categories: financial assets 'at fair value through profit or loss' ("FVTPL"), 'held-to-maturity investments', 'available-for-sale' and 'loans and receivable'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as FVTPL when acquired principally for the purpose of trading, if so designated by management (fair value option), or if they are derivative assets that are not part of an effective and designated hedging relationship. Financial assets classified as FVTPL are measured at fair value, with changes recognized in the statements of income (loss).

The Company does not have any financial asset classified as FVTPL. The Company does not currently hold any derivative instruments or apply hedge accounting.

Available-for-sale financial assets

Financial assets are classified as available-for-sale when so designated by management. Financial assets classified as available-for-sale are measured at fair value, with changes recognized in the other comprehensive income (loss). The Company currently does not have any financial assets classified as available-for-sale.

Loans and receivables

Loans and receivables are non-derivative financial assets that have fixed or determinable payments and are not quoted in an active market. Subsequent to initial recognition, loans and receivables are carried at amortized cost using the effective interest method.

Held-to-maturity

These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the intention and ability to hold to maturity.

These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the asset is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized in profit or loss. The Company currently does not have any held-to-maturity assets.

2. Significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities:

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Fair value through profit or loss

This category comprises derivatives, or liabilities, acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statements of income (loss).

Other financial liabilities

Other financial liabilities including borrowings are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition.

De-recognition of financial liabilities:

The Company derecognizes financial liabilities when the obligations are discharged, cancelled or expired.

Classification

The Company's financial instruments consist of the following:

Financial assets:	**Classification:**
Sundry receivables	Loans and receivables

Financial liabilities:	**Classification:**
Accounts payable and accrued liabilities	Other financial liabilities
Due to related parties	Other financial liabilities

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include: significant financial difficulty of the issuer or counterparty; or default or delinquency in interest or principal payments; or the likelihood that the borrower will enter bankruptcy or financial reorganization.

2. Significant accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of sundry receivable, where the carrying amount is reduced through the use of an allowance account. When a receivable amount is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statements of income (loss).

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Fair value hierarchy:

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on 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 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs). As of June 30, 2018 and 2017, none of the Company's financial instruments are recorded at fair value on the statements of financial position.

Income taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2. Significant accounting policies (continued)

Earnings (loss) per share

The Company presents basic earnings (loss) per share data for its common shares, calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is calculated using the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding used for the calculation of diluted earnings (loss) per share assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are used to repurchase common shares at the average market price during the period. The effect of potential issuances of shares under stock options and warrants would be anti-dilutive, and accordingly basic and diluted earnings (loss) per share are the same.

Related party disclosures

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the fair value.

Share capital

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are shown in equity as a reduction, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2. Significant accounting policies (continued)

Pending accounting standards and interpretations

At the date of authorization of these Financial Statements, the IASB and IFRIC has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods.

The Company has not early adopted these standards, amendments and interpretations; however it is currently assessing what impact, if any, the application of these standards or amendments will have on future financial statements.

(i) IFRS 9, Financial Instruments ("IFRS 9"), was issued by the IASB in its final form in July 2014 and will replace IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company does not expect adoption of the standard to have any material impact on the Company's financial statements.

(ii) IFRS 15, Revenue from Contracts with Customers ("IFRS 15") was issued in 2014. IFRS 15 provides a single, principles-based, five-step model to be applied to all contracts with customers. The five steps in the model are as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when (or as) the entity satisfies a performance obligation

Guidance is provided on topics such as the point at which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. The Company does not expect adoption of the standard to have any material impact on the Company's financial statements.

(iii) IFRS 16 Leases ("IFRS 16"), was issued in January 2016 and it replaces IAS 17 Leases. IFRS 16 requires entities to recognize lease assets and lease obligations on the balance sheet. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead leases are "capitalized" by recognizing the present value of the lease payments and showing them either as lease assets (right-of-use assets) or together with property, plant and equipment. If lease payments are made over time, a company also recognizes a financial liability representing its obligations to make future lease payments. IFRS 16 is effective for fiscal periods beginning on or after January 1, 2019. The Company does not expect adoption of the standard to have any material impact on the Company's financial statements.

3. Capital risk management

The Company includes equity, comprised of issued share capital, reserves and deficit, in the definition of capital, amounting to a deficiency of $487,956 (June 30, 2017 – deficiency of $612,971).

The Company's primary objective with respect to its capital management is to ensure that it maintains adequate levels of funding to support the operation of the Company until the Company can locate a prospective buyer to reactivate the business operation.

3. Capital risk management (continued)

The Company's capital structure is adjusted based on management's and the Board of Directors' decision to fund expenditures with the issuance of debt or equity. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended June 30, 2018. The Company is not subject to externally imposed capital restrictions.

4. Financial instruments

The Company's financial instruments, consisting of sundry receivables, accounts payable and accrued liabilities, due to related parties and other liabilities, approximate fair values due to the relatively short term maturities of the instruments. It is management's opinion that the Company is not exposed to significant interest, currency, credit or market risks arising from these financial instruments.

As at June 30, 2018, the Company had a working capital deficit of $487,956 (June 30, 2017 - $612,971). The Company regularly evaluates its funding requirement and position to ensure preservation and security of capital as well as liquidity.

The Company relies on advances from its shareholders to fund its operating activities. While there is no assurance these funds can be raised, the Company believes such financing will be available as required. The Company's discretionary activities do have considerable scope for flexibility in terms of the amount and timing of expenditure, and expenditures may be adjusted accordingly.

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

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Management believes that the credit risk with respect to these financial statements is minimal.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at June 30, 2018 and 2017, the Company had a cash balance of $nil to settle current liabilities of $487,956 (June 30, 2017 - $616,692). Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. It is expected a related party of the Company will advance the necessary funds to meet these liabilities. Should this individual stop advancing the money the Company may not be able to raise fund otherwise to discharge its liabilities as they become due.

Sensitivity analysis

The Company does not have significant financial instruments as at June 30, 2018 and 2017 and those instruments are not interest bearing. A one percentage point increase or decrease in the interest rate would not have a significant impact on the Company's profit or loss.

(Expressed in Canadian Dollars)

5. Share capital

a) Authorized share capital

The authorized share capital consisted of unlimited number of common shares (see note 8).

b) Common shares issued

There were no changes in issued and outstanding common shares during the years ended June 30, 2018 and 2017.

6. Related party transactions

	As at June 30, 2018	As at June 30, 2017
Management fees (i), (ii)	$ 36,000	$ 24,000
Accounting fees (ii)	6,000	-
	$ 42,000	$ 24,000

(i) During the year ended June 30, 2018, a former officer of the Company, charged professional service fees of $27,000 (2017 - $24,000) for Chairman and CEO services.

(ii) During the year ended June 30, 2018, a former officer of the Company, charged professional service fees of $9,000 (2017 - $nil) for CFO services, and fees of $6,000 (2017 - $nil) accounting and administrative services.

At June 30, 2018, the total amount due to related parties (the directors, the CEO and the CFO of the Company) was $461,989 (June 30, 2017 - $414,705). Subsequent to June 30, 2018, these amounts were assigned to the new CEO and CFO of the Company.

7. Income taxes

The income tax allowance differs from the amount resulting from the application of the combined Canadian income tax rate as follows:

	Year Ended June 30, 2018	Year Ended June 30, 2017
Net income (loss) before income taxes	**$ 125,015**	$ (38,841)
Statutory income tax rate	**26.50 %**	26.50 %
Expected income tax expense (recovery)	**33,129**	(10,293)
Unapplied non-capital losses	**(33,129)**	10,293
	$ -	$ -

(Expressed in Canadian Dollars)

7. Income taxes (continued)

The significant components of the deferred tax assets and liabilities not recognized as at June 30, 2018 and 2017 are as follows:

	Year Ended June 30, 2018	Year Ended June 30, 2017
Deferred tax assets:		
Non-capital loss carry forwards	**$ 216,505**	**$ 250,004**
Capital losses carried forward	**15,495**	15,495
Other	**155**	155
Total deferred tax assets	**232,155**	265,654
Valuation allowance	**(232,155)**	(265,654)
	$ -	$ -

The Company has Canadian non-capital losses of approximately $817,000 available to apply against the future taxable income, expiring has follows.

2025	**$ 37,000**
2026	**124,000**
2027	**42,000**
2028	**72,000**
2029	**77,000**
2030	**73,000**
2031	**64,000**
2032	**62,000**
2033	**63,000**
2034	**58,000**
2035	**48,000**
2036	**58,000**
2037	**39,000**
	$ 817,000

8. Subsequent events

(i) Subsequent to June 30, 2018, the Company announced Stewart Wright, Gordon Wilton and John Sadowski resigned as directors of the Company, and Stewart Wright resigned as President, Chief Executive Officer and Chief Financial Officer of the Company. Yaron Conforti, Jesse Kaplan and Harry Bregman (subsequently Harry Bregman passed away due to illness) were appointed as directors of the Company to fill the vacancies created by the foregoing resignations. Yaron Conforti was appointed to the offices of Chief Executive Officer, Chief Financial Officer and Secretary of the Company.

8. Subsequent events (continued)

(ii) Subsequent to June 30, 2018, the Company closed a non-brokered private placement of 28,200,000 common shares in the share capital of the Company at $0.02 per share for gross proceeds of $564,000 (the "Offering"). All securities issued pursuant to the Offering are subject to a statutory hold period of four months plus one day from the date of issuance, in accordance with applicable securities legislation.

Pursuant to the Offering, Yaron Conforti acquired 9,135,000 common shares, representing 30.34% of the issued and outstanding common shares on a non-diluted basis. Prior to the Offering, Yaron Conforti did not beneficially own, or exercise control or direction over, any securities of the Company.

Pursuant to the Offering, Jonathan Conforti acquired 9,135,000 common shares, representing 30.34% of the issued and outstanding common shares on a non-diluted basis. Prior to the Offering, Jonathan Conforti did not beneficially own, or exercise control or direction over, any securities of the Company.

Pursuant to the Offering, KW Capital Partners Ltd. ("KW"), a corporation of which Jesse Kaplan is also a director, acquired 5,220,000 common shares, representing 17.33% of the issued and outstanding common shares on a non-diluted basis. Prior to the Offering, KW did not beneficially own, or exercise control or direction over, any securities of the Company.

Pursuant to the Offering, Shimcity Inc. ("Shimcity") acquired 3,860,000 common shares, representing 12.82% of the issued and outstanding common shares on a non-diluted basis. Prior to the Offering, Shimcity did not beneficially own, or exercise control or direction over, any securities of the Company.

(iii) Subsequent to June 30, 2018, the Company entered into a non-binding letter of intent (the "LOI") dated August 30, 2018 with Rhode Island-based Abacus Health Products, Inc. ("Abacus") whereby the parties are to complete a business combination by way of a transaction that will constitute a reverse takeover of the Company by Abacus (the "Transaction"). Pursuant to the Transaction, the Company is to apply to list on the Canadian Securities Exchange (the "CSE").

The resulting issuer that is to exist upon completion of the Transaction (the "Resulting Issuer") is to change its business to the development, production and sale of CBD infused topical pain relief products. The final structure of the Transaction is to be determined by the parties following receipt of tax, corporate and securities law advice. The Transaction is an arm's length transaction.

Prior to the closing of the Transaction (the "Closing"), World Wide is to call a meeting of its shareholders for the purpose of approving, among other matters (collectively, the "World Wide Meeting Matters"):

- a change of name of the Company to "Abacus Health Products Inc." or such other name as is directed by Abacus and acceptable to applicable regulatory authorities effective upon Closing;
- the consolidation of its shares based upon a ratio to be determined;
- the creation of a new class of securities to be called "proportionate voting shares" which are to have the right to 100 votes per share;
- an amendment to its articles of incorporation to remove its authorized class of the Special Shares, of which there are presently none outstanding;
- the approval of a new stock option plan to be effective upon Closing;
- the election of a slate of directors appointed by Abacus, which elections are to be effective upon Closing;
- the appointment of a new auditor; and
- if required by governing regulatory bodies, the approval of the Transaction.

8. Subsequent events (continued)

The Transaction is an arm's length transaction. World Wide is to, however, prepare and file with the CSE a CSE Form 2A listing statement or other principal disclosure document (the "Listing Statement") providing comprehensive disclosure on Abacus and the Transaction in connection with the CSE listing.

Upon closing of the Transaction, all of World Wide's current directors and executive officers are to resign and the board of directors of the Resulting Issuer is to, subject to the approval of governing regulatory bodies, consist of between 3 and 7 directors, each of which are to be appointed by Abacus in its sole discretion. All of the executive officers shall be replaced by nominees of Abacus, all in a manner that complies with the requirements of governing regulatory bodies and applicable securities and corporate laws.

The completion of the Transaction is subject to a number of conditions, including but not limited to the following:

- the execution of a definitive agreement;
- completion of mutually satisfactory due diligence;
- completion of the World Wide Meeting Matters; and
- receipt of all required regulatory, corporate and third party approvals, including approvals by governing regulatory bodies, the shareholders of World Wide, applicable governmental authorities, and the fulfilment of all applicable regulatory requirements and conditions necessary to complete the Transaction.

WORLD WIDE INC.
CONDENSED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED SEPTEMBER 30, 2018
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim financial statements of World Wide Inc. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

World Wide Inc.

Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
Unaudited

		As at September 30, 2018		As at June 30, 2018
ASSETS				
Current assets				
Sundry receivables		**3,532**		-
Funds held in trust		**44,613**		-
Total assets	**$**	**48,145**	$	-
EQUITY AND LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**37,151**	$	25,967
Due to related parties (note 4)		**-**		461,989
Total liabilities		**37,151**		487,956
Equity				
Share capital (note 3)		**1,247,971**		684,571
Reserves		**2,000**		2,000
Deficit		**(1,238,977)**		(1,174,527)
Total equity		**10,994**		(487,956)
Total equity and liabilities	**$**	**48,145**	$	-

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

Nature of operations and going concern (note 1)

World Wide Inc.

Condensed Interim Statements of Income (loss) and Comprehensive Income (loss)
(Expressed in Canadian Dollars)
Unaudited

	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017
Operating expenses		
Management fees (note 4)	**$ -**	$ 6,000
Accounting fees (note 4)	**2,569**	-
Office and general	**211**	-
Professional fees	**59,504**	-
Shareholder relations	**2,166**	1,251
	(64,450)	(7,251)
Change in accruals	**-**	173,426
Net income (loss) and comprehensive income (loss) for the period	**$ (64,450)**	$ 166,175
Basic and diluted net income (loss) per share	**$ (0.00)**	$ 0.08
Weighted average number of common shares outstanding	**17,784,382**	2,162,643

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

World Wide Inc.

Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
Unaudited

	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017
Operating activities		
Net income (loss) for the period	**$ (64,450)**	$ 166,175
Adjustments for:		
Change in accruals	**-**	(173,426)
Changes in non-cash working capital items:		
Sundry receivables	**(3,532)**	-
Accounts payable and accrued liabilities	**11,184**	(7,853)
Net cash used in operating activities	**(56,798)**	(15,104)
Investing activities		
Increase in funds held in trust	**(44,613)**	-
Net cash used in investing activities	**(44,613)**	-
Financing activities		
Due to related parties	**(461,989)**	15,104
Proceeds from private placement, net of share issue costs	**563,400**	-
Net cash provided by financing activities	**101,411**	15,104
Net change in cash	**-**	-
Cash, beginning of period	**-**	-
Cash, end of period	**$ -**	$ -

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

World Wide Inc.

Condensed Interim Statements of Changes in Equity
(Expressed in Canadian Dollars)
Unaudited

	Share Capital		Reserves for Share-based		
	Number	Amount	Payments	Deficit	Total
Balance, June 30, 2017	**2,162,643**	**$ 684,571**	**$ 2,000**	**$ (1,299,542)**	**$ (612,971)**
Net income for the period	-	-	-	166,175	166,175
Balance, September 30, 2017	**2,162,643**	**$ 684,571**	**$ 2,000**	**$ (1,133,367)**	**$ (446,796)**
Balance, June 30, 2018	**2,162,643**	**$ 684,571**	**$ 2,000**	**$ (1,174,527)**	**$ (487,956)**
Private placement	28,200,000	564,000	-	-	564,000
Share issue costs	-	(600)	-	-	(600)
Net loss for the period	-	-	-	(64,450)	(64,450)
Balance, September 30, 2018	**30,362,643**	**$ 1,247,971**	**$ 2,000**	**$ (1,238,977)**	**$ 10,994**

The accompanying notes to the unaudited condensed interim financial statements are an integral part of these statements.

1. Nature of operations and going concern

Pursuant to letters of amalgamation, under the laws of Ontario, dated October 30, 1996 Silver Circle Compact Disc Books Inc., amalgamated with 1194137 Ontario Inc., to form World Wide Interactive Discs Inc. ("WWID"). On February 13, 2005 WWID changed its name to World Wide Co-Generation Inc. by Articles of Amendment. The Company in 2007 changed its name to World Wide Inc. ("World Wide" or the "Company"). The Company currently has no business activity and is focused on identifying a new project. The head office of the Company is located at 1 Adelaide Street East, Suite 801, Toronto, Ontario M5C 2V9.

The financial statements have been prepared on the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company had a net loss of $64,450 during the three months ended September 30, 2018 and as of that date the Company had a shareholders' equity of $10,994.

2. Significant accounting policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim financial statements are based on IFRSs issued and outstanding as of November 29, 2018, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended June 30, 2018, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending June 30, 2019 could result in restatement of these unaudited condensed interim financial statements.

New standards not yet adopted and interpretations issued but not yet effective

IFRS 16 Leases ("IFRS 16"), was issued in January 2016 and it replaces IAS 17 Leases. IFRS 16 requires entities to recognize lease assets and lease obligations on the balance sheet. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead leases are "capitalized" by recognizing the present value of the lease payments and showing them either as lease assets (right-of-use assets) or together with property, plant and equipment. If lease payments are made over time, a company also recognizes a financial liability representing its obligations to make future lease payments. IFRS 16 is effective for fiscal periods beginning on or after January 1, 2019. The Company has not yet determined the impact of the amendments on the Company's financial statements.

Change in accounting policies

IFRS 9 Financial Instruments ("IFRS 9")

IFRS 9 includes finalized guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 largely retains the existing requirements in IAS 39 Financial Instruments: recognition and measurement, for the classification and measurement of financial liabilities.

(Expressed in Canadian Dollars)

2. Significant accounting policies (continued)

Change in accounting policies (continued)

IFRS 9 Financial Instruments ("IFRS 9") (continued)

The Company adopted IFRS 9 in its unaudited condensed interim financial statements on July 1, 2018. Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the opening accumulated deficit balance on July 1, 2018. The impact on the classification and measurement of its financial instruments is set out below.

All financial assets not classified at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL.

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the consolidated statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the consolidated statement of loss and comprehensive loss for the year. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

The following table summarizes the classification and measurement changes under IFRS 9 for each financial instrument:

Classification	IAS 39	IFRS 9
Funds held in trust	FVTPL	FVTPL
Sundry receivables	Loans and receivables (amortized cost)	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities (amortized cost)	Amortized cost
Due to related parties	Other financial liabilities (amortized cost)	Amortized cost

The original carrying value of the Company's financial instruments under IAS 39 has not changed under IFRS 9.

IFRS 15 – Revenue from Contracts with Customers ("IFRS 15")

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. IFRS 15 specifies how and when to recognize revenue as well as requires entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18, Revenue, IAS 11, Construction Contracts, and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. On January 1, 2018, the Company adopted these amendments and there was no material impact on the Company's unaudited condensed interim financial statements.

(Expressed in Canadian Dollars)

3. Share capital

a) Authorized share capital

The authorized share capital consisted of unlimited number of common shares (see note 5).

b) Common shares issued

During the three months ended September 30, 2018, the Company closed a non-brokered private placement of 28,200,000 common shares in the share capital of the Company at $0.02 per share for gross proceeds of $564,000 (the "Offering"). All securities issued pursuant to the Offering are subject to a statutory hold period of four months plus one day from the date of issuance, in accordance with applicable securities legislation.

Pursuant to the Offering, Yaron Conforti acquired 9,135,000 common shares, representing 30.34% of the issued and outstanding common shares on a non-diluted basis. Prior to the Offering, Yaron Conforti did not beneficially own, or exercise control or direction over, any securities of the Company.

Pursuant to the Offering, Jonathan Conforti acquired 9,135,000 common shares, representing 30.34% of the issued and outstanding common shares on a non-diluted basis. Prior to the Offering, Jonathan Conforti did not beneficially own, or exercise control or direction over, any securities of the Company.

Pursuant to the Offering, KW Capital Partners Ltd. ("KW"), a corporation of which Jesse Kaplan is also a director, acquired 5,220,000 common shares, representing 17.33% of the issued and outstanding common shares on a non-diluted basis. Prior to the Offering, KW did not beneficially own, or exercise control or direction over, any securities of the Company.

Pursuant to the Offering, Shimcity Inc. ("Shimcity") acquired 3,860,000 common shares, representing 12.82% of the issued and outstanding common shares on a non-diluted basis. Prior to the Offering, Shimcity did not beneficially own, or exercise control or direction over, any securities of the Company.

4. Related party transactions

	September 30, 2018	September 30, 2017
Management fees (i)	$ -	$ 6,000
Professional fees (ii), (iii)	27,004	-
Shareholder relations (ii)	983	-
	$ 27,987	$ 6,000

(i) During the three months ended September 30, 2017, a former officer of the Company, charged professional service fees of $6,000 for Chairman and CEO services.

(ii) During the three months ended September 30, 2018, a company controlled by a former director of the Company, charged $983 for transfer agency services and corporate services and $15,004 for finders fees.

(iii) During the three months ended September 30, 2018, a former director of the Company, charged $12,000 for finders fees.

At September 30, 2018, the total amount due to related parties (the directors, the CEO and the CFO of the Company) was $nil (June 30, 2018 - $461,989).

5. Proposed transaction

During the period ended September 30, 2018, the Company entered into a non-binding letter of intent (the "LOI") dated August 30, 2018 with Rhode Island-based Abacus Health Products, Inc. ("Abacus") whereby the parties are to complete a business combination by way of a transaction that will constitute a reverse takeover of the Company by Abacus (the "Transaction"). Pursuant to the Transaction, the Company is to apply to list on the Canadian Securities Exchange (the "CSE").

The resulting issuer that is to exist upon completion of the Transaction (the "Resulting Issuer") is to change its business to the development, production and sale of CBD infused topical pain relief products. The final structure of the Transaction is to be determined by the parties following receipt of tax, corporate and securities law advice. The Transaction is an arm's length transaction.

Prior to the closing of the Transaction (the "Closing"), World Wide is to call a meeting of its shareholders for the purpose of approving, among other matters (collectively, the "World Wide Meeting Matters"):

- a change of name of the Company to "Abacus Health Products Inc." or such other name as is directed by Abacus and acceptable to applicable regulatory authorities effective upon Closing;
- the consolidation of its shares based upon a ratio to be determined;
- the creation of a new class of securities to be called "proportionate voting shares" which are to have the right to 100 votes per share;
- an amendment to its articles of incorporation to remove its authorized class of the Special Shares, of which there are presently none outstanding;
- the approval of a new stock option plan to be effective upon Closing;
- the election of a slate of directors appointed by Abacus, which elections are to be effective upon Closing;
- the appointment of a new auditor; and
- if required by governing regulatory bodies, the approval of the Transaction.

The Transaction is an arm's length transaction. World Wide is to, however, prepare and file with the CSE a CSE Form 2A listing statement or other principal disclosure document (the "Listing Statement") providing comprehensive disclosure on Abacus and the Transaction in connection with the CSE listing.

Upon closing of the Transaction, all of World Wide's current directors and executive officers are to resign and the board of directors of the Resulting Issuer is to, subject to the approval of governing regulatory bodies, consist of between 3 and 7 directors, each of which are to be appointed by Abacus in its sole discretion. All of the executive officers shall be replaced by nominees of Abacus, all in a manner that complies with the requirements of governing regulatory bodies and applicable securities and corporate laws.

The completion of the Transaction is subject to a number of conditions, including but not limited to the following:

- the execution of a definitive agreement;
- completion of mutually satisfactory due diligence;
- completion of the World Wide Meeting Matters; and
- receipt of all required regulatory, corporate and third party approvals, including approvals by governing regulatory bodies, the shareholders of World Wide, applicable governmental authorities, and the fulfilment of all applicable regulatory requirements and conditions necessary to complete the Transaction.

SCHEDULE B
MD&A OF THE CORPORATION

(See attached)

WORLD WIDE INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2018

Introduction

This Management Discussion and Analysis ("MD&A") is dated October 29, 2018 and unless otherwise noted, should be read in conjunction with the World Wide Inc.'s ("World Wide" or the "Company") audited financial statements for the years ended June 30, 2018 and 2017 and the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A was written to comply with the requirements of National Instrument 51-102-Continuous Disclosure Obligations. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results presented for the year ended June 30, 2018 are not necessarily indicative of the results that may be expected for any future period.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if (1) such information is a change or a fact that has or would reasonably be expected to have, a significant effect on the market price or value of the Company's common shares; or (2) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (3) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on SEDAR at **www.sedar.com**.

Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Forward-looking statements	Assumptions	Risk factors
The Company will be able to continue its business activities.	The Company has anticipated all material costs and the operating activities of the Company, and such costs and activities will be consistent with the Company's current expectations; the Company will be able to obtain shareholder loans or equity funding when required.	Unforeseen costs to the Company will arise; any particular operating cost increase or decrease from the date of the estimation; and capital markets not being favourable for funding and/or related parties discontinue funding the Company resulting in the Company not being able to obtain financing when required or on acceptable terms.
The Company will be able to carry out anticipated business plans.	The operating activities of the Company for the twelve months ending June 30, 2019, will be consistent with the Company's current expectations.	Sufficient funds not being available; increases in costs; the Company may be unable to retain key personnel.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

Pursuant to letters of amalgamation, under the laws of Ontario, dated October 30, 1996 Silver Circle Compact Disc Books Inc., amalgamated with 1194137 Ontario Inc., to form World Wide Interactive Discs Inc. ("WWID"). On February 13, 2005 WWID changed its name to World Wide Co-Generation Inc. by Articles of Amendment. The Company in 2007 changed its name to World Wide Inc. ("World Wide" or the "Company"). The Company currently has no business activity and is focused on identifying a new project (see "Proposed Transaction" below).

Overall Performance

The statements of financial position as of June 30, 2018, indicate total current assets of $nil (June 30, 2017 - $3,721). Current liabilities at June 30, 2018, total $487,956 (June 30, 2017 - $616,692). Equity is comprised of share capital of $684,571 (June 30, 2017 - $684,571), reserves of $2,000 (June 30, 2017 - $2,000) and accumulated deficit of $1,174,527 (June 30, 2017 - $1,299,542) for a net equity of $(487,956) (June 30, 2017 - $(612,971)).

Working capital deficiency, which is current assets less current liabilities, is $487,956 (June 30, 2017 - $612,971).

During the year ended June 30, 2018, the Company reported net income of $125,015 ($0.06 basic and diluted income per share) compared to a net loss of $38,841 ($0.02 basic and diluted loss per share) for the year ended June 30, 2017.

The Company has no operating revenue and its level of expenditures is dependent on the sale of equity capital to finance its operations. Therefore, it is difficult to identify any meaningful trends or develop an analysis from cash flows.

Proposed Transaction

Subsequent to June 30, 2018, the Company entered into a non-binding letter of intent (the "LOI") dated August 30, 2018 with Rhode Island-based Abacus Health Products, Inc. ("Abacus") whereby the parties will complete a business combination by way of a transaction that will constitute a reverse takeover of the Company by Abacus (the "Transaction"). Pursuant to the Transaction, the Company is to apply to list on the Canadian Securities Exchange (the "CSE").

The resulting issuer that is to exist upon completion of the Transaction (the "Resulting Issuer") is to change its business to the development, production and sale of CBD infused topical pain relief products. The final structure of the Transaction is to be determined by the parties following receipt of tax, corporate and securities law advice. The Transaction is an arm's length transaction.

Abacus develops, manufactures and sells a series of OTC FDA registered products using CBD, a non-psychoactive ingredient derived from cannabis. Its first family of products, CBD-Medic and CBD-Clinic, are aimed at the rapidly growing market for topical pain relief and are based on proprietary patent-pending technologies developed by Abacus. Abacus is developing a pipeline of other CBD products addressing additional medical indications and health and wellness segments. Abacus' products are distributed across the United States.

Prior to the closing of the Transaction (the "Closing"), World Wide is to call a meeting of its shareholders for the purpose of approving, among other matters (collectively, the "World Wide Meeting Matters"):

- a change of name of the Company to "Abacus Health Products Inc." or such other name as is directed by Abacus and acceptable to applicable regulatory authorities effective upon Closing;
- the consolidation of its shares based upon a ratio to be determined;
- the creation of a new class of securities to be called "proportionate voting shares" which are to have the right to 100 votes per share;
- an amendment to its articles of incorporation to remove its authorized class of the Special Shares, of which there are presently none outstanding;
- the approval of a new stock option plan to be effective upon Closing;
- the election of a slate of directors appointed by Abacus, which elections are to be effective upon Closing;
- the appointment of a new auditor; and
- if required by governing regulatory bodies, the approval of the Transaction.

The Transaction is an arm's length transaction. World Wide is to, however, prepare and file with the CSE a CSE Form 2A listing statement or other principal disclosure document (the "Listing Statement") providing comprehensive disclosure on Abacus and the Transaction in connection with the CSE listing.

Upon closing of the Transaction, all of World Wide's current directors and executive officers are to resign and the board of directors of the Resulting Issuer is to, subject to the approval of governing regulatory bodies, consist of between 3 and 7 directors, each of which shall be appointed by Abacus in its sole discretion. All of the executive officers are to be replaced by nominees of Abacus, all in a manner that complies with the requirements of governing regulatory bodies and applicable securities and corporate laws.

The completion of the Transaction is subject to a number of conditions, including but not limited to the following:

- the execution of a definitive agreement;
- completion of mutually satisfactory due diligence;
- completion of the World Wide Meeting Matters; and
- receipt of all required regulatory, corporate and third party approvals, including approvals by governing regulatory bodies, the shareholders of World Wide, applicable governmental authorities, and the fulfilment of all applicable regulatory requirements and conditions necessary to complete the Transaction.

Subsequent Events

(i) Subsequent to June 30, 2018, the Company announced Stewart Wright, Gordon Wilton and John Sadowski resigned as directors of the Company, and Stewart Wright resigned as President, Chief Executive Officer and Chief Financial Officer of the Company. Yaron Conforti, Jesse Kaplan and Harry Bregman (subsequently Harry Bregman passed away due to illness) were appointed as directors of the Company to fill the vacancies created by the foregoing resignations. Yaron Conforti was appointed to the offices of Chief Executive Officer, Chief Financial Officer and Secretary of the Company.

(ii) Subsequent to June 30, 2018, the Company closed a non-brokered private placement of 28,200,000 common shares in the share capital of the Company at $0.02 per share for gross proceeds of $564,000 (the "Offering"). All securities issued pursuant to the Offering are subject to a statutory hold period of four months plus one day from the date of issuance, in accordance with applicable securities legislation.

Pursuant to the Offering, Yaron Conforti acquired 9,135,000 common shares, representing 30.34% of the issued and outstanding common shares on a non-diluted basis. Prior to the Offering, Yaron Conforti did not beneficially own, or exercise control or direction over, any securities of the Company.

Pursuant to the Offering, Jonathan Conforti acquired 9,135,000 common shares, representing 30.34% of the issued and outstanding common shares on a non-diluted basis. Prior to the Offering, Jonathan Conforti did not beneficially own, or exercise control or direction over, any securities of the Company.

Pursuant to the Offering, KW Capital Partners Ltd. ("KW"), a corporation of which Jesse Kaplan is also a director, acquired 5,220,000 common shares, representing 17.33% of the issued and outstanding

common shares on a non-diluted basis. Prior to the Offering, KW did not beneficially own, or exercise control or direction over, any securities of the Company.

Pursuant to the Offering, Shimcity Inc. ("Shimcity") acquired 3,860,000 common shares, representing 12.82% of the issued and outstanding common shares on a non-diluted basis. Prior to the Offering, Shimcity did not beneficially own, or exercise control or direction over, any securities of the Company.

Selected Financial Information

As World Wide has no revenue, the Company's ability to fund its operations is dependent upon its ability to secure financing through equity issues.

A summary of selected information for each of the three most recent fiscal years is as follows:

	Year ended June 30, 2018 ($)	Year ended June 30, 2017 ($)	Year ended June 30, 2016 ($)
Revenues	nil	nil	nil
Net loss (income)	(125,015)	38,786	57,876
Net loss (income) per share – basic and diluted	(0.06)	0.02	0.03

	As at June 30, 2018 ($)	As at June 30, 2017 ($)	As at June 30, 2016 ($)
Total assets	nil	3,721	3,402
Total long-term financial liabilities	nil	nil	nil
Distribution or cash dividends	nil	nil	nil

A summary of selected information for each of the eight most recent quarters is as follows:

Three Months Ended	Total Revenue ($)	Loss (Income)		Total Assets ($)
		Total ($)	Per Share ($)	
June 30, 2018	-	(164,185)	(0.08)	nil
March 31, 2018	-	21,042	0.01	3,721
December 31, 2017	-	10,877	0.01	3,721
September 30, 2017	-	7,251	0.00	3,721
June 30, 2017	-	15,657	0.01	3,721
March 31, 2017	-	7,110	0.00	3,500
December 31, 2016	-	7,097	0.00	3,500
September 30, 2016	-	8,977	0.00	3,020

Discussion of Operations

Three months ended June 30, 2018 compared with three months ended June 30, 2017

World Wide's net income totaled $164,185 for the three months ended June 30, 2018, with basic and diluted income per share of $0.08. This compares with a net loss of $15,657 with basic and diluted loss per share of $0.01 for the three months ended June 30, 2017. The change of $179,842 from a net loss to net income for the three months ended June 30, 2018 was principally because of a change in accruals of $186,928 in the current period. Due to the Company currently not having any operations, expenses are minimal and consistent with the prior period.

Year ended June 30, 2018 compared with year ended June 30, 2017

World Wide's net income totaled $125,015 for the year ended June 30, 2018, with basic and diluted income per share of $0.06. This compares with a net loss of $38,841 with basic and diluted loss per share of $0.02 for the year ended June 30, 2017. The change of $163,856 from a net loss to net income for the year ended June 30, 2018 was principally because of a change in accruals of $186,928 in the current period partially offset by management fees increasing by $12,000 and accounting fees increasing by $6,000. Due to the Company currently not having any operations, expenses are minimal and consistent with the prior period.

Liquidity and Financial Position

As at June 30, 2018, the Company's cash balance was $nil (June 30, 2017 - $nil) and the Company had a working capital deficiency of $487,956 (June 30, 2017 – $612,971).

The Company is dependent on the equity and debt markets as its sole source of operating working capital. Management believes the Company will need to raise additional working capital to maintain its operations and activities for the current fiscal year.

The Company will continue to rely on equity and debt financing during such period and there can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company.

Related Party Transactions

(i) During the year ended June 30, 2018, a former officer of the Company, charged professional service fees of $27,000 (2017 - $24,000) for Chairman and CEO services.

(ii) During the year ended June 30, 2018, a former officer of the Company, charged professional service fees of $9,000 (2017 - $nil) for CFO services, and fees of $6,000 (2017 - $nil) accounting and administrative services.

At June 30, 2018, the total amount due to related parties (the directors, the CEO and the CFO of the Company) was $461,989 (June 30, 2017 - $414,705). Subsequent to June 30, 2018, these amounts were assigned to the new CEO and CFO of the Company.

Share Capital

As of the date of this MD&A, the Company had 30,362,643 issued and outstanding common shares.

Recent Accounting Pronouncements

(i) IFRS 9, Financial Instruments ("IFRS 9"), was issued by the IASB in its final form in July 2014 and will replace IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company does not expect adoption of the standard to have any material impact on the Company's financial statements.

(ii) IFRS 15, Revenue from Contracts with Customers ("IFRS 15") was issued in 2014. IFRS 15 provides a single, principles-based, five-step model to be applied to all contracts with customers. The five steps in the model are as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when (or as) the entity satisfies a performance obligation

Guidance is provided on topics such as the point at which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. The Company does not expect adoption of the standard to have any material impact on the Company's financial statements.

(iii) IFRS 16 Leases ("IFRS 16"), was issued in January 2016 and it replaces IAS 17 Leases. IFRS 16 requires entities to recognize lease assets and lease obligations on the balance sheet. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead leases are "capitalized" by recognizing the present value of the lease payments and showing them either as lease assets (right-of-use assets) or together with property, plant and equipment. If lease payments are made over time, a company also recognizes a financial liability representing its obligations to make future lease payments. IFRS 16 is effective for fiscal periods beginning on or after January 1, 2019. The Company has not yet determined the impact of the amendments on the Company's financial statements.

Capital Management

The Company includes equity, comprised of issued share capital, reserves and deficit, in the definition of capital, amounting to a deficiency of $487,956 (June 30, 2017 – deficiency of $612,971).

The Company's primary objective with respect to its capital management is to ensure that it maintains adequate levels of funding to support the operation of the Company until the Company can locate a prospective buyer to reactivate the business operation.

The Company's capital structure is adjusted based on management's and the Board of Directors' decision to fund expenditures with the issuance of debt or equity. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended June 30, 2018. The Company is not subject to externally imposed capital restrictions.

Financial Instruments

The Company's financial instruments, consisting of sundry receivables, accounts payable and accrued liabilities, due to related parties and other liabilities, approximate fair values due to the relatively short term maturities of the instruments. It is management's opinion that the Company is not exposed to significant interest, currency, credit or market risks arising from these financial instruments.

As at June 30, 2018, the Company had a working capital deficit of $487,956 (June 30, 2017 - $612,971). The Company regularly evaluates its funding requirement and position to ensure preservation and security of capital as well as liquidity.

The Company relies on advances from its shareholders to fund its operating activities. While there is no assurance these funds can be raised, the Company believes such financing will be available as required. The Company's discretionary activities do have considerable scope for flexibility in terms of the amount and timing of expenditure, and expenditures may be adjusted accordingly.

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

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Management believes that the credit risk with respect to these financial statements is minimal.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities as they become due. As at June 30, 2018 and 2017, the Company had a cash balance of $nil to settle current liabilities of $487,956 (June 30, 2017 - $616,692). Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. It is expected a related party of the Company will advance the necessary funds to meet these liabilities. Should this individual stop advancing the money the Company may not be able to raise fund otherwise to discharge its liabilities as they become due.

Sensitivity analysis

The Company does not have significant financial instruments as at June 30, 2018 and 2017 and those instruments are not interest bearing. A one percentage point increase or decrease in the interest rate would not have a significant impact on the Company's profit or loss.

Risks and Uncertainties

The Company has no source of operating cash flow and no assurance that additional funding will be available. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable.

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company. The Company has not purchased "key-man" insurance, nor has it entered into non-competition and non-disclosure agreements with management and has no current plans to do so.

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements; and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing the certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Additional Disclosure for Venture Issuers without Significant Revenue

General and Administrative

	Year ended June 30, 2018 ($)	Year ended June 30, 2017 ($)
Management fees	36,000	24,000
Accounting fees	6,000	-
Office and general	3,910	90
Professional fees	6,721	8,146
Shareholder relations	9,282	6,605
Total	**61,913**	**38,841**

Other Significant Items

	Year ended June 30, 2018 ($)	Year ended June 30, 2017 ($)
Change in accruals	186,928	-

WORLD WIDE INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

THREE MONTHS ENDED SEPTEMBER 30, 2018

Introduction

The following interim Management's Discussion & Analysis ("MD&A") of World Wide Inc.'s ("World Wide" or the "Company") for the three months ended September 30, 2018 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management's discussion & analysis, being the Management's Discussion & Analysis ("Annual MD&A") for the fiscal year ended June 30, 2018. This MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since date of the Annual MD&A.

This MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual financial statements for the years ended June 30, 2018 and 2017, together with the notes thereto, and unaudited condensed interim financial statements for the three months ended September 30, 2018, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of November 29, 2018, unless otherwise indicated.

Further information about the Company and its operations is available on SEDAR at **www.sedar.com**.

Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Forward-looking statements	Assumptions	Risk factors
The Company will be able to continue its business activities.	The Company has anticipated all material costs and the operating activities of the Company, and such costs and activities will be consistent with the Company's current expectations; the Company will be able to obtain shareholder loans or equity funding when required.	Unforeseen costs to the Company will arise; any particular operating cost increase or decrease from the date of the estimation; and capital markets not being favourable for funding and/or related parties discontinue funding the Company resulting in the Company not being able to obtain financing when required or on acceptable terms.
The Company will be able to carry out anticipated business plans.	The operating activities of the Company for the twelve months ending September 30, 2019, will be consistent with the Company's current expectations.	Sufficient funds not being available; increases in costs; the Company may be unable to retain key personnel.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Description of Business

Pursuant to letters of amalgamation, under the laws of Ontario, dated October 30, 1996 Silver Circle Compact Disc Books Inc., amalgamated with 1194137 Ontario Inc., to form World Wide Interactive Discs Inc. ("WWID"). On February 13, 2005 WWID changed its name to World Wide Co-Generation Inc. by Articles of Amendment. The Company in 2007 changed its name to World Wide Inc. ("World Wide" or the "Company"). The Company currently has no business activity and is focused on identifying a new project (see "Proposed Transaction" below).

Overall Performance

The statements of financial position as of September 30, 2018, indicate total current assets of $48,145 (June 30, 2018 - $nil). Current liabilities at September 30, 2018, total $37,151 (June 30, 2018 - $487,956). Equity is comprised of share capital of $1,247,971 (June 30, 2018 - $684,571), reserves of $2,000 (June 30, 2018 - $2,000) and accumulated deficit of $1,238,977 (June 30, 2018 - $1,174,527) for a net equity of $10,994 (June 30, 2018 - $(487,956)).

Working capital, which is current assets less current liabilities, is $10,994 (June 30, 2018 – deficiency of $487,956).

During the three months ended September 30, 2018, the Company reported net loss of $64,450 ($0.00 basic and diluted loss per share) compared to a net income of $166,175 ($0.08 basic and diluted income per share) for the three months ended September 30, 2017.

The Company has no operating revenue and its level of expenditures is dependent on the sale of equity capital to finance its operations. Therefore, it is difficult to identify any meaningful trends or develop an analysis from cash flows.

(i) During the period ended September 30, 2018, the Company announced Stewart Wright, Gordon Wilton and John Sadowski resigned as directors of the Company, and Stewart Wright resigned as President, Chief Executive Officer and Chief Financial Officer of the Company. Yaron Conforti, Jesse Kaplan and Harry Bregman (subsequently Harry Bregman passed away due to illness) were appointed as directors of the Company to fill the vacancies created by the foregoing resignations. Yaron Conforti was appointed to the offices of Chief Executive Officer, Chief Financial Officer and Secretary of the Company.

(ii) During the period ended September 30, 2018, the Company closed a non-brokered private placement of 28,200,000 common shares in the share capital of the Company at $0.02 per share for gross proceeds of $564,000 (the "Offering"). All securities issued pursuant to the Offering are subject to a statutory hold period of four months plus one day from the date of issuance, in accordance with applicable securities legislation.

Pursuant to the Offering, Yaron Conforti acquired 9,135,000 common shares, representing 30.34% of the issued and outstanding common shares on a non-diluted basis. Prior to the Offering, Yaron Conforti did not beneficially own, or exercise control or direction over, any securities of the Company.

Pursuant to the Offering, Jonathan Conforti acquired 9,135,000 common shares, representing 30.34% of the issued and outstanding common shares on a non-diluted basis. Prior to the Offering, Jonathan Conforti did not beneficially own, or exercise control or direction over, any securities of the Company.

Pursuant to the Offering, KW Capital Partners Ltd. ("KW"), a corporation of which Jesse Kaplan is also a director, acquired 5,220,000 common shares, representing 17.33% of the issued and outstanding common shares on a non-diluted basis. Prior to the Offering, KW did not beneficially own, or exercise control or direction over, any securities of the Company.

Pursuant to the Offering, Shimcity Inc. ("Shimcity") acquired 3,860,000 common shares, representing 12.82% of the issued and outstanding common shares on a non-diluted basis. Prior to the Offering, Shimcity did not beneficially own, or exercise control or direction over, any securities of the Company.

Proposed Transaction

During the period ended September 30, 2018, the Company entered into a non-binding letter of intent (the "LOI") dated August 30, 2018 with Rhode Island-based Abacus Health Products, Inc. ("Abacus") whereby the parties will complete a business combination by way of a transaction that will constitute a

reverse takeover of the Company by Abacus (the "Transaction"). Pursuant to the Transaction, the Company is to apply to list on the Canadian Securities Exchange (the "CSE").

The resulting issuer that is to exist upon completion of the Transaction (the "Resulting Issuer") is to change its business to the development, production and sale of CBD infused topical pain relief products. The final structure of the Transaction is to be determined by the parties following receipt of tax, corporate and securities law advice. The Transaction is an arm's length transaction.

Abacus develops, manufactures and sells a series of OTC FDA registered products using CBD, a non-psychoactive ingredient derived from cannabis. Its first family of products, CBD-Medic and CBD-Clinic, are aimed at the rapidly growing market for topical pain relief and are based on proprietary patent-pending technologies developed by Abacus. Abacus is developing a pipeline of other CBD products addressing additional medical indications and health and wellness segments. Abacus' products are distributed across the United States.

Prior to the closing of the Transaction (the "Closing"), World Wide is to call a meeting of its shareholders for the purpose of approving, among other matters (collectively, the "World Wide Meeting Matters"):

- a change of name of the Company to "Abacus Health Products Inc." or such other name as is directed by Abacus and acceptable to applicable regulatory authorities effective upon Closing;
- the consolidation of its shares based upon a ratio to be determined;
- the creation of a new class of securities to be called "proportionate voting shares" which are to have the right to 100 votes per share;
- an amendment to its articles of incorporation to remove its authorized class of the Special Shares, of which there are presently none outstanding;
- the approval of a new stock option plan to be effective upon Closing;
- the election of a slate of directors appointed by Abacus, which elections are to be effective upon Closing;
- the appointment of a new auditor; and
- if required by governing regulatory bodies, the approval of the Transaction.

The Transaction is an arm's length transaction. World Wide is to, however, prepare and file with the CSE a CSE Form 2A listing statement or other principal disclosure document (the "Listing Statement") providing comprehensive disclosure on Abacus and the Transaction in connection with the CSE listing.

Upon closing of the Transaction, all of World Wide's current directors and executive officers are to resign and the board of directors of the Resulting Issuer is to, subject to the approval of governing regulatory bodies, consist of between 3 and 7 directors, each of which shall be appointed by Abacus in its sole discretion. All of the executive officers are to be replaced by nominees of Abacus, all in a manner that complies with the requirements of governing regulatory bodies and applicable securities and corporate laws.

The completion of the Transaction is subject to a number of conditions, including but not limited to the following:

- the execution of a definitive agreement;
- completion of mutually satisfactory due diligence;
- completion of the World Wide Meeting Matters; and
- receipt of all required regulatory, corporate and third party approvals, including approvals by governing regulatory bodies, the shareholders of World Wide, applicable governmental authorities, and the fulfilment of all applicable regulatory requirements and conditions necessary to complete the Transaction.

Discussion of Operations

Three months ended September 30, 2018 compared with three months ended September 30, 2017

World Wide's net loss totaled $64,450 for the three months ended September 30, 2018, with basic and diluted loss per share of $0.00. This compares with a net income of $166,175 with basic and diluted income per share of $0.08 for the three months ended September 30, 2017. The change of $230,625 from a net income to net loss for the three months ended September 30, 2018 was principally because of income from a change in accruals of $173,426 in the prior period, versus none in the current period, and professional fees of $59,504 in the current period related to the Transaction. Due to the Company currently not having any operations, other expenses are minimal and consistent with the prior period.

Liquidity and Financial Position

As at September 30, 2018, the Company's cash balance was $nil (June 30, 2018 - $nil) and the Company had a working capital of $10,994 (June 30, 2018 – deficiency of $487,956).

The Company is dependent on the equity and debt markets as its sole source of operating working capital. Management believes the Company will need to raise additional working capital to maintain its operations and activities for the current fiscal year.

The Company will continue to rely on equity and debt financing during such period and there can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company.

Related Party Transactions

(i) During the three months ended September 30, 2017, a former officer of the Company, charged professional service fees of $6,000 for Chairman and CEO services.

(ii) During the three months ended September 30, 2018, a company controlled by a former director of the Company (Harry Bregman), charged $983 for transfer agency services and corporate services and $15,004 for finders fees.

(iii) During the three months ended September 30, 2018, a former director of the Company (Harry Bregman), charged $12,000 for finders fees.

At September 30, 2018, the total amount due to related parties (the directors, the CEO and the CFO of the Company) was $nil (June 30, 2018 - $461,989).

Risks and Uncertainties

The Company has no source of operating cash flow and no assurance that additional funding will be available. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable.

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company. The Company has not purchased "key-man" insurance, nor has it entered into non-competition and non-disclosure agreements with management and has no current plans to do so.

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the condensed interim financial statements; and (ii) the condensed interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing the certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

SCHEDULE C
FINANCIAL STATEMENTS OF ABACUS

(See attached)

Abacus Health Products LLC

Financial Statements
December 31, 2017 and 2016
(expressed in U.S. dollars)

Abacus Health Products LLC

Financial Statements
December 31, 2017 and 2016
(expressed in U.S. dollars)

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RICHTER

Independent Auditor's Report

To the Members of
Abacus Health Products LLC

We have audited the accompanying financial statements of Abacus Health Products LLC, which comprise the statements of financial position as at December 31, 2017 and December 31, 2016, and the statements of comprehensive income, members' capital and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Abacus Health Products LLC as at December 31, 2017 and December 31, 2016, and the results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Richter LLP[1]

Montréal, Quebec
November 30, 2018

[1]CPA auditor, CA, public accountancy permit No. A112505

Abacus Health Products LLC

Statements of Financial Position
As at December 31, 2017 and 2016
(expressed in U.S. dollars)

	2017	2016
	$	$
Assets		
Current		
Cash	**345,001**	374,578
Trade receivables (note 5)	**403,902**	-
Inventory (note 6)	**45,699**	-
Due from a major member	**34,947**	-
	829,549	374,578
Liabilities		
Current		
Trade payables	**36,245**	106,104
Due to ultimate members	**60,000**	60,000
	96,245	166,104
Commitments (note 9)		
Members' capital		
Members' capital	**733,304**	208,474
	829,549	374,578

See accompanying notes

Approved on behalf of the board

signed _____, Director

signed _____, Director

Abacus Health Products LLC

Statements of Members' Capital
For the Years Ended December 31, 2017 and 2016
(expressed in U.S. dollars)

	2017				
	Number of units	**Balance - beginning of year $**	**Net earnings $**	**Contributions $**	**Balance - end of year $**
Members	**307,282**	**208,474**	**524,830**	**-**	**733,304**
	307,282	**208,474**	**524,830**	**-**	**733,304**

	2016				
	Number of units	Balance - beginning of year $	Net loss $	Contributions $	Balance - end of year $
Members	307,282	397,646	(514,172)	325,000	208,474
	307,282	397,646	(514,172)	325,000	208,474

See accompanying notes

Abacus Health Products LLC

Statements of Comprehensive Income
For the Years Ended December 31, 2017 and 2016
(expressed in U.S. dollars)

	2017 $	2016 $
Revenue	**2,575,172**	80,040
Cost of sales and expenses		
Cost of sales	**1,248,512**	80,002
Management services	**472,954**	273,027
Officer compensation	**32,000**	96,000
Marketing and advertising	**158,937**	71,285
Professional fees	**51,447**	31,008
Shipping and delivery	**35,313**	-
Office and general	**8,389**	37,496
Other	**801**	962
Total cost of sales and expenses	**2,008,353**	589,780
Income (loss) before other expense	**566,819**	(509,740)
Other expense		
Interest and bank fees	**41,989**	4,432
Net and comprehensive income (loss)	**524,830**	(514,172)

See accompanying notes

Abacus Health Products LLC

Statements of Cash Flows
For the Years Ended December 31, 2017 and 2016
(expressed in U.S. dollars)

	2017	2016
	$	$
Operating activities		
Net and comprehensive income (loss)	**524,830**	(514,172)
Net change in non-cash working capital items		
Trade receivables	**(403,902)**	-
Inventory	**(45,699)**	-
Due from a major member	**(34,947)**	-
Trade payables	**(69,859)**	106,104
	(29,577)	(408,068)
Financing activity		
Contributions from members	**-**	325,000
Decrease in cash	**(29,577)**	(83,068)
Cash - beginning of year	**374,578**	457,646
Cash - end of year	**345,001**	374,578

See accompanying notes

Abacus Health Products LLC

Notes to Financial Statements
December 31, 2017 and 2016
(expressed in U.S. dollars)

1. Incorporation and nature of business

Abacus Health Products LLC (the "Company") was originally organized under the name Abacus of Colorado LLC in the state of Delaware on September 2, 2014. In April 2017, the Company changed its name to Abacus Health Products LLC. The head office of the Company is located at 184 Burnside Avenue, Woonsocket, RI, 02895 USA.

The Company develops, markets and sells FDA-registered, over-the-counter ("OTC") topical pain relieving products infused with cannabidiol ("CBD"), which is a medicinal, non-psychoactive extract of cannabis. Abacus' products are remedies that combine science with organic and all natural ingredients. Utilizing FDA-approved analgesic ingredients, all products are produced in an FDA-compliant and audited manufacturing facility. Abacus' CBD-infused formulations provide natural and safe pain relief.

Abacus' products use a combination of CBD, terpenes and natural ingredients with varying concentrations of FDA-approved analgesics to ameliorate pain symptoms. A patent has been filed (patent pending) with the intention to protect the Company's core CBD formulations and technology ensuring a safe and healthy delivery of the remedy.

Abacus currently manufactures and sells two lines of products, CBD CLINIC, marketed to the professional practitioner market, and CBDMEDIC, marketed to the consumer market. CBD CLINIC includes a line of analgesic ointments, oils, and creams which provide practitioners with an entirely new class of products for safe and rapid relief from acute musculoskeletal pain. CBD CLINIC products are sold exclusively to registered health practitioners and distributors. These practitioners include, but are not limited to, chiropractors, acupuncturists, massage therapists, physical therapists, naturopaths and osteopaths.

CBDMEDIC products are sold directly to consumers through fitness locations such as gyms as well as through an e-commerce platform. The CBDMEDIC line is segmented into three product categories: Active Sport, Back Neck, and Arthritis. Each product is marketed to a different demographic of individuals suffering from various types of pain.

The financial statements have been approved by the board of directors for issue on November 28, 2018.

2. Basis of preparation

Compliance with IFRS

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretations Committee ("IFRS IC") applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board ("IASB").

2. Basis of preparation (continued)

Measurement basis

The financial statements have been prepared on a historical cost basis. Other measurement bases used are described in the applicable notes.

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in United States dollar ("USD"), which is the Company's functional and presentation currency.

Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

3. Significant accounting policies

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from the sale of goods is recognized when the goods are delivered and titles have passed, at which time, all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect to the transaction can be measured reliably.

3. Significant accounting policies (continued)

Inventory

Inventory is stated at the lower of cost and net realizable value. Cost of inventory is determined on a first-in first-out ("FIFO") basis. Net realizable value represents the estimated selling price for inventory less all estimated costs necessary to make the sale.

Income taxes

The net and comprehensive income (loss) constitutes the income (loss) of the members. No provision has been made in these financial statements for any income taxes which may be assessable to the members.

Cash and cash equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Company did not have any cash equivalents as of December 31, 2017 or 2016.

Foreign currency

Transactions entered into by the Company in a currency other than the functional currency are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognized immediately in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Provisions

Provisions are recognized when the Company has a present obligation as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

3. Significant accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' ("FVTPL"), 'held-to-maturity' investments, 'available-for-sale' ("AFS") financial assets and 'loans and receivables'. The classification depends on the nature and purposes of the financial assets and is determined at the time of initial recognition. As at December 31, 2017 and 2016, the Company only holds loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including cash, trade receivables and due from a major member) are measured at amortized cost using the effective interest method, less any impairment.

Impairment provisions are recognized when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognized within expenses in the statement of comprehensive income. On confirmation that the account receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities. As at December 31, 2017 and 2016, the Company only holds other financial liabilities.

Other financial liabilities (including trade payables and due to ultimate members) are subsequently measured at amortized cost using the effective interest method.

4. Future accounting standards issued but not yet effective

IFRS 9: Financial Instruments

The IASB issued the chapters of IFRS 9 relating to the classification and measurement of financial assets. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the many different rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets.

The IASB also issued new requirements in IFRS 9 to address the problem of volatility in profit or loss arising from an issuer choosing to measure its own debt at fair value (i.e., the “own credit” problem). The IASB added to IFRS 9 impairment requirements related to the accounting for expected credit losses on an entity’s financial assets and commitments to extend credit.

The IASB also published a new hedge accounting model, together with corresponding disclosures about risk management activity for those applying hedge accounting. The new model represents a substantial overhaul of hedge accounting that will enable entities to better reflect their risk management activities in their financial statements. The most significant improvements apply to those that hedge non-financial risk.

An entity shall apply this Standard retrospectively for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company does not anticipate that the application of IFRS 9 will have a significant impact on its financial position and/or financial performance.

IFRS 15: Revenues from Contracts with Customers

The FASB and IASB (the "Boards") have issued converged standards on revenue recognition. This new IFRS affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of non-financial assets unless those contracts are within the scope of other standards. This IFRS will supersede the revenue recognition requirements in IAS 18 and most industry-specific guidance.

The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

An entity shall apply this Standard for annual reporting periods beginning on or after January 1, 2018. Apart from providing more extensive disclosures on the Company's revenue transactions, the Company does not anticipate that the application of IFRS 15 will have a significant impact on its financial position and/or financial performance.

(expressed in U.S. dollars)

4. Future accounting standards issued but not yet effective (continued)

IFRS 16: Leases

The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however, remains largely unchanged and the distinction between operating and finance leases is retained. Under IFRS 16 a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly and the liability accrues interest. This will typically produce a front-loaded expense profile (whereas operating leases under IAS 17 would typically have had straight-line expenses) as an assumed linear depreciation of the right-of-use asset and the decreasing interest on the liability will lead to an overall decrease of expense over the reporting period.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate. As with IFRS 16's predecessor, IAS 17, lessors classify leases as operating or finance in nature. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise a lease is classified as an operating lease.

IFRS 16 supersedes IAS 17 Leases and related interpretations and is effective for periods beginning on or after January 1, 2019, with earlier adoption permitted if IFRS 15 "Revenue from contracts with customers" has also been applied. The Company is currently evaluating the impact of adopting this new standard.

5. Trade receivables

	2017 **$**	2016 $
Trade receivables	**403,902**	-

Trade receivables disclosed above include amounts that are past due at the end of the reporting period for which the Company has not recognized an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

(expressed in U.S. dollars)

5. Trade receivables (continued)

As at December 31, 2017, trade receivables of $149,094 (2016 - $Nil) were past due but not impaired. They relate to customers with no default history. The aging analysis of these receivables is as follows:

	2017 **$**	2016 $
0 - 30	**3,839**	-
31 - 60	**69,813**	-
61 - 90	**46,219**	-
91 - 120	**1,880**	-
Over 121	**27,343**	-
	149,094	-

6. Inventory

	2017 **$**	2016 $
Finished goods	**45,699**	-

For the year ended December 31, 2017, inventory recognized as an expense amounted to $1,248,512 (2016 - $80,002).

(expressed in U.S. dollars)

7. Related party transactions

The following table summarizes the Company's related party transactions for the year:

	2017 **$**	2016 $
Cost of sales		
Major member	**1,190,246**	32,122
Management services		
Major member	**454,954**	236,182
Marketing and advertising		
Other member	**9,100**	17,000
Professional fees		
Other member	**14,855**	1,900
Officer compensation		
Other member	**32,000**	96,000

Purchases of goods from a major member were made at market price.

At the end of the year, the amounts due to and from related entities are as follows:

	2017 **$**	2016 $
Due from a major member, non-interest bearing and with no specified repayment terms	**34,947**	-
Due to ultimate members, non-interest bearing and with no specified repayment terms	**60,000**	60,000

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognized in the current or prior years for bad or doubtful debts in respect of the amounts owed by the major member.

On January 1, 2018, 3,000 membership units were issued to settle the due to ultimate members.

(expressed in U.S. dollars)

8. Remuneration of directors and key management of the Company

The remuneration awarded to directors and senior key management, which is comprised of the chief executive officer, includes the following:

	2017	2016
	$	$
Officer compensation	**32,000**	96,000

In the year ended December 31, 2017, following the departure of the chief executive officer, these services were rendered by employees of a major member and are recognized in management services.

9. Commitments

In July 2018, the Company signed two sponsorship agreements and committed to aggregate payments of $985,000. The minimum annual payments are approximately as follows:

	$
2018	**285,000**
2019	**350,000**
2020	**320,000**
2021	**30,000**

The commitment of the Company under a lease agreement, signed subsequent to year-end, aggregates to $150,000. The instalments over the next four years are approximately as follows:

	$
2018	**2,000**
2019	**50,000**
2020	**50,000**
2021	**48,000**

10. Membership units

In 2016, 21,783 membership units were issued for $325,000 and 20,000 membership units were relinquished for no consideration.

307,282 membership units were outstanding as at December 31, 2017 and December 31, 2016.

In 2018, 3,000 units were issued in settlement of the due to ultimate members, and 1,250 units were repurchased by the Company for $25,000.

11. Revenues

	2017	2016
	$	$
CBD CLINIC products	**2,530,728**	80,040
CBDMEDIC products	**44,444**	-
	2,575,172	80,040

12. Financial risk management

The Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them.

The Company's principal financial instruments include cash, trade receivables, due from a major member and trade payables.

Fair value

The fair value measurement of the Company's financial and non-financial assets and liabilities utilizes market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique utilized are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs other than Level 1 inputs; and
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognized in the period they occur.

The Company's financial instruments are not measured at fair value. Due to their short-term nature, the carrying value of cash, trade receivables, due from a major member, trade payables and due to ultimate members approximates their fair value.

12. Financial risk management (continued)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterpart to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist of cash and trade receivables. The Company limits its exposure to credit loss on cash by only accepting banks and financial institutions with a minimum "A" rating. As at December 31, 2017, three (2016 - none) of the Company's customers account for 84% (2016 - 0%) of the Company's trade receivables. The Company does not obtain collateral or other security to support the accounts receivable subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company is exposed to liquidity risk primarily from its trade payables. The Company believes that its recurring financial resources are adequate to cover all its expenditures. The trade payables will be repaid over the next 12 months.

Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not exposed to this risk as there are no financial instruments denominated in foreign currency.

13. Capital disclosures

The Company monitors "adjusted capital" which comprises members' capital.

The Company's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for members and benefits for other stakeholders; and
- to provide an adequate return to members by pricing products and services commensurately with the level of risk.

The Company manages and adjusts its capital structure considering changes in economic conditions. To maintain or adjust its capital structure, the Company may issue debt or new shares. Financing decisions are generally made on a specific transaction basis and depend on such things as the Company’s needs, capital markets and economic conditions at the time of the transaction. Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable, given the size of the Company.

The Company does not have any externally imposed capital compliance requirements at December 31, 2017.

14. Subsequent events

Equity conversion

On June 29, 2018, the Company converted from a Delaware limited liability corporation to a Delaware corporation and changed its name to Abacus Health Products, Inc. ("Abacus Inc."). All membership units of the Company were converted into common stock of Abacus Inc. Membership units were exchanged at a ratio of one hundred membership units for one share of common stock in Abacus Inc., resulting in 309,032 membership units being exchanged for 3,090 shares. 30,000 membership units were converted into 300 Class C common stock and the remaining 279,032 were converted into 2,790 Class A common stock.

Abacus Inc. is authorized to issue 5,000 shares of common stock, $0.001 par value.

The 5,000 shares of common stock authorized for issue are limited as follows: 4,660 Class A common stock (one vote per share, dividends), 40 Class B common stock (one hundred votes per share, dividends and convertible into one hundred Class A common stock) and 300 Class C common stock (non-voting, dividends and convertible into one Class A common stock)

The Class B and C common stock are only convertible into Class A common stock if one of the following events occurs: acquisition merger, consolidation, amalgamation, stock exchange, liquidation/dissolution or any time after the Class A common stock are traded on a public stock exchange.

Distributions

In 2018, the Company declared distributions of $416,000 to the members.

2018 equity incentive plan

On June 30, 2018, the Company adopted the 2018 Equity incentive plan (the "2018 Plan"), which provides for grants of stock options, incentive stock options and non-qualified stock options, stock appreciation rights, restricted stock, restricted stock units or other rights under the 2018 Plan to employees, officers, directors, agents, consultants, advisors and independent contractors of the Company or any parent or subsidiary. The Company's board of directors establishes the terms and conditions of any grants under the 2018 Plan. The term shall not exceed ten years and the exercise price shall not be less than the fair market value per share of the common stock at the time of the grant.

The aggregate number of common stock of the Company as to which options may be granted under the 2018 Plan shall not exceed 500 shares. The maximum exercise period of any option grant shall not exceed ten years from the date of grant. The options generally vest over a period of 2 to 3 years.

Incentive share options may be granted only to employees. The term of incentive stock options granted under the 2018 Plan to employees who own more than 10% of the total combined voting power of all classes of stock of the Company shall not exceed five years and the exercise price shall not be less than 110% of the fair market value of the common stock at the time of the grant.

14. Subsequent events (continued)

On October 16, 2018, the Company issued stock options to employees, consultants and directors of the Company, its subsidiary and its majority shareholder, to purchase up to 190.8 Class A common shares of the Company. The stock options granted to employees vest quarterly from the grant date over a three year period and have a contractual life of ten years. The stock options granted to consultants and directors vest quarterly from the grant date over a two year period and have a contractual life of ten years. The options have an exercise price of $12,977. Options can be exercised for a fraction of a share.

Senior secured convertible debenture units

On August 31, 2018, the Company executed senior secured convertible debenture units ("Convertible Debenture Units") agreements with lenders for gross aggregate proceeds in the amount of CDN$4,000,000 ($3,089,996).

Each Convertible Debenture Unit of CDN$1,000 consists of CDN$1,000 ($772) principal amount ("Convertible Debenture") and warrants of the Company exercisable to purchase common stock equal to CDN$1,000 divided by the conversion price (see below).

The principal amount shall be convertible into common stock at the option of the holder at any time to the maturity date. The conversion price per share shall be equal to the price per security issued by the Company in a qualified financing (at least CDN$5,000,000 ($3,862,495)) multiplied by 0.75. However, in the event that a reverse takeover ("RTO") is undertaken without a prior or concurrent qualified financing, or in the event of an acquisition of the Company, the conversion price shall be calculated by dividing CDN$50,000,000 ($38,624,950) by the number of common stock issued and outstanding immediately prior to the RTO or acquisition.

The Convertible Debentures shall bear interest at a rate of 10% per annum and shall be payable quarterly in cash.

If the Company has not listed the common stock within 12 months from the date the Convertible Debentures were issued, the Convertible Debentures shall be repaid in equal monthly installments over the course of 12 months following the default.

The Convertible Debentures mature on August 31, 2020.

The Company can prepay the Convertible Debentures at any time upon 30 days' notice with no prepayment penalty.

The Convertible Debentures are secured by a first ranking on all assets of the Company, however, the security shall be subordinated to existing and future loans from bank lenders to a maximum of CDN$5,000,000 ($3,862,495); provided that the lender is a bank, the loan does not include any equity component and the Company has net assets in place as of the date of the commencement of the loan.

14. Subsequent events (continued)

Following the completion of a qualified financing, each warrant can be exercised to acquire one common stock for an exercise price equal to the financing price at any time up to two years following the commencement of trading of the Company's common stock. However, in the event that a RTO is undertaken without a prior or concurrent qualified financing, or in the event of an acquisition of the Company, the conversion price shall be CDN$50,000,000 ($38,624,950) divided by the number of issued and outstanding common stock immediately prior to the transaction.

The convertible debenture holders have agreed that the indebtedness owed to each of them shall be treated as equal to the indebtedness owing to all other convertible debenture holders in right of priority for all purposes.

Agreement with a major member

On June 29, 2018, the Company signed a manufacturing, fulfillment and business service agreement with a major member. The Company shall not order less than 80%, 70% and 50% of the prior annual orders for contract year one, two, three and beyond, respectively.

In the event that the Company terminates the agreement, the Company shall pay a one time lump sum buyout payment equal to 15%, 11%, and 8% of the Company's total net sales in year one, two and three respectively.

Subsidiary

On July 29, 2018, the Company incorporated a subsidiary company CBD Pharmaceuticals Ltd. in Tel Aviv, Israel. The subsidiary performs marketing and product development services.

Letter of intent

On August 30, 2018, the Company entered into a non-binding letter of intent with World Wide Inc. ("World") to sell all of its issued and outstanding shares in an RTO transaction. As part of the RTO, the Company and World would apply to list the common shares of World for trading on the Canadian Securities Exchange.

Abacus Health Products, Inc.

(formerly Abacus Health Products LLC)

Condensed Interim Consolidated Financial Statements
For the Nine Month Period Ended September 30, 2018 and 2017

(Expressed in U.S. dollars)
(Unaudited)

Abacus Health Products, Inc.

(formerly Abacus Health Products LLC)

Condensed Interim Consolidated Financial Statements
For the Nine Month Period Ended September 30, 2018 and 2017

(Expressed in U.S. dollars)
(Unaudited)

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Abacus Health Products, Inc.

(formerly Abacus Health Products LLC)

Condensed Interim Consolidated Statements of Financial Position

(Expressed in U.S. dollars)

	Note		September 30, 2018 (Unaudited)		December 31, 2017 (Audited)
ASSETS					
Current assets					
Cash		**$**	**4,371,365**	$	345,001
Trade receivable	*7*		**1,076,732**		403,902
Inventory	*8*		**488,743**		45,699
Prepaid expenses and deposits			**262,127**		-
Due from members	*10*		**21,633**		-
Due from a major member	*10*		**-**		34,947
Total current assets			**6,220,600**		829,549
Non-current assets					
Property and equipment	*9*		**36,726**		-
Total non-current assets			**36,726**		-
Total assets		**$**	**6,257,326**	$	829,549
LIABILITIES AND EQUITY					
Current liabilities					
Trade payable	*10*	**$**	**1,615,894**	$	36,245
Distributions payable to members	*10*		**270,822**		-
Due to ultimate members	*10*		**-**		60,000
Derivative financial liability	*11*		**743,917**		-
Total current liabilities			**2,630,633**		96,245
Non-current liabilities					
Convertible debentures	*11*		**2,229,676**		-
Total non-current liabilities			**2,229,676**		-
Total liabilities			**4,860,309**		96,245
Shareholders' equity					
Share capital	*13*		**3**		-
Contributed surplus			**1,499,876**		-
Deficit			**(102,862)**		-
Members' capital			**-**		733,304
Total shareholders' equity			**1,397,017**		733,304
Total liabilities and shareholders' equity		**$**	**6,257,326**	$	829,549
Subsequent events	*18*				

Approved on behalf of the board

signed, Director

Abacus Health Products, Inc.

(formerly Abacus Health Products LLC)

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(Expressed in U.S. dollars)
(Unaudited)

	Note	Three months ended September 30, 2018	2017	Nine months ended September 30, 2018	2017
Revenue	*6*	**$ 2,064,117**	$ 638,571	**$ 5,579,000**	$ 1,349,105
Cost of sales and expenses					
Cost of sales		**839,168**	309,596	**2,298,954**	620,901
Shipping and delivery		**55,855**	7,469	**112,159**	24,038
Salaries, wages and benefits		**111,143**	-	**128,996**	-
Management services		**153,262**	104,177	**392,878**	344,511
Marketing and advertising		**362,062**	83,343	**670,033**	122,001
Professional fees		**418,240**	67,444	**616,233**	80,283
Office and general		**25,237**	1,109	**43,819**	22,289
Depreciation	*9*	**976**	-	**1,317**	-
Research and development		**56,706**	75	**74,007**	776
Total cost of sales and expenses		**2,022,649**	573,213	**4,338,396**	1,214,799
Income before other expenses		**41,468**	65,358	**1,240,604**	134,306
Other expenses					
Interest and bank charges		**106,976**	10,184	**158,537**	20,924
Foreign exchange		**37,354**	-	**37,354**	-
Total other expenses		**144,330**	10,184	**195,891**	20,924
Income (loss) before taxes		**(102,862)**	55,174	**1,044,713**	113,382
Tax provision	*15*	**-**	-	**-**	-
Net and comprehensive income (loss)		**$ (102,862)**	$ 55,174	**$ 1,044,713**	$ 113,382
Basic and diluted weighted average number of shares outstanding					
Basic		**3,090**	N/A	**N/A**	N/A
Diluted		**3,090**	N/A	**N/A**	N/A
Income (loss) per share					
Basic		**$ (33.29)**	N/A	**$ N/A**	N/A
Diluted		**$ (33.29)**	N/A	**$ N/A**	N/A

Abacus Health Products, Inc.

(formerly Abacus Health Products LLC)

Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in U.S. dollars)
(Unaudited)

	Note	Membership units	Members' capital	Share units	Share capital	Contributed surplus	Deficit	Total
Balance, December 31, 2016		**307,282**	**$ 208,474**	**-**	**$ -**	**$ -**	**$ -**	**$ -**
Net income attributable to members		-	524,830	-	-	-	-	-
Balance, December 31, 2017		**307,282**	**733,304**	**-**	**-**	**-**	**-**	**-**
Membership units granted		3,000	60,000	-	-	-	-	-
Membership units repurchased		(1,250)	(25,000)	-	-	-	-	-
Distributions		-	(416,000)	-	-	-	-	-
Net income attributable to members		-	1,147,575	-	-	-	-	-
Balance, June 29, 2018		**309,032**	**1,499,879**	**-**	**-**	**-**	**-**	**-**
Equity conversion	*12*	(309,032)	(1,499,879)	3,090	3	1,499,876	-	1,499,879
Net loss		-	-	-	-	-	(102,862)	(102,862)
Balance, September 30, 2018		**-**	**$ -**	**3,090**	**$ 3**	**$ 1,499,876**	**$ (102,862)**	**$ 1,397,017**

Abacus Health Products, Inc.

(formerly Abacus Health Products LLC)

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in U.S. dollars)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	**2018**	2017
Cash provided by (used for) the following activities:				
Operating activities				
Net and comprehensive income (loss) for the period	**$ (102,862)**	$ 55,174	**$ 1,044,713**	$ 113,382
Depreciation	**976**	-	**1,317**	-
Foreign exchange on foreign denominated liabilities	**37,482**	-	**37,482**	-
Interest accretion	**27,816**	-	**27,816**	-
Changes in working capital accounts:				
Trade receivable	**(16,607)**	(118,818)	**(672,830)**	(208,698)
Inventory	**(305,213)**	24,412	**(443,044)**	(27,846)
Prepaid expenses and deposits	**(177,859)**	-	**(262,127)**	-
Trade payables	**708,211**	258,110	**1,579,649**	297,865
Due from a major member	**-**	(42,189)	**34,947**	(117,312)
Cash flows provided by operating activities	**$ 171,944**	$ 176,689	**$ 1,347,923**	$ 57,391
Financing activities				
Convertible debentures, net of transaction costs	**2,908,295**	-	**2,908,295**	-
Membership units repurchased	**-**	-	**(25,000)**	-
Distributions	**(115,665)**	-	**(145,178)**	-
Cash flows provided by financing activities	**2,792,630**	-	**2,738,117**	-
Investing activities				
Due from members	**(21,633)**	-	**(21,633)**	-
Additions to property and equipment	**(26,964)**	-	**(38,043)**	-
Cash flows used in investing activities	**(48,597)**	-	**(59,676)**	-
Increase in cash	**2,915,977**	176,689	**4,026,364**	57,391
Cash, beginning of the period	**1,455,388**	255,280	**345,001**	374,578
Cash, end of the period	**$ 4,371,365**	$ 431,969	**$ 4,371,365**	$ 431,969
Non-cash financing activities include:				
Distributions payable to members	**$ -**	$ -	**$ (270,822)**	$ -
Distributions	**-**	-	**270,822**	-
Due to ultimate members	**-**	-	**60,000**	-
Membership units granted	**-**	-	**(60,000)**	-

1. Incorporation and nature of business

Abacus Health Products, Inc. (the "Company") was originally organized under the name Abacus of Colorado LLC in the state of Delaware on September 2, 2014. In April 2017, the Company changed its name to Abacus Health Products LLC. On June 29, 2018, Abacus Health Products LLC converted from a Delaware limited liability corporation to a Delaware corporation and changed its name to Abacus Health Products, Inc. All membership units of Abacus Health Products LLC were converted into common stock of the Company.

On July 29, 2018, the Company incorporated a wholly-owned subsidiary company, CBD Pharmaceuticals Ltd., in Tel Aviv, Israel. The subsidiary performs marketing and product development services for the Company.

The head office of the Company is located at 184 Burnside Ave, Woonsocket, RI, 02895 USA.

The Company develops, markets and sells FDA-registered, over-the-counter ("OTC") topical pain relieving products infused with cannabidiol ("CBD"), which is a medicinal, non-psychoactive extract cannabis. Abacus' products are remedies that combine science with organic and all natural ingredients. Utilizing FDA-approved analgesic ingredients, all products are produced in an FDA-compliant and audited manufacturing facility. Abacus' CBD-infused formulations provide natural and safe pain relief.

Abacus' products use a combination of CBD, terpenes and natural ingredients with varying concentrations of FDA-approved analgesics to ameliorate pain symptoms. A patent has been filed (patent pending) with the intention to protect the Company's core CBD formulations and technology ensuring a safe and healthy delivery of the remedy.

Abacus currently manufactures and sells two lines of products, CBD CLINIC, marketed to the professional practitioner market, and CBDMEDIC, marketed to the consumer market. CBD CLINIC includes a line of analgesic ointments, oils, and creams which provide practitioners with an entirely new class of products for safe and rapid relief from acute musculoskeletal pain. CBD CLINIC products are sold exclusively to registered health practitioners. These practitioners include, but are not limited to, chiropractors, acupuncturists, massage therapists, physical therapists, naturopaths and osteopaths.

CBDMEDIC products are sold directly to consumers through fitness locations such as gyms as well as through an e-commerce platform. The CBDMEDIC line is segmented into three product categories: Active Sport, Back Neck, and Arthritis. Each product is marketed to a different demographic of individuals suffering from various types of pain.

The condensed interim consolidated financial statements have been approved by the Board of directors for issue on November 30, 2018.

2. Basis of preparation and general information

Statement of compliance and functional currency

These condensed interim consolidated financial statements are for the nine months period ended September 30, 2018 and are presented in U.S. dollars, which is the functional currency of the parent company. They have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with IFRS and should be read in conjunction with the financial statements for the year ended December 31, 2017.

2. Basis of preparation and general information (continued)

Basis of consolidation

These condensed interim consolidated financial statements incorporate the financial statements of the Company and its wholly-owned subsidiary, CBD Pharmaceuticals Ltd. The accounts of the subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies. Intercompany transactions, balances and unrealized gains or losses on transactions are eliminated.

3. New standards adopted as at January 1, 2018

The Company has adopted the new accounting pronouncements which have become effective this year, and are as follows:

IFRS 9: Financial Instruments

IFRS 9 *Financial Instruments* replaces IAS 39 *Financial Instruments: Recognition and Measurement*. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an “expected credit loss” model for the impairment of financial assets. The new standard also addresses classification and measurement of financial assets and replaced the multiple category and measurement models for debt instruments in IAS 39 with a new measurement model having only two categories: amortized cost and fair value through profit or loss.

IFRS 9 also contains new requirements on the application of hedge accounting. The new requirements look to align hedge accounting more closely with entities’ risk management activities by increasing the eligibility of both hedge items and hedging instruments and introducing a more principles-based approach to assessing hedge effectiveness.

The Company has adopted this standard and concluded that it does not have an impact on the interim and annual financial statements.

IFRS 15: Revenue from Contracts with Customers

IFRS 15 *Revenue from Contracts with Customers* and the related *Clarifications to IFRS 15 Revenue from Contracts with Customers* (herein referred to as “IFRS 15”) replace IAS 18 *Revenue*, IAS 11 *Construction Contracts*, and several revenue-related interpretations.

The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

3. New standards adopted as at January 1, 2018 (continued)

The Company has adopted this standard and concluded that it does not have an impact on the interim and annual financial statements.

4. Significant accounting policies

These condensed interim consolidated financial statements have been prepared in accordance with the accounting policies adopted in the Company's most recent annual financial statements for the year ended December 31, 2017, except for the following, which became effective during the nine month period ended September 30, 2018:

Revenue recognition

Revenue arises mainly from the sale of goods to customers. To determine whether to recognize revenue, the Company follows a 5-step process:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue from the sale of goods is recognized when the Company transfers control of the assets to the customer. Control transfers at the point in time the customers take undisputed delivery of the goods.

The Company does not extend warranties or rights of return in excess of statutory requirements.

Financial instruments

a) Recognition and derecognition

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

b) Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

4. Significant accounting policies (continued)

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortized cost;
- fair value through profit or loss ("FVTPL"); and
- fair value through other comprehensive income ("FVOCI").

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognized in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivable which are presented within other expenses.

c) Subsequent measurement of financial assets

Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category includes non-derivative financial assets like loans and receivables with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets that are held within a different business model than 'hold to collect' or 'hold to collect and sell', and financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. The Company does not hold any financial assets at FVTPL.

Financial assets at fair value through other comprehensive income ("FVOCI")

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is to hold to collect the associated cash flows and sell, and;
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

4. Significant accounting policies (continued)

Any gains or losses recognized in OCI will be recycled upon derecognition of the asset. The Company does not hold any financial assets at FVOCI.

d) Impairment of financial assets

IFRS 9's new impairment requirements use more forward-looking information to recognize expected credit losses – the 'expected credit loss' (ECL) model. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortized cost and FVOCI, trade receivable, contract assets recognized and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Financial assets at amortized cost

The Company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

e) Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely the same under IFRS 9 compared to IAS 39, the Company's financial liabilities were not impacted by the adoption of IFRS 9. However, for completeness, the accounting policy is disclosed below.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

f) Derivative financial instruments and hedge accounting

Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment.

4. Significant accounting policies (continued)

Compound instruments and embedded derivatives

The convertible debentures issued by the Company are considered to be a compound financial instrument that can be converted into common stock of the Company at the option of the holder, where the number of shares to be issued varies depending on different scenarios of future financings.

The compound financial instrument is recognized as a liability, with the initial carrying value of the debenture (host) being the residual amount of the proceeds, after separating the derivative component, which is recognized at fair value, and also the warrants issued with the instruments. Any directly attributable transaction costs are allocated to the host and to the warrants issued.

The embedded derivative that constitutes the convertible debentures (derivative) is recorded at fair value separately from the host contract, as its economic characteristics and risks are not clearly and closely related to those of the host contract.

Subsequent to initial recognition, the host component of the compound financial instrument is measured at amortized cost using the effective interest method. The derivative component of the compound financial instrument is measured at fair value through profit and loss. Subsequent changes in fair value are recorded in the statement of income (loss) in finance costs.

On the conversion date, the value of the host contract component of the financial instrument measured at amortized cost and the value of the derivative component measured at fair value are transferred to equity.

Property and equipment

Property and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Depreciation is recorded to recognize the cost of assets over their useful lives, using the straight-line method over three years.

The estimated useful lives and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Any item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales and proceeds and the carrying amount of the asset and is recognized in profit or loss.

Repairs and maintenance costs that do not improve or extend productive life are recognized in profit or loss in the period in which the costs are incurred.

4. Significant accounting policies (continued)

Share-based compensation

The Company has a share option plan for employees (including officers), consultants and directors from which options to purchase common stock of the Company are issued. Share-based compensation costs are accounted for on a fair value basis, as measured at the grant date, using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted.

All share-based remuneration is ultimately recognized as an expense in profit or loss with a corresponding credit to contributed surplus. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Any adjustment to cumulative share-based compensation resulting from a revision is recognized in the current period. The number of vested options ultimately exercised by holders does not impact the expense recorded in any period.

Upon exercise of share options, the proceeds received, net of any attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as contributed surplus.

Income taxes

Income tax expenses are comprised of current and deferred tax. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using the tax rates enacted or substantially enacted at the reporting date.

Deferred tax is recognized for the future tax consequences attributable to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment dates. The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

The Company records interest related to unrecognized tax benefits in interest expense and penalties in other expenses.

Share capital

Share capital represents the nominal (par) value of shares that have been issued.

Contributed surplus includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of related income tax benefits.

Income (loss) per share

Basic earnings (loss) per share is calculated by dividing the profit or loss attributable to equity holders of the Company by the weighted average number of common stock outstanding during the year.

4. Significant accounting policies (continued)

Diluted income (loss) per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of common stock outstanding, adjusted for the effects of all dilutive potential common stock. The weighted average number of common shares outstanding is increased by the number of additional common stock that would have been issued by the Company assuming exercise of all stock options with exercise prices below the average market price for the year.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the asset group to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or asset group is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately as additional depreciation or amortization. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined had impairment not previously been recognized. A reversal is recognized as a reduction in the depreciation or amortization charge for the period. No impairment was recognized for the nine month periods ended September 30, 2018 and 2017.

5. Future accounting standards issued but not yet effective

IFRS 16: Leases

The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. Under IFRS 16 a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly and the liability accrues interest. This will typically produce a front-loaded expense profile (whereas operating leases under IAS 17 would typically have had straight-line expenses) as an assumed linear depreciation of the right-of-use asset and the decreasing interest on the liability will lead to an overall decrease of expense over the reporting period.

(Expressed in U.S. dollars)

5. Future accounting standards issued but not yet effective (continued)

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate. As with IFRS 16's predecessor, IAS 17, lessors classify leases as operating or finance in nature. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise a lease is classified as an operating lease.

IFRS 16 supersedes IAS 17 *Leases* and related interpretations and is effective for periods beginning on or after January 1, 2019, with earlier adoption permitted if IFRS 15 *Revenue from contracts with customers* has also been applied. The Company is currently evaluating the impact of adopting this new standard.

IFRIC 23: Uncertainty over Income Tax Treatments

IFRIC 23 clarifies application of recognition and measurement requirements in IAS 12 *Income Taxes* when there is uncertainty over income tax treatments. The Interpretation specifically addresses whether an entity considers uncertain tax treatments separately, the assumptions an entity makes about the examination of tax treatments by taxation authorities, how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates and how an entity considers changes in facts and circumstances.

The amendments are effective for annual periods beginning on or after January 1 2019, with early adoption permitted. The Company is assessing the potential impact on its financial statements resulting from the amendments.

6. Revenue

The Company's revenues, disaggregated by product line, are as follows:

		Three months ended September 30,		
		2018		2017
CBD CLINIC products	**$**	**2,014,032**	$	637,451
CBDMEDIC products		**50,085**		1,120
Total	**$**	**2,064,117**	$	638,571

		Nine months ended September 30,		
		2018		2017
CBD CLINIC products	**$**	**5,506,115**	$	1,309,674
CBDMEDIC products		**72,885**		39,431
Total	**$**	**5,579,000**	$	1,349,105

(Expressed in U.S. dollars)

7. Trade receivable

During the nine month period ended September 30, 2018, the Company recognized a provision for doubtful accounts on receivables of $31,156 (2017 - $Nil).

8. Inventory

Inventory recognized as an expense amounted to $839,168 and $309,596 for the three month period ended September 30, 2018 and 2017, respectively, and $2,298,954 and $620,901 for the nine month ended September 30, 2018 and 2017, respectively.

9. Property and equipment

The following table shows the movement in property and equipment:

Gross carrying amount		
Balance at January 1, 2018	$	-
Additions		38,043
Balance at September 30, 2018		**38,043**
Depreciation and impairment		
Balance at January 1, 2018		-
Depreciation		(1,317)
Balance at September 30, 2018		**(1,317)**
Carrying amount at September 30, 2018	**$**	**36,726**

(Expressed in U.S. dollars)

10. Related party transactions

The following table summarizes the Company's related party transactions for the following periods:

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	**2018**	2017
Cost of sales - purchases				
Majority shareholder	**$ 989,567**	$ 296,728	**$ 2,488,786**	$ 626,908
Management services				
Majority shareholder	**128,942**	104,177	**364,103**	324,511
Marketing and advertising				
Shareholder	**9,000**	-	**33,000**	9,100
Professional fees				
Shareholders	**8,245**	9,770	**18,345**	12,355
Officer compensation				
Shareholder	**-**	30,000	**-**	32,000

As at September 30, 2018 and December 31, 2017, the amounts due to and from related parties are as follows:

	September 30, 2018	**December 31, 2017**
Trade payable, majority shareholder	**$ 1,203,927**	$ -
Distributions payable to members	**270,822**	-
Due from members, non-interest bearing and with no terms of repayment	**21,633**	-
Due from a major member	**-**	34,947
Due to ultimate members	**-**	60,000

11. Senior secured convertible debenture units

On August 31, 2018, the Company executed senior secured convertible debenture units ("Convertible Debenture Units") agreements with lenders for gross aggregate proceeds in the amount of CDN$4,000,000 ($3,089,996).

Each Convertible Debenture Unit of CDN$1,000 consists of CDN$1,000 ($772) principal amount ("Convertible Debenture") and warrants of the Company exercisable to purchase common stock equal to CDN$1,000 divided by the conversion price (see below).

The principal amount shall be convertible into common stock at the option of the holder at any time to the maturity date. The conversion price per share shall be equal to the price per security issued by the Company in a qualified financing (at least CDN$5,000,000 ($3,862,495)) multiplied by 0.75. However, in the event that a reverse takeover ("RTO") is undertaken without a prior or concurrent qualified financing, or in the event of an acquisition of the Company, the conversion price shall be calculated by dividing CDN$50,000,000 ($38,624,950) by the number of common stock issued and outstanding immediately prior to the RTO or acquisition.

The Convertible Debentures shall bear interest at a rate of 10% per annum and shall be payable quarterly in cash.

If the Company has not listed the common stock within 12 months from the date the Convertible Debentures were issued, the Convertible Debentures shall be repaid in equal monthly installments over the course of 12 months following the default.

The Convertible Debentures mature on August 31, 2020.

The Company can prepay the Convertible Debentures at any time upon 30 days' notice with no prepayment penalty.

The Convertible Debentures are secured by a first ranking on all assets of the Company, however, the security shall be subordinated to existing and future loans from bank lenders to a maximum of CDN$5,000,000 ($3,862,495); provided that the lender is a bank, the loan does not include any equity component and the Company has net assets in place as of the date of the commencement of the loan.

Following the completion of a qualified financing, each warrant can be exercised to acquire one common stock for an exercise price equal to the financing price at any time up to two years following the commencement of trading of the Company's common stock. However, in the event that a RTO is undertaken without a prior or concurrent qualified financing, or in the event of an acquisition of the Company, the conversion price shall be CDN$50,000,000 ($38,624,950) divided by the number of issued and outstanding common stock immediately prior to the transaction.

The convertible debenture holders have agreed that the indebtedness owed to each of them shall be treated as equal to the indebtedness owing to all other convertible debenture holders in right of priority for all purposes.

(Expressed in U.S. dollars)

11. Senior secured convertible debenture units (continued)

The components of the Convertible Debentures are as follows:

		September 30, 2018
Face value of the Convertible Debentures	$	3,051,716
Transaction costs		(143,420)
Derivative financial liability - warrants		(734,701)
Interest accretion		27,816
Foreign exchange adjustment		28,265
Convertible Debentures	$	2,229,676

12. Equity conversion

On June 29, 2018, the Company converted from a Delaware limited liability corporation to a Delaware corporation and changed its name to Abacus Health Products, Inc. ("Abacus Inc."). All membership units of the Company were converted into common stock of Abacus Inc. Membership units were exchanged at a ratio of one hundred membership units for one share of common stock in Abacus Inc., resulting in 309,032 membership units being exchanged for 3,090 shares, 30,000 membership units were converted into 300 Class C common stock and the remaining 279,032 were converted into 2,790 Class A common stock.

Prior to equity conversion, the Company issued 3,000 units in settlement of the due to ultimate members, and 1,250 units were repurchased by the Company for $25,000.

13. Share capital

Abacus Inc. is authorized to issue 5,000 shares of common stock, $0.001 par value.

Authorized -

4,660 Class A common stock, one vote per share
40 Class B common stock, one hundred votes per share and convertible into one hundred Class A common stock
300 Class C common stock, non-voting and convertible into one Class A common stock

				September 30, 2018
Issued -				
	2,790	Class A common stock	$	3
	300	Class C common stock		-
			$	3

13. Share capital (continued)

The Class B and C common stock are only convertible into Class A common stock if one of following events occurs: acquisition, merger, consolidation, amalgamation, stock exchange, liquidation/dissolution or any time after the Class A common stock are traded on a public stock exchange.

14. Share-based compensation

Description of the plan

On June 30, 2018, the Company adopted the 2018 Equity incentive plan (the "2018 Plan"), which provides for grants of stock options, incentive stock options and non-qualified stock options, stock appreciation rights, restricted stock, restricted stock units or other rights under the 2018 Plan to employees, officers, directors, agents, consultants, advisors and independent contractors of the Company or any parent or subsidiary. The Company's board of directors establishes the terms and conditions of any grants under the 2018 Plan. The exercise price shall not be less than the fair market value per share of the common stock at the time of grant.

The aggregate number of common stock of the Company as to which options may be granted under the 2018 Plan shall not exceed 500 shares. The maximum exercise period of any option granted shall not exceed ten years from the date of grant. The options generally vest over a period of 2 to 3 years.

Incentive share options may be granted only to employees. The term of incentive stock options granted under the 2018 Plan to employees who own more than 10% of the total combined voting power of all classes of stock of the Company shall not exceed five years and the exercise price shall not be less than 110% of the fair market value of the common stock at the time of the grant.

As at September 30, 2018, no stock options were granted.

15. Income taxes

Prior to the equity conversion, as disclosed in note 12, the net and comprehensive income (loss) constituted the income of the previous members. As such, no provisions were made in these condensed interim financial statements for any income taxes which may be assessable to the previous members.

16. Financial instruments and risk management

The Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them.

Fair value

As at September 30, 2018, the Company's financial assets include cash and trade receivable, and its financial liabilities include trade payable, due to a majority shareholder, convertible debentures and derivative financial liability. The carrying amounts of current assets and liabilities approximate their fair value due to their short period to maturity. The carrying value of the convertible debenture approximates its fair value due to its terms and conditions approximating market terms and conditions. The derivative financial liability is measured at FVTPL.

16. Financial instruments and risk management (continued)

The fair value measurement of the Company's financial and non-financial assets and liabilities utilizes market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique utilized are (the 'fair value hierarchy'):

- Level 1: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs other than Level 1 inputs; and
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognized in the period they occur.

The Company's cash is subject to level 1 valuation. The derivative financial liability is subject to level 3 valuation.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterpart to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist of cash and trade receivable. The Company limits its exposure to credit loss on cash by only accepting banks and financial institutions with a minimum "A" rating. As at September 30, 2018, four (December 31, 2017 - three) of the Company's customers account for 83% (December 31, 2017 - 84%) of the Company's trade receivable. The Company does not obtain collateral or other security to support the accounts receivable subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company is exposed to liquidity risk primarily from its trade payables and convertible debenture. The Company believes that its recurring financial resources are adequate to cover all its expenditures.

(Expressed in U.S. dollars)

16. Financial instruments and risk management (continued)

Maturities of the Company's financial liabilities are as follows:

	Contractual cash flows	Less than one year	1-3 years	Greater than 3 years
September 30, 2018				
Trade payable	$ 1,615,894	$ 1,615,894	$ -	$ -
Distributions payable to members	270,822	270,822	-	-
Convertible debentures	3,089,996	-	3,089,996	-
Total	**4,976,712**	**1,886,716**	**3,089,996**	**-**
December 31, 2017				
Trade payable	36,245	36,245	-	-
Due to ultimate members	60,000	60,000	-	-
Total	**$ 96,245**	**$ 96,245**	**$ -**	**$ -**

Interest rate risk

The Company is not exposed to significant interest rate risk as its interest bearing convertible debentures carry a fixed rate of interest.

Foreign currency risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The United States equivalent carrying amounts of the Company's foreign currency denominated monetary liabilities as at September 30, 2018 and December 31, 2017 are as follows:

		September 30, 2018		December 31, 2017
Trade payable	**$**	**67,786**	$	-
Derivative financial liability		**743,917**		
Convertible debentures		**2,229,676**		-
Net monetary liability	**$**	**3,041,379**	**$**	-

Assuming all other variables remain constant, a fluctuation of +/- 1.0 percent in the exchange rate between the United States dollar and the foreign currency would impact loss before taxes by less than $30,000 during the quarter ended September 30, 2018.

To date, the Company has not entered into financial derivative contracts to manage exposure to fluctuations in foreign exchange rates.

(Expressed in U.S. dollars)

17. Letter of intent

On August 30, 2018, the Company entered into a non-binding letter of intent with World Wide Inc. ("World") to sell all of its issued and outstanding stock in an RTO transaction. As part of the RTO, the Company and World would apply to list the common stock of World for trading on the Canadian Securities Exchange.

18. Subsequent events

Stock option grant

On October 16, 2018, the Company issued stock options to employees, consultants and directors of the Company, its subsidiary and its majority shareholder, to purchase up to 190.8 Class A common stock of the Company. The stock options granted to employees vest quarterly from the grant date over a three year period and have a contractual life of ten years. The stock options granted to consultants and directors vest quarterly from the grant date over a two year period and have a contractual life of ten years. The options have an exercise price of $12,977. Options can be exercised for a fraction of stock.

Lease agreement

The commitment of the Company under a lease agreement, signed after the nine month period ended, aggregates to $150,000. The installments over the next four years are the following:

2018	**$**	**2,000**
2019		**50,000**
2020		**50,000**
2021		**48,000**

SCHEDULE D
MD&A OF ABACUS

(See attached)

Abacus Health Products, Inc.

Management's Discussion and Analysis

Annual MD&A

2016 and 2017

Overview and Outlook:

Abacus Health Products, Inc. (the "Company") is a company engaged in the development and commercialization of over-the-counter ("OTC") topical pain-relieving products infused with cannabidiol ("CBD"), a medicinal, non-psychoactive extract of cannabis. Abacus believes it is the first company to commercialize topical pain relief products infused with CBD registered with the U.S. Food and Drug Administration (the "FDA"). The products of Abacus are aimed at the rapidly growing market for topical pain relief and are based on proprietary patent-pending technologies developed by Abacus. Abacus' CBD-infused formulations combine science with organic and all-natural ingredients and provide natural and safe pain relief. All products commercialized by Abacus are registered with the FDA and utilize FDA-approved analgesic ingredients. Abacus currently offers two lines of products: (i) CBD CLINIC™, marketed to the professional practitioner market, introduced in May 2016; and (ii) CBDMEDIC™, marketed to the consumer market, introduced in May 2017.

The CBD CLINIC line of products includes a line of analgesic ointments, oils, and creams which provide practitioners with a new class of products for safe and rapid relief from acute musculoskeletal pain. The CBD CLINIC products are sold exclusively to registered health practitioners, including chiropractors, acupuncturists, massage therapists, physical therapists, naturopaths and osteopaths, as well as to distributors that serve these practitioner categories.

The CBDMEDIC product line included four products: Odor-Free Anesthetic Cream, Arthritis Cream, Intense Analgesic Ointment, and Active Sport™ Analgesic Ointment. Each product targeted individuals suffering from various types of muscle and joint pain. The CBDMEDIC products are sold to consumers through Abacus' e-commerce platform.

Abacus products were offered across the United States and produced by a contract manufacturer in an FDA-compliant and audited manufacturing facility.

Intellectual Property and Research and Development

The intellectual property and proprietary rights of Abacus, as well as its research and development ("R&D") efforts, are very important to its business. In efforts to secure, maintain and protect its intellectual property and proprietary rights in the United States, Abacus relies on a combination of trademarks, trade secrets and other rights. In addition, Abacus filed a provisional U.S. patent application in 2017 that covers formulations and methods that combine CBD and analgesic compounds for effectively alleviating arthritis, muscle and joint aches, sprains, strains and pain. Abacus also has confidentiality and/or license agreements with certain employees, contractors and other third parties, which limit access to and use of Abacus' proprietary intellectual property. Abacus has trademark rights on the "CBD CLINIC™" and "CBDMEDIC™ brand names, their respective leaf logos, the tagline "Revolutionary Pain Relief™", and "Active Sport™".

Abacus seeks to develop new OTC non-prescription CBD products addressing additional medical indications within the health and wellness segments and continues to invest in R&D efforts. Abacus' R&D efforts are also focused on reformulations of existing products to offer a wider range of delivery methods, including solid sticks, sprays and massage oils. Key members of Abacus' leadership team have significant formulation and product development expertise. R&D efforts are conducted with the support of external consultants and companies, including Aidance Skincare & Topical Solutions (Aidance), under third-party contract research agreements.

Sales, Customers and Distribution Strategy

Abacus' employs different sales strategies for its CBD CLINIC and CBDMEDIC product lines.

Via Abacus' inside sales team, the CBD CLINIC product line is sold only to professional practitioners through a distributor network that serves this market as well as through Abacus' e-commerce platform. Abacus' sales activities in this market are focused on maximizing the breadth and quality of its distributor network as well as maximizing direct sales to practitioners who have registered accounts with Abacus. Abacus believes its dual channel approach to healthcare practitioners will allow it to efficiently reach the majority of healthcare practitioners in the United States

who treat pain. Abacus continues to evaluate additional opportunities to further broaden availability of its CBD CLINIC products inside and outside the U.S.

The CBDMEDIC product line is marketed online through the e-commerce platform of Abacus.

Abacus' marketing strategy is focused on supporting its varied sales efforts and growing the CBD CLINIC and CBDMEDIC brands as the most trusted names in the industry as synonyms for "effective" and "safe" topical pain relief. The CBD CLINIC and CBDMEDIC products are FDA-registered topical medications infused with hemp extract (CBD) for which Abacus can make specific pain relief claims on its packaging. Abacus utilizes the ability to make pain claims to build consumer confidence in its highly effective and safe pain-relieving products.

Abacus promoted its brands and products through a combination of owned, earned and paid media and marketing opportunities, and continues to invest in the packaging and collateral materials of its products to ensure they best represent its brand values of effectiveness, safety and credibility. Abacus' internal sales teams act as brand champions that facilitate the day-to-day conversations with key wholesale and distributor accounts necessary to increase brand recognition. The CBDMEDIC and CBD CLINIC websites play an integral role both in serving as additional points of sale and educating consumers and business owners.

Year Ended December 31, 2016 Compared to Year Ended December 31, 2017

Discussion of Operations:

Revenue

The Company derives its current revenues principally from sales of its CBD CLINIC product line sold to professional practitioners through a distributor network that serves this market as well as through Abacus' e-commerce platform. Abacus' sales activities in this market are focused on maximizing the breadth and quality of its distributor network as well as maximizing direct sales to practitioners who have registered with Abacus through an inside-sales team. Abacus believes its dual channel approach to healthcare practitioners will allow it to efficiently reach the majority of healthcare practitioners in the United States that treat pain. Abacus continues to evaluate additional distributors to further broaden availability of its products to this market.

For the fiscal year ended December 31, 2017, approximately 98% of revenue was generated from the CBD CLINIC product line.

Revenue for the fiscal year ended December 31, 2017 was $2,575,172, which represents an increase of $2,495,132 compared to revenue of $80,040 for the prior fiscal year ended December 31, 2016. The increase in revenue was driven by an increase in sales to existing distributors, as well as sales to a number of new distributors that sold the Company's CBD CLINIC products primarily in the chiropractor and massage therapy markets.

Cost of Sales

Cost of Sales represents the cost of products manufactured for Abacus by Aidance Skincare & Topical Solutions, as well as sample packs and displays.

Cost of Sales for the fiscal year ended December 31, 2017 was $1,248,512, an increase of $1,168,510 compared to the cost of sales for the year ended December 31, 2016 of $80,002 driven by sales of its CBD CLINIC products. The increase in Cost of Sales in 2017 reflects the substantial increase in sales to practitioners and distributors during the Company's first full year of CBD Clinic products.

Gross Profit

Gross profit is revenue less cost of sales. Cost of sales includes the cost of products purchased from a third-party contract manufacturer. These costs include charges for product, packaging, samples and displays.

Gross profit for the fiscal year ended December 31, 2017 was $1,326,660, representing a gross margin of 52% from the sale of over-the-counter ("OTC") topical pain-relieving products infused with cannabidiol ("CBD"). This is compared to a gross profit of $38 for the fiscal year ended December 31, 2016. The increase in gross profit was largely attributable to 2017 being the first full year of sales of CBD Clinic products through distributors. Gross profit was significantly higher in 2017 compared to 2016 as the Company had not yet fully developed its distribution channels in 2016.

Expenses - General and Administrative

In addition to Cost of Sales, the Company incurs expenses related to selling costs , costs to support our customer and distributor relationships and to deliver our product to our customers. During 2016 and 2017, expenses also included investments in marketing and branding activities and the infrastructure required to support ongoing business. The Company will continue to invest in these areas to continue to support its aggressive expansion and growth plans, and also expects to incur significant increases in stock compensation, recruiting, legal and accounting and professional fees associated with being a publicly traded company.

Management services expense for the fiscal year ended December 31, 2017 was $ 472,954 an increase of $199,927 compared to $ 273,027 for the fiscal year ended December 31, 2016. The increase was attributable to revenue growth from 2016 to 2017 and the additional resources required to manage the Company's sales and infrastructure requirements.

Officer compensation expense for the fiscal year ended December 31, 2017 was $32,000, a decrease of $64,000 compared to $ 96,000 in officer compensation expense for the fiscal year ended December 31, 2016. The decrease in

officer compensation expense was due to the departure of the chief executive officer in 2017. Following this departure, these services were rendered by employees of a major member and are recognized in management services noted above.

Marketing and advertising expense for the fiscal year ended December 31, 2017 was $158,937, an increase of $87,652 compared to the marketing and advertising expense of $ 71,285 for the fiscal year ended December 31, 2016. The increase in marketing and advertising expense was attributable to increased spending in promotional and branding activities to support the Company's full year of selling its CBD Clinic products to distributors and medical practitioners.

Professional fees represent legal, accounting and business consulting services provided by third parties. Professional fees expense for the fiscal year ended December 31, 2017 was $51,447, an increase of $ 20,439 compared to professional fees expense of $31,008 for the fiscal year ended December 31, 2016. The increase in professional fees was attributable to the increase in sales volume from 2016 to 2017 , as well services incurred to support distributor relationships.

Shipping and delivery expense, Office and general expense and Other expenses for the fiscal year ended December 31, 2017 was $ 44,503, an increase of $6,045 compared to Shipping and delivery expense, Office and general expense and Other expenses of $38,458 for the fiscal year ended December 31, 2016.

Net and Comprehensive Income (Loss)

Net and comprehensive income for the fiscal year ended December 31, 2017 was $524,830, an increase of $1,039,002 compared to a net and comprehensive loss of $514,172 for the fiscal year ended December 31, 2016. The increase in net and comprehensive income (loss) was driven by the factors described above.

Liquidity and Capital

As of December 31, 2017, the Company had total current liabilities of $96,245 (December 31, 2016 had $166,104) and cash and cash equivalents of $345,001 (December 31, 2016 had $374,578) to meet its current obligations. Total current liabilities decreased in 2017 compared to 2016 as the Company was in the early stages of establishing sales channels in 2016, and relied on vendor credit from a major member to fund inventory and production in 2016.

As of December 31, 2017, the Company had trade receivables of $403,902 (December 31, 2016 had $0) and inventory of $45,699 (December 31, 2016 had $0). Accounts receivable represent amounts due from customers. The increase in accounts receivable in 2017 was related to the establishment of distributor relationships for it CBD Clinic products. Inventory represents the value of finished goods in had at the end of the period. The Company contracts with a third party (which is also a major member of the Company) to produce its products, which are then held by the Company before shipment to its customers.

The Company is an early stage growth company. It is generating cash from sales and deploying its capital reserves to acquire additional customers and distribution channels, as well as funding continuing product development.

Cash Flows

Cash Provided by (Used in) Operating Activities

Net cash used in operating activities was $(29,577) for the year ended December 31, 2017, a decrease of $378,491 compared to ($408,068) of cash used in operating activities for the year ended December 31, 2016. The decrease in cash used in operating activities was primarily due to an increase in net income of $1,039,002, offset by a net change of ($660,551) in non-cash net working capital items.

Cash Provided by Financing Activities

Net cash provided by financing activities was $0 for the year ended December 31, 2017 compared to $325,000 for the year ended December 31, 2016. In 2016, cash provided by financing activities was primarily due to capital contributions from LLC members.

Transactions with Related Parties.

At December 31, 2017 and 2016, amounts due to and from related parties consisted of:

	2017	2016
Notes Due to Ultimate Members	$60,000	$60,000
Total Due from Major Member	$34,947	$-

Summary of Significant Accounting Policies

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from the sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect to the transaction can be measured reliably.

Inventory

Inventory is stated at the lower of cost and net realizable value. Cost of inventory is determined on a (FIFO OR WAC) basis. Net realizable value represents the estimated selling price for inventory less all estimated costs necessary to make the sale.

Income taxes

The net and comprehensive income (loss) constitutes the income (loss) of the members. No provision has been made in these financial statements for any income taxes which may be assessable to the members.

Cash and cash equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Company did not have any cash equivalents as of December 31, 2017 or 2016.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Contingent rentals are recognized as expenses in the periods in which the are incurred.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign currency

Transactions entered into by the Company in a currency other than the functional currency are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognized immediately in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Provisions

Provisions are recognized when the Company has a present obligation as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss' ("FVTPL"), 'held-to-maturity' investments, 'available-for-sale' ("AFS") financial assets and 'loans and receivables'. The classification depends on the nature and purposes of the financial assets and is determined at the time of initial recognition. As at December 31, 2017 and 2016, the Company only holds loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including cash, trade receivables and due from member) are measured at amortized cost using the effective interest method, less any impairment.

Impairment provisions are recognized when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognized within expenses in the statement of comprehensive income.

On confirmation that the account receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities. As at December 31 2017 and 2016, the Company only holds other financial liabilities.

Other financial liabilities (including trade payables) are subsequently measured at amortized cost using the effective interest method.

Members capital

Members capital represents the sum of members initial capital contributions, decreased by any distributions made to members, and the cumulative amounts of profit or loss allocated to the members.

Future accounting standards issued but not yet effective

IFRS 9: Financial instruments

The IASB issued the chapters of IFRS 9 relating to the classification and measurement of financial assets. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the many different rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets.

The IASB also issued new requirements in IFRS 9 to address the problem of volatility in profit or loss arising from an issuer choosing to measure its own debt at fair value (i.e., the "own credit" problem). The IASB added to IFRS 9 impairment requirements related to the accounting for expected credit losses on an entity's financial assets and commitments to extend credit.

The IASB also published a new hedge accounting model, together with corresponding disclosures about risk management activity for those applying hedge accounting. The new model represents a substantial overhaul of hedge accounting that will enable entities to better reflect their risk management activities in their financial statements. The most significant improvements apply to those that hedge non-financial risk.

An entity shall apply this Standard retrospectively for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company does not anticipate that the application of IFRS 9 will have a significant impact on its financial position and/or financial performance.

IFRS 15: Revenues from contracts with customers

The FASB and IASB (the Boards) have issued converged standards on revenue recognition. This new IFRS affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards. This IFRS will supersede the revenue recognition requirements in IAS 18 and most industry-specific guidance.

Future accounting standards issued but not yet effective (continued)

The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

An entity shall apply this Standard for annual reporting periods beginning on or after January 1, 2018. Earlier application is permitted. Apart from providing more extensive disclosures on the Company's revenue transactions, the Company does not anticipate that the application of IFRS 15 will have a significant impact on its financial position and/or financial performance.

IFRS 16: Leases

The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. Under IFRS 16 a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly, and the liability accrues interest. This will typically produce a front-loaded expense profile (whereas operating leases under IAS 17 would typically have had straight-line expenses) as an assumed linear depreciation of the right-of-use asset and the decreasing interest on the liability will lead to an overall decrease of expense over the reporting period.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate. As with IFRS 16’s predecessor, IAS 17, lessors classify leases as operating or finance in nature. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise a lease is classified as an operating lease.

IFRS 16 supersedes IAS 17 Leases and related interpretations and is effective for periods beginning on or after January 1, 2019, with earlier adoption permitted if IFRS 15 Revenue from contracts with customers has also been applied. The Company is currently evaluating the impact of adopting this new standard.

Abacus Health Products, Inc.

Management's Discussion and Analysis

For the three and nine months ended September 30, 2018

Overview and Outlook:

Abacus Health Products, Inc. (the "Company") is a company engaged in the development and commercialization of over-the-counter ("OTC") topical pain-relieving products infused with cannabidiol ("CBD"), a medicinal, non-psychoactive extract of cannabis. Abacus believes it is the first company to commercialize topical pain relief products infused with CBD registered with the U.S. Food and Drug Administration (the "FDA"). The products of Abacus are aimed at the rapidly growing market for topical pain relief and are based on proprietary patent-pending technologies developed by Abacus. Abacus' CBD-infused formulations combine science with organic and all-natural ingredients and provide natural and safe pain relief. All products commercialized by Abacus are registered with the FDA and utilize FDA-approved analgesic ingredients. Abacus currently offers two lines of products: (i) CBD CLINIC™, marketed to the professional practitioner market; and (ii) CBDMEDIC™, marketed to retailers and the consumer market. Abacus is also developing a pipeline of other CBD products addressing additional medical indications and targeting the health and wellness segments.

The CBD CLINIC line of products includes a line of analgesic ointments, oils, and creams which provide practitioners with a new class of products for safe and rapid relief from acute musculoskeletal pain. The CBD CLINIC products are sold exclusively to registered health practitioners, including chiropractors, acupuncturists, massage therapists, physical therapists, naturopaths and osteopaths, as well as to distributors that serve these practitioner categories.

The CBDMEDIC line of products includes three product categories: Back & Neck Ointment, Arthritis Cream, and Active Sport™ —in ointment and solid stick—for athletes and fitness enthusiasts. Each product targets individuals suffering from various types of muscle and joint pain. The CBDMEDIC products are sold to consumers through retail pharmacies and fitness locations, and online through the e-commerce platform of Abacus.

Abacus products are currently offered across the United States and are produced by a contract manufacturer in an FDA-compliant and audited manufacturing facility.

Intellectual Property and Research and Development

The intellectual property and proprietary rights of Abacus, as well as its research and development ("R&D") efforts, are very important to its business. In efforts to secure, maintain and protect its intellectual property and proprietary rights in the U.S., EU and Canada, Abacus relies on a combination of trademarks, trade secrets and other rights. In addition, Abacus has a U.S. patent application pending that covers formulations and methods that combine CBD and analgesic compounds for effectively alleviating arthritis, muscle and joint aches, sprains, strains and pain. Abacus also has confidentiality and/or license agreements with certain employees, contractors and other third parties, which limit access to and use of Abacus' proprietary intellectual property. Abacus has trademark rights on the "CBD CLINIC™" and "CBDMEDIC" brand names, their respective leaf logos, taglines "Revolutionary Pain Relief™" and "Experience The Pain Relief Revolution™", and "Active Sport™".

Abacus seeks to develop new OTC non-prescription CBD products addressing additional medical indications within the health and wellness segments and continues to invest in R&D efforts. Abacus' R&D efforts are also focused on reformulations of existing products to offer a wider range of delivery methods, including sprays, gels and roll-on products. Key members of Abacus' leadership team have significant formulation and product development expertise. R&D efforts are conducted with the support of external consultants and companies, including Aidance Skincare and Topical Solutions "(Aidance"), under third-party contract research agreements.

Abacus established an Israel-based subsidiary in 2018 to support, amongst other goals, its efforts to identify and secure unique technologies that have been or are being developed in Israel, a country recognized to be highly active in R&D of technologies involving pharmaceuticals and CBD. Abacus has an ongoing program in Israel whereby it seeks to

maintain ties to key institutions and researchers and thereby give it an earlier window and opportunity to secure technologies which it believes offer good potential for commercialization.

Sales, Customers and Distribution Strategy

Abacus' employs different sales strategies for its CBD CLINIC and CBDMEDIC product lines.

Via Abacus' inside sales team, the CBD CLINIC product line is sold only to professional practitioners through a distributor network that serves this market as well as through Abacus' e-commerce platform. Abacus' sales activities in this market are focused on maximizing the breadth and quality of its distributor network as well as maximizing direct sales to practitioners who have registered accounts with Abacus. Abacus believes its dual channel approach to healthcare practitioners will allow it to efficiently reach the majority of healthcare practitioners in the United States who treat pain. Abacus continues to evaluate additional opportunities to further broaden availability of its CBD CLINIC products inside and outside the US.

The CBDMEDIC product line is marketed by distributors and an inside and field sales team to consumers through retail and fitness locations (such as gyms, or athletic competition events) and online through the e-commerce platform of Abacus.

Abacus' marketing strategy is focused on supporting its varied sales efforts and growing the CBD CLINIC and CBDMEDIC brands as the most trusted names in the industry as synonyms for "effective" and "safe" topical pain relief. The CBD CLINIC and CBDMEDIC products are FDA-registered topical medications infused with hemp extract (CBD) for which Abacus can make specific pain relief claims on its packaging. Abacus utilizes the ability to make pain claims to build consumer confidence in its highly effective and safe pain-relieving products.

Abacus is developing unique messaging and collateral materials and choosing the optimal communication channels and mediums through which to connect with and communicate to consumers. For example, within the Active Sport line, Abacus has sponsored a series of sports events within the CrossFit market and operates an active social media program dedicated to this segment.

Abacus is promoting its brands and products through a combination of owned, earned and paid media and marketing opportunities, and to continue to invest in the packaging and collateral materials of its products to ensure they best represent its brand values of effectiveness, safety and credibility. Abacus' internal and external sales teams act as brand champions that facilitate the day-to-day conversations with key wholesale and distributor accounts necessary to increase brand recognition. The CBDMEDIC and CBD CLINIC websites play an integral role both in serving as additional points of sale and educating consumers and business owners.

Abacus is engaging social media influencers, as well as traditional and digital marketing partners to support its marketing efforts. Abacus is currently in the process of selecting a leading North American advertising agency to support its marketing efforts.

Additionally, Abacus is building out a digital marketing department to connect with its consumers online. By hiring specialists in traditional and experimental social media campaigns, pay-per-click advertising, media buying opportunities, search engine optimization, and online written/video content creation, Abacus intends to capitalize on the curiosity surrounding alternative pain relief methods as well as CBD.

Abacus benefits from various public relation opportunities and will continue to seek these opportunities to support its brands. Abacus benefits from social media mentions, word of mouth dialogue between consumers, and written articles by industry experts and publications.

Three and Nine Months ended September 30, 2018

Discussion of Operations:

Revenue

The Company derives its revenues from sales of its CBD CLINIC product line sold to professional practitioners through a distributor network that serves this market as well as through Abacus' e-commerce platform. Abacus' sales activities in this market are focused on maximizing the breadth and quality of its distributor network as well as maximizing direct sales to practitioners who have registered with Abacus through an inside-sales team. Abacus believes its dual channel approach to healthcare practitioners will allow it to efficiently reach the majority of healthcare practitioners in the United States. Abacus continues to evaluate additional distributors to further broaden availability of its products to this market.

The CBDMEDIC product line is sold directly and through distributors to consumers through pharmacy and fitness locations (such as gyms, or athletic competition events) and online through the e-commerce platform of Abacus. Abacus' sales strategy for its CBDMEDIC products is focused on establishing strong relationships with, and distribution by, retail pharmacy and grocery stores and chains.

For the three months and nine ended September 30, 2018, approximately 97% and 98% of revenue was generated from the CBD CLINIC product line.

Revenue for the three months ended September 30, 2018 was $2,064,117 which represents an increase of $1,425,546 compared to revenue of $638,571 for the three months ended September 30, 2017. The increase in revenue was primarily driven by an increase in sales to distributors that sold the Company's CBD CLINIC products in the chiropractic and massage therapist markets.

Revenue for the nine months ended September 30, 2018 was $5,579,000 which represents an increase of $4,229,895 compared to revenue of $1,349,105 for the nine months ended September 30, 2017. The increase in revenue was primarily driven by an increase in sales to distributors that sold the Company's CBD CLINIC products in the chiropractic and massage therapist markets.

Cost of Sales

Cost of Sales includes the cost of product manufactured for Abacus by Aidance as well as displays and samples.

Cost of Sales for the three months ended September 30, 2018 was $839,168 an increase of $529,572 compared to the cost of sales for the three months ended September 30, 2017 of $309,596 driven primarily by sales of its CBD CLINIC products.

Cost of Sales for the nine months ended September 30, 2018 was $2,298,954 an increase of $1,678,053 compared to the cost of sales for the nine months ended September 30, 2017 of $620,901 driven primarily by sales of its CBD CLINIC products.

Gross Profit

Gross profit is revenue less cost of sales. Cost of sales includes the cost of manufacturing the Company's CBD CLINIC and CBDMEDIC products manufactured by a third-party firm. These costs include charges for product, packaging, samples and displays.

Gross profit for the three months ended September 30, 2018 was $1,224,949 representing a gross margin of 59.3% from the sale of OTC topical pain-relieving products infused with CBD. This is compared to a gross profit of $328,975 representing a gross margin of 51.5% for the three months ended September 30, 2017. The gross margin improved as the Company's purchase price declined over the period.

Gross profit for the nine months ended September 30, 2018 was $3,280,046 representing a gross margin of 58.8% from the sale of OTC topical pain-relieving products infused with CBD. This is compared to a gross profit of $728,204 representing a gross margin of 53.9% for the nine months ended September 30, 2017. The gross margin improved as the Company purchase price declined over the period.

Expenses - General and Administrative

Expenses - General and Administrative consist of selling costs to support our customer and distributor relationships and to deliver our product to our customers. It also includes an investment in marketing and branding activities and the infrastructure required to support ongoing business.

Selling costs generally include salaries and benefits for the Company's sales personnel, travel costs and commissions, advertising and tradeshows. General and Administrative Expenses include the cost of salaries, benefits, officer compensation, management services, professional services, office, legal, accounting and R&D expenses. The Company will continue to invest in these areas to continue to support its aggressive expansion and growth plans, and also expects to incur significant increases in stock compensation, recruiting, legal and accounting and professional fees associated with being a publicly traded company.

Expenses - General and administrative for the three months ended September 30, 2018 were $1,183,481 consisting of the following:

Shipping and delivery: $55,855 an increase of $48,386 compared to $7,469 for the three months ended September 30, 2017 due to increased quantity of product sales.

Salaries, wages, and benefits: $111,143 an increase of $111,143 compared to $Nil for three months ended September 30, 2017 due the hiring of staff positions to support the Company's sales & marketing efforts; including members of the field sales team.

Management services: $153,262 an increase of $49,085 compared to $104,177 for the three months ended September 30, 2017 due to increased business activity. The services consisted of management and leadership for several areas across the Company.

Marketing and advertising: $362,062 an increase of $278,719 compared to $83,343 for the three months ended September 30, 2017 due to a ramp up in activities to promote the products. The Company participated in several trade shows and other promotional events. In addition, the Company was a sponsor and exhibited at the CrossFit games and had a significant presence at the National Association of Chain Drug stores trade show.

Professional fees: $418,240 an increase of $350,796 compared to $67,444 for the three months ended September 30, 2017 due to increased accounting, tax, legal, and other professional fees associated with the Company's growth and financing activities.

Office and general: $25,237 an increase of $24,128 compared to $1,109 for the three months ended September 30, 2017 due to organizational growth to support the increase in business.

Depreciation: $976 an increase of $976 compared to $Nil for the three months ended September 30, 2017 due to property and equipment additions of marketing equipment, office equipment, and computers.

Research and development: $56,706 an increase of $56,631 compared to $75 for the three months ended September 30, 2017 due to the commencement of R&D activities and projects. The Company conducted testing & evaluation to help support the pending patent application, performed evaluations and tests on potential ingredients and ingredients from potential suppliers, and engaged a researcher in Israel to identify and research pipe-line products.

Expenses - General and administrative for the nine months ended September 30, 2018 were $2,039,442 consisting of the following:

Shipping and delivery: $112,159 an increase of $88,121 compared to $24,038 for the nine months ended September 30, 2017 due to increased product sales.

Salaries, wages, and benefits: $128,996 an increase of $128,996 compared to $Nil for nine months ended September 30, 2017 due the hiring of staff to support the sales and marketing efforts of the Company's products including members of the field sales team.

Management services: $392,878 an increase of $48,367 compared to $344,511 for the nine months ended September 30, 2017 due to increased business activity. The services consisted of management and leadership for several areas across the Company.

Marketing and advertising: $670,033 an increase of $548,032 compared to $122,001 for the nine months ended September 30, 2017 due to a ramp up in activities to promote the products. The Company was a sponsor and exhibited

at regional CrossFit games and had a significant presence at the National Association of Chain Drug stores trade show. Abacus also attended the ECRM health and beauty trade show for the retail pharmacy market. The Company had a presence at the Cannatech trade show.

Professional fees: $616,233 an increase of $535,950 compared to $80,283 for the nine months ended September 30, 2017 due to increased accounting, tax, legal, and other professional fees associated with the Company's growth and financing activities.

Office and general: $43,819 an increase of $21,530 compared to $22,289 for the nine months ended September 30, 2017 due to organizational growth to support the increase in business.

Depreciation: $1,317 an increase of $1,317 compared to $Nil for the three months ended September 30, 2017 due to property and equipment additions of marketing equipment, office equipment, and computers.

Research and development: $74,007 an increase of $73,231 compared to $776 for the nine months ended September 30, 2017 due to the commencement of R&D activities and projects. The Company conducted testing & evaluation to help support the pending patent application, performed evaluations and tests on potential ingredients and ingredients from potential suppliers, and engaged a researcher in Israel to identify and research pipe-line products.

Net and Comprehensive Income (Loss)

Net and comprehensive loss for the three months ended September 30, 2018 was $(102,862) a decrease of $(158,036) compared to a net and comprehensive income of $55,174 for the three months ended September 30, 2017. The decrease in net and comprehensive income (loss) was driven by additional investments in sales, marketing and administrative personnel and programs to support the Company's sales growth.

Net and comprehensive income for the nine months ended September 30, 2018 was $1,044,713 an increase of $931,331 compared to a net and comprehensive income of $113,382 for the nine months ended September 30, 2017. The increase in net and comprehensive income (loss) was driven by an increase in sales.

Liquidity and Capital

As of September 30, 2018, the Company has total current liabilities of $2,630,633 (December 31, 2017 - $96,245) and cash of $4,371,365 (December 31, 2017- $345,001) to meet its current obligations.

As of September 30, 2018, the Company has trade receivables of $1,076,732 (December 31, 2017 - $403,902), inventory of $488,743 (December 31, 2017 - $45,699), prepaid expenses and deposits of $262,127 (December 31, 2017 -$Nil), due from members $21,633 (December 31, 2017 $Nil), and due from a major member $Nil (December 31, 2017 - $34,947).

The Company is an early stage growth company. It is generating cash from sales and deploying its capital reserves to acquire additional customers and distribution channels, as well as funding continuing product development.

Cash Flows

Cash flows Provided by (Used in) Operating Activities

Net cash flows provided by operating activities was $171,944 for the three months ended September 30, 2018, a decrease of $4,745 compared to $176,689 of cash provided by operating activities for the three months ended September 30, 2017. The decrease in cash provided by operating activities was primarily due to an increase in net working capital due to increased inventory, trade receivable, and trade payable balances at September 30, 2018.

Net cash provided by operating activities was $1,347,923 for the nine months ended September 30, 2018, an increase of $1,290,532 compared to $57,391 of cash provided by operating activities for the nine months ended September 30, 2017. The increase in cash provided by operating activities was due to an increase in net and comprehensive income and net working capital due to increased inventory, trade receivable, and trade payable balances at September 30, 2018.

Cash flows provided by Investing Activities

Net cash used in investing activities was $48,597 for the three months ended September 30, 2018, compared to $0 for the three months ended September 30, 2017.

Net cash used in investing activities was $59,676 for the nine months ended September 30, 2018, compared to $0 for the nine months ended September 30, 2017.

Cash flows provided by Financing Activities

Net cash provided by financing activities was $2,792,630 for the three months ended September 30, 2018 compared to $Nil for the three months ended September 30, 2017 due to proceeds received from the issuance of convertible notes and distributions made during the period.

For the nine months ended September 30, 2018, cash provided by financing activities was $2,738,117 primarily due to proceeds received from issuance of convertible notes $2,908,295 (net of transaction fees) less membership units repurchased $25,000, and less distributions of $145,178.

Transactions with Related Parties.

At September 30, 2018 and December 31 2017, amounts due to and from related parties consisted of:

	September 30, 2018	December 31, 2017
Trade payable, majority shareholder	$1,203,927	$-
Distribution payable to members	$270,822	$-
Due from members	$21,633	$-
Due from a major member	$-	$34,947
Due to ultimate members	$-	$60,000

Summary of Significant Accounting Policies

Revenue recognition

Revenue arises mainly from the sale of goods to customers. To determine whether to recognize revenue, the Company follows a 5-step process:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue from the sale of goods is recognized when the Company transfers control of the assets to the customer. Control transfers at the point in time the customers take undisputed delivery of the goods.

The Company does not extend warranties or rights of return in excess of statutory requirements.

Financial instruments

a) Recognition and derecognition

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

b) Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortized cost;
- fair value through profit or loss ("FVTPL"); and
- fair value through other comprehensive income ("FVOCI").

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognized in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

c) Subsequent measurement of financial assets

Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category includes non-derivative financial assets like loans and receivables with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets that are held within a different business model than 'hold to collect' or 'hold to collect and sell', and financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. The Company does not hold any financial assets at FVTPL.

Financial assets at fair value through other comprehensive income ("FVOCI")

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is to hold to collect the associated cash flows and sell, and;
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

Any gains or losses recognized in OCI will be recycled upon derecognition of the asset. The Company does not hold any financial assets at FVOCI.

d) Impairment of financial assets

IFRS 9's new impairment requirements use more forward-looking information to recognize expected credit losses – the 'expected credit loss' (ECL) model. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at

amortized cost and FVOCI, trade receivables, contract assets recognized and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Financial assets at amortized cost

The Company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

e) Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely the same under IFRS 9 compared to IAS 39, the Company's financial liabilities were not impacted by the adoption of IFRS 9. However, for completeness, the accounting policy is disclosed below.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

f) Derivative financial instruments and hedge accounting

Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment.

Compound instruments and embedded derivatives

The convertible debentures issued by the Company are considered to be a compound financial instrument that can be converted into common stock of the Company at the option of the holder, where the number of shares to be issued varies depending on different scenarios of future financings.

The compound financial instrument is recognized as a liability, with the initial carrying value of the debenture (host) being the residual amount of the proceeds, after separating the derivative component, which is recognized at fair value, and also the warrants issued with the instruments. Any directly attributable transaction costs are allocated to the host and to the warrants issued.

The embedded derivative that constitutes the convertible debentures (derivative) is recorded at fair value separately from the host contract, as its economic characteristics and risks are not clearly and closely related to those of the host contract.

Subsequent to initial recognition, the host component of the compound financial instrument is measured at amortized cost using the effective interest method. The derivative component of the compound financial instrument is measured at fair value through profit and loss. Subsequent changes in fair value are recorded in the statement of income (loss) and comprehensive income (loss) in finance costs.

On the conversion date, the value of the host contract component of the financial instrument measured at amortized cost and the value of the derivative component measured at fair value are transferred to equity.

Property and equipment

Property and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Depreciation is recorded to recognize the cost of assets over their useful lives, using the straight-line method over three years.

The estimated useful lives and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Any item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales and proceeds and the carrying amount of the asset and is recognized in profit or loss.

Repairs and maintenance costs that do not improve or extend productive life are recognized in profit or loss in the period in which the costs are incurred.

Share-based compensation

The Company has a share option plan for employees (including officers), consultants and directors from which options to purchase common stock of the Company are issued. Share-based compensation costs are accounted for on a fair value basis, as measured at the grant date, using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted.

All share-based remuneration is ultimately recognized as an expense in profit or loss with a corresponding credit to contributed surplus. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Any adjustment to cumulative share-based compensation resulting from a revision is recognized in the current period. The number of vested options ultimately exercised by holders does not impact the expense recorded in any period.

Upon exercise of share options, the proceeds received, net of any attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as contributed surplus.

Income taxes

Income tax expenses are comprised of current and deferred tax. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using the tax rates enacted or substantially enacted at the reporting date.

Deferred tax is recognized for the future tax consequences attributable to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment dates. The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

The Company records interest related to unrecognized tax benefits in interest expense and penalties in other expenses.

Share capital

Share capital represents the nominal (par) value of shares that have been issued.

Contributed surplus includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of related income tax benefits.

Income (loss) per share

Basic earnings (loss) per share is calculated by dividing the profit or loss attributable to equity holders of the Company by the weighted average number of common stock outstanding during the year.

Diluted income (loss) per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of common stock outstanding, adjusted for the effects of all dilutive potential common stock. The weighted average number of common shares outstanding is increased by the number of additional common stock that would have been issued by the Company assuming exercise of all stock options with exercise prices below the average market price for the year.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the asset group to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or asset group is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately as additional depreciation or amortization. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined had impairment not previously been recognized. A reversal is recognized as a reduction in the depreciation or amortization charge for the period. No impairment was recognized for the nine month periods ended September 30, 2018 and 2017.

New standards adopted as at January 1, 2018

IFRS 9: Financial instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an "expected credit loss" model for the impairment of financial assets. The new standard also addresses classification and measurement of financial assets and replaced the multiple category and measurement models for debt instruments in IAS 39 with a new measurement model having only two categories: amortized cost and fair value through profit or loss.

IFRS 9 also contains new requirements on the application of hedge accounting. The new requirements look to align hedge accounting more closely with entities' risk management activities by increasing the eligibility of both hedge items and hedging instruments and introducing a more principles-based approach to assessing hedge effectiveness.

The Company has adopted this standard and concluded that it does not have an impact on the interim and annual financial statements.

IFRS 15: Revenues from contracts with customers

IFRS 15 Revenue from Contracts with Customers and the related Clarifications to IFRS 15 Revenue from Contracts with Customers (herein referred to as "IFRS 15") replace IAS 18 Revenue, IAS 11 Construction Contracts, and several revenue-related interpretations.

The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

The Company has adopted this standard and concluded that it does not have an impact on the interim and annual financial statements.

Future accounting standards issued but not yet effective

IFRS 16: Leases

The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distincion between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. Under IFRS 16 a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly, and the liability accrues interest. This will typically produce a front-loaded expense profile (whereas operating leases under IAS 17 would typically have had straight-line expenses) as an assumed linear depreciation of the right-of-use asset and the decreasing interest on the liability will lead to an overall decrease of expense over the reporting period.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate. As with IFRS 16's predecessor, IAS 17, lessors classify leases as operating or finance in nature. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise a lease is classified as an operating lease.

IFRS 16 supersedes IAS 17 Leases and related interpretations and is effective for periods beginning on or after January 1, 2019, with earlier adoption permitted if IFRS 15 Revenue from contracts with customers has also been applied. The Company is currently evaluating the impact of adopting this new standard.

IFRIC 23: Uncertainty over Income Tax Treatments

IFRIC 23 clarifies application of recognition and measurement requirements in IAS 12 Income Taxes when there is uncertainty over income tax treatments. The Interpretation specifically addresses whether an entity considers uncertain tax treatments separately, the assumptions an entity makes about the examination of tax treatments by taxation authorities, how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates and how an entity considers changes in facts and circumstances.

The amendments are effective for annual periods beginning on or after January 1 2019, with early adoption permitted. The Company is assessing the potential impact on its financial statements resulting from the amendments.

SCHEDULE E
CONSOLIDATED FINANCIAL STATEMENTS OF THE RESULTING ISSUER

(See attached)

World Wide Inc. & Abacus Health Products, Inc.
Pro Forma Consolidated Statement of Financial Position
Unaudited - Prepared by Management
(Expressed in U.S. Dollars)
As of September 30, 2018

	Abacus Health Products, Inc.	World Wide Inc.	Adjustments	Notes	Pro Forma
ASSETS					
Current Assets					
Cash	$ 4,371,365	$ -	$ 13,800,000	2c	$ 18,171,365
Accounts receivable	1,076,732	-			1,076,732
Inventory	488,743	-			488,743
Prepaid expenses and deposits	262,127	-	(81,147)	2c	180,980
Due from members	21,633	-			21,633
Sundry receivables	-	2,728			2,728
Funds held in trust	-	34,463			34,463
Total Current Assets	6,220,600	37,191			19,976,644
Property & equipment	36,726	-			36,726
TOTAL ASSETS	$ 6,257,326	$ 37,191			$ 20,013,370
Current Liabilities					
Trade payable	$ 1,615,894	$ 36,424	$ 363,825	2a	$ 2,016,143
Distributions payable	270,822	-			270,822
Derivative financial liability	743,917	-	1,371,949	2d	2,115,866
Total Current Liabilities	2,630,633	36,424			4,402,831
Convertible debentures	2,229,676	-			2,229,676
TOTAL LIABILITIES	4,860,309	36,424			6,632,507
Shareholders' Equity					
Share capital	3	964,056	15,093,313	2a, 2c	16,057,372
Contributed surplus	1,499,876	1,545	(1,203,886)	2a, 2c	297,535
Deficit	(102,862)	(964,834)	(1,906,348)	2a, 2c	(2,974,044)
Total Shareholders' Equity	1,397,017	767			13,380,863
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 6,257,326	$ 37,191			$ 20,013,370

World Wide Inc. & Abacus Health Products, Inc.
Pro Forma Consolidated Statement of Comprehensive Income (Loss)
For the Nine Months Ended September 30, 2018
Unaudited - Prepared by Management
(Expressed in U.S. Dollars)

	Abacus Health Products, Inc. (Nine Months)	World Wide Inc. (Nine Months)	Adjustments	Notes	Pro Forma
Revenue	$5,579,000	$ -			$5,579,000
Cost of sales and expenses					
Cost of sales	2,298,954	-			2,298,954
Shipping and delivery	112,159	-			112,159
Salaries, wages and benefits	128,996	-			128,996
Management services	392,878	18,634			411,512
Marketing and advertising	670,033	-			670,033
Professional fees	616,233	65,102			681,335
Shareholder relations	-	4,862			4,862
Office and general	43,819	3,200			47,019
Depreciation	1,317	-			1,317
Research and development	74,007	-			74,007
Total cost of sales and expenses	4,338,396	91,798			4,430,194
Income before other expenses	1,240,604	(91,798)			1,148,806
Other expenses					
Transaction costs	-	-	1,499,233	2a	1,499,233
Fair value adjustment on derivative financial liability	-	-	1,371,949	2d	1,371,949
Change in accruals	-	(10,483)			(10,483)
Interest and bank charges	158,537	-			158,537
Foreign exchange	37,354	-			37,354
Total other expenses	195,891	(10,483)			3,056,590
Net and comprehensive income (loss)	$1,044,713	($81,315)			($1,907,784)

1. **Basis of Presentation**

The accompanying unaudited pro forma consolidated financial statements of World Wide Inc. (the "Corporation" or "Resulting Issuer") have been prepared by the management to reflect the Merger Agreement between the Corporation and Abacus Health Products, Inc. ("Abacus") dated December 21, 2018. Pursuant to the Merger Agreement, the Corporation will complete a reverse take-over of Abacus (the "Transaction"). Concurrently with the Transaction, Abacus will complete a private placement financing of approximately $15.0 million (the "Concurrent Financing").

The pro forma consolidated financial statements of the Corporation include:

i. a pro forma consolidated interim statement of financial position as at September 30, 2018 prepared from the unaudited condensed consolidated interim statement of financial position of Abacus as at September 30, 2018 and the unaudited condensed interim statement of financial position of the Corporation as of September 30, 2018, which gives pro forma effect to the Transaction and the Concurrent Financing and the assumptions described in Note 2, as if these transaction occurred on September 30, 2018.

ii. a pro forma consolidated interim statement of income and comprehensive income for the nine months ended September 30, 2018 prepared from the unaudited condensed consolidated interim statement of income and comprehensive income of Abacus for the nine months ended September 30, 2018 and the unaudited condensed interim statement of loss and comprehensive loss of the Corporation for the nine months ended September 30, 2018, which gives pro forma effect to the Transaction and the Concurrent Financing and the assumptions described in Note 2, as if these transaction occurred on September 30, 2018.

   The Corporation's unaudited interim statement of loss and comprehensive loss for the nine months ended September 30, 2018 has been constructed by subtracting the unaudited condensed interim statement of loss and comprehensive loss for the six months ended December 31, 2017 from the audited statement of income and comprehensive income for the year ended June 30, 2018 and adding the unaudited condensed interim statement of loss and comprehensive loss for the three months ended September 30, 2018.

iii. the additional information set out in Notes 2 and 3.

For purposes of the preparation of the pro forma consolidated financial statements, the financial statements of the Corporation have been translated for presentation purposes from Canadian dollars to U.S. dollars using the exchange rate in effect at September 30, 2018 for the statement of financial position and using the average exchange rate for the nine months ended September 30, 2018 for the statement of net loss and comprehensive loss.

The pro forma adjustments are based on available financial information and certain estimates and assumptions. Management believes that such assumptions provide a reasonable basis for presenting all of the significant effects of the Transaction and Concurrent Financing and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the pro forma consolidated financial information.

The unaudited pro forma consolidated financial statements have been prepared for illustration purposes only and may not be indicative of the combined results or financial position had the Transaction and Concurrent Financing been in effect at the date indicated. No adjustments have been made to reflect additional costs or cost savings that could result from the transactions. Actual amounts recorded upon consummation of the transactions will differ from those recorded in the pro forma consolidated financial statements and the differences may be material.

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2. **Pro forma Assumptions and Adjustments**

a) As a result of the transactions described in Note 1, the shareholders of Abacus will acquire control of the Corporation and this Transaction is accounted for as a reverse takeover. Accordingly, the share exchange is accounted for with the net assets of World Wide Inc. recorded at fair value at the date of acquisition. No goodwill or intangible assets were recorded with respect to the Transaction as it does not constitute a business combination.

Cost of Acquisition		
Share based payment	$	1,136,175
Transaction costs	$	363,825
Total	$	1,500,000
Allocated as follows:		
Net assets of World Wide Inc.	$	767
Listing expense	$	1,499,233
Total	$	1,500,000

The actual amounts recorded on the acquisition will be determined at the date of acquisition and may differ from the actual amounts intended above. Such differences could be material.

b) Prior to the acquisition, on December 18, 2018, the Corporation effected a reverse stock split of one-for-100 share resulting in 302,980 common shares outstanding. Prior to the financing discussed below, on December 20, 2018, Abacus Class A Common shareholders exchanged 2,790.33 shares for 27.90 Class B Common shares and Abacus effected a stock split of 4,204.51-for-one share resulting in 1,378,672.64 total Class B common shares outstanding. Class B Common shareholders are entitled to 100 per share. Class A Common shareholders are entitled to one vote per share. Class C Common shareholders are not entitled to a vote.

c) In connection with the Transaction, Abacus issued in aggregate under two tranches completed on December 21, 2018 and January 7, 2019 an aggregate of 4,000,000 Subscription Receipts at $3.75 per Subscription Receipt for aggregate gross proceeds of approximately US$15.0 million. After broker and other transaction costs of approximately $1,200,000 and prepaid transaction costs of $81,000, Abacus realized approximately $13,800,000. Prior to closing of the Transactions, each Subscription Receipt will be converted into one Subordinated Voting Share for a total of 4,000,000 shares. In addition, the broker received warrants for the purchase of 195,927 shares exercisable at a price of $3.75 per share, vesting immediately, expiring two years after issuance and valued at approximately $297,535 using a Black-Scholes valuation model with the following assumptions:

Share Price	$3.75
Exercise Price	$3.75
Risk-free interest rate	2.66%
Dividend yield	0.00%
Volatility	104%
Expected term, years	1.00

d) In August 2018, Abacus executed senior secured convertible debenture agreements with lenders for gross aggregate proceeds in the amount of CDN$4,000,000 (US$3,089,996). In connection with this transaction, lenders received warrants to purchase common shares. The total shares subject to the warrants and the exercise price were to be determined based upon a future qualified financing, as defined in the agreements. In Abacus' September 30, 2018 Statement of financial position, the recorded amount of these warrants

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equaled $743,917. The warrants were valued using an appraisal by a third-party valuation expert using a probability-weighted approach to determine the value of the stock price and a Black-Scholes valuation model.

As a result of the Concurrent Financing, the number of shares purchasable upon exercise of the warrants totaled 1,048,371 at an exercise price of US$3.75. The fair value of the warrants has been estimated at approximately $2,115,866 using a Black-Scholes valuation model with the following assumptions:

Share Price	$3.75
Exercise Price	$3.75
Risk-free interest rate	2.81%
Dividend yield	0.00%
Volatility	101%
Expected term, years	2.00

Abacus recorded a fair value adjustment of $1,371,949 in the pro forma consolidated statement of income and comprehensive income for the nine months ended September 30, 2018 as if the qualified financing was completed on September 30, 2018.

3. Share Capital Adjustments

Pursuant to the terms of the Merger Agreement, World Wide's Common shareholders will receive Subordinate Voting Shares on a one-for-one basis. Abacus' Class A and C Common shareholders will receive Subordinate Voting Shares on a one-for-one basis. Abacus' Class B Common shareholders will receive Proportionate Voting Shares on a one-for-one basis.

Generally, the Subordinate Voting Shares and Proportionate Voting Shares have the same rights, are equal in all respects and are treated by the Corporation as if they were shares of one class only. Shareholders are entitled to the following:

a) Conversion Rights – Subject to some restrictions, Proportionate Voting Shares, at the option of the holder, may be converted into Subordinate Voting Shares at a ratio of 100 Subordinate Voting Shares per Proportionate Voting Share. Further, the Board of Directors may cause all of the issued and outstanding Proportionate Voting Shares to be converted into Subordinate Voting Shares at a ratio of 100 Subordinate Voting Shares per Proportionate Voting Share.

b) Voting Rights - Each Subordinate Voting Share is entitled to one vote per share; and each Proportionate Voting Share is entitled to 100 votes per share.

c) Dividend Rights – Shareholders are entitled to receive dividends when and if declared by the Board of Directors. Each Proportionate Voting Share will be entitled to 100 times the amount paid or distributed per Subordinate Voting Share.

d) Liquidation Rights - In the event of the liquidation, dissolution or winding-up of the Corporation, the shareholders will be entitled to receive all of the Corporation's assets remaining after payment of all debts and other liabilities, on the basis that each Proportionate Voting Share will be entitled to 100 times the amount distributed per Subordinate Voting Share.

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The number of Subordinate Voting Shares and Proportionate Voting Shares of the Resulting Issuer upon closing of the Transaction, on a pro forma and as converted basis, as if the RTO was completed on September 30, 2018, is as follows:

	Historical Shares	Subordinate Voting Shares	Proportionate Voting Shares
Abacus			
Shares outstanding as at September 30, 2018	3,090		
Share exchange	(2,762)		
Stock Split	1,378,345		
Fractional Class C Common Shares	(2)		
Concurrent Financing	4,000,000		
Adjusted shares outstanding as at September 30, 2018	5,378,671		
Exchange of shares for Subordinate Voting Shares	(5,261,351)	5,261,351	
Exchange of shares for Proportionate Voting Shares	(117,320)		117,320
World Wide Inc.			
Shares outstanding as at September 30, 2018	30,362,643		
Stock Split	(30,058,663)		
Adjusted shares outstanding as at September 30, 2018	303,980		
Exchange of shares for Subordinate Voting Shares	(303,980)	303,980	
Total shares outstanding as at September 30, 2018		5,565,331	117,320
Shares reserved for issuance for:			
Exchange of Proportionate for Subordinate Voting Shares		11,731,963	
Outstanding Options		887,520	
Convertible Debentures		1,048,371	
Convertible Debenture Warrants		1,048,371	
Abacus Compensation Warrants		195,927	
Total Outstanding and Issuable Subordinate Voting Shares		20,477,483	