

INNOVATIVE PROPERTIES INC.

D.B.A. NABIS HOLDINGS

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED JANUARY 31, 2019 AND 2018

(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of the condensed interim financial statements and are in accordance with IAS 34 – *Interim Financial Reporting*.

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with standards established by the Canadian Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

INNOVATIVE PROPERTIES INC.
INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited, in Canadian dollars)

As at

	Note	January 31, 2019	October 31, 2018
ASSETS			
Current Assets			
Cash and cash equivalents		\$ 2,302,207	\$ 705,836
Marketable securities	3	43,179	167,052
Receivables		116,521	6,646
Due from related parties	5	3,486	-
Deposit and prepaid	6	874,886	35,000
		3,340,279	914,534
Non-Current Assets			
Equipment	4	183,333	200,000
TOTAL ASSETS		\$ 3,523,612	\$ 1,114,534
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Trade payables and accrued liabilities	7	\$ 157,437	\$ 264,033
TOTAL LIABILITIES		157,437	264,033
SHAREHOLDERS' EQUITY			
Share capital	8	9,717,768	4,513,498
Advance subscriptions	8	-	687,500
Reserves	9	3,982,054	2,326,938
Deficit		(10,333,647)	(6,677,435)
TOTAL SHAREHOLDERS' EQUITY		3,366,175	850,501
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 3,523,612	\$ 1,114,534
Nature of operations	1		
Subsequent Events	10		

On behalf of the Board

"Kevin Ma"

Director

"Shay Shnet"

Director

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

INNOVATIVE PROPERTIES INC.
INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited, in Canadian dollars)
For the Three-Month Periods Ended January 31,

	Note	2019	2018
Expenses			
Amortization	4	\$ 16,667	\$ 242
Bad debts		4,425	-
Bank charges and interests		912	102
Consulting fees	5	710,118	169,625
Corporate finance fees		762,857	-
Filing and transfer agent fees		22,248	7,140
Insurance		20,578	-
Investor relations and marketing		424,909	300
Office and miscellaneous		97,096	4,936
Professional fees	5	92,903	169,235
Salaries		119,960	-
Stock-based compensation	8	1,176,437	-
Travel and meals		84,307	-
		3,533,417	351,580
Other Items			
Change in fair value of marketable securities	3	(123,873)	(388,851)
Gain on sale of marketable securities	3	-	184,488
Foreign exchange gain		1,078	-
Interests and other income		-	10
Recovery of loan receivable		-	40,000
		(122,795)	(164,353)
Net and comprehensive loss for the period		\$ (3,656,212)	\$ (515,933)
Basic and diluted loss per share		\$ (0.04)	\$ (0.03)
Weighted Average Number of Common Shares			
Outstanding		83,925,034	16,414,966

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

INNOVATIVE PROPERTIES INC.**INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY***(Unaudited, in Canadian dollars)*

	Number of Shares	Amount	Option Reserve	Warrant Reserve	Loan Reserve	Deficit	Total
Balance at October 31, 2017	16,414,966	\$ 2,008,082	\$ 130,901	\$ 315,908	\$ 123,504	\$ (1,523,745)	\$ 1,054,650
Net and comprehensive loss	-	-	-	-	-	(515,933)	(515,933)
Balance at January 31, 2018	16,414,966	2,008,082	130,901	315,908	123,504	(2,039,678)	538,717
Private placement	11,183,899	2,882,442	-	1,591,118	-	-	4,473,560
Share issuance costs	-	(377,026)	-	-	-	-	(377,026)
Finders' fee warrants	-	-	-	165,507	-	-	165,507
Net and comprehensive loss	-	-	-	-	-	(4,637,757)	(4,637,757)
Balance at October 31, 2018	27,598,865	4,513,498	130,901	2,072,533	123,504	(6,677,435)	163,001
Private placement	63,333,333	5,500,000	-	-	-	-	5,500,000
Finders' fee shares	2,726,000	283,900	-	-	-	-	283,900
Share issuance costs	-	(805,313)	-	-	-	-	(805,313)
Finders' fee warrants	-	-	-	638,112	-	-	638,112
Exercise of warrants	5,000	1,423	-	(1,423)	-	-	-
Exercise of finders' fee warrants	1,250,000	224,260	-	(158,010)	-	-	66,250
Stock options granted	-	-	1,176,437	-	-	-	1,176,437
Net and comprehensive loss	-	-	-	-	-	(3,656,212)	(3,656,212)
Balance at January 31, 2019	94,913,198	\$ 9,717,768	\$ 1,307,338	\$ 2,551,212	\$ 123,504	\$ (10,333,647)	\$ 3,366,175

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

INNOVATIVE PROPERTIES INC.
INTERIM STATEMENTS OF CASHFLOWS
(Unaudited, in Canadian dollars)
For the Three-Month Periods ended January 31,

	2019	2018
Operating Activities		
Loss for the period	\$ (3,656,212)	\$ (515,933)
Adjustment for non-cash items		
Amortization	16,667	242
Bad debt	4,425	-
Change in fair value of marketable securities	123,873	388,851
Gain from sale of marketable securities	-	(184,488)
Stock-based compensation	1,176,437	-
Changes in non-cash working capital items		
Receivables	(69,300)	(6,831)
Due from related parties	(3,486)	-
Deposits and Prepaid	(839,886)	(2,221)
Trade payables and accrued liabilities	(106,595)	(356,902)
Net cash flow used in operating activities	(3,354,077)	(677,282)
Investing Activities		
Proceeds from sale of marketable securities	-	261,095
Deposit	-	380,000
Net cash flow provided by investing activities	-	641,095
Financing Activities		
Issuance of shares for cash, net	4,884,198	-
Exercise of warrants	66,250	-
Advance received from private placement subscription	-	220,000
Net cash flow provided by financing activities	4,950,448	220,000
Change in cash during the period	1,596,371	183,813
Cash, beginning of period	705,836	292,023
Cash, end of period	\$ 2,302,207	\$ 475,836

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

INNOVATIVE PROPERTIES INC.
D.B.A. NABIS HOLDINGS
NOTES TO THE INTERIM FINANCIAL STATEMENTS
January 31, 2019
(Unaudited, in Canadian dollars)

1. Nature and Continuance of Operations

Innovative Properties Inc. (the “Company”) was incorporated under the Business Corporations Act of British Columbia on October 31, 2002. During the year ended October 31, 2017, the Company discontinued its previous business of providing administrative services. The head office, principal address and records office of the Company are located at Unit 488, 1090 West Georgia Street, Vancouver, British Columbia, Canada V6E 3V7.

On January 30, 2018, the Company executed a binding letter of intent with Modular Block Mining Inc. (“Modular”), an arms-length private company, whereby the Company would acquire 100% of the issued and outstanding securities of Modular. During the year-ended October 31, 2018, the Company decided not to proceed with the proposed transaction. The Company intends to focus its business in the US cannabis sector and changed the name of the business to Nabis Holdings and CSE ticker symbol to “NAB”.

These condensed interim financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at January 31, 2019, the Company is not able to finance its day-to-day activities through operations and incurs losses. The continuing operations of the Company are dependent upon its ability to identify a viable business opportunity and to attain profitable operations and generate funds therefrom. This indicates the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs with loans from directors and companies controlled by directors and/or private placement of common shares. If the Company is unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

2. Basis of Preparation and Significant Accounting Policies

Statement of Compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34 *Interim Financial Reporting* and should be read in conjunction with the annual financial statements for the year ended October 31, 2018, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These condensed interim financial statements for the three-month period ended January 31, 2019 were reviewed and authorized for issue by the Board of Directors on March 22, 2019.

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2. Basis of Preparation and Significant Accounting Standards (Cont'd)

Basis of Preparation

These condensed interim financial statements of the Company have been prepared on an accrual basis, except for cash flow information, and are based on historical costs, except for certain financial instruments measured at fair value. The financial statements are presented in Canadian dollars unless otherwise noted.

Significant Estimates and Assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and contingent liabilities at the date of the financial statements and the reported amount of revenue and expenses during the period. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future periods include the recoverability and measurement of deferred tax assets, the valuation of marketable securities, the recoverability of trade receivables and impairment considerations for loans receivable.

Significant Judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include the assessment of the Company's ability to continue as a going concern and whether the collection of revenue is reasonably assured.

INNOVATIVE PROPERTIES INC.
D.B.A. NABIS HOLDINGS
NOTES TO THE INTERIM FINANCIAL STATEMENTS
January 31, 2019
(Unaudited, in Canadian dollars)

3. Marketable Securities

The fair value of the Company's investments in common and share-purchase warrants are as follows:

	January 31, 2019	October 31, 2018
<i>Common Shares</i>		
Fair value, beginning	\$ 125	\$ 725,851
Dispositions	-	(302,867)
Change in fair value	(47)	(422,859)
Fair value, end	78	125
<i>Warrants</i>		
Fair value, beginning	166,927	14,333
Change in fair value	(123,826)	152,594
Fair value, end	43,101	166,927
Total – Marketable securities	\$ 43,179	\$ 167,052

During the period ended January 31, 2019, the Company realized a gain of \$nil (January 31, 2018 - \$184,488) with respect to its dispositions of marketable securities.

The fair value of the warrants was determined using the Black-Scholes option pricing model using the following weighted-average assumptions:

	January 31, 2019	October 31, 2018
Expected life of warrants	0.81 years	1.06 years
Annualized volatility	153%	116%
Risk-free interest rate	1.8%	2.2%
Dividend rate	0.0%	0.0%

4. Equipment

	Balance, October 31, 2018	Additions	Balance, January 31, 2019
<i>Cost</i>	\$ 200,000	\$ -	\$ 200,000
<i>Accumulated amortization</i>	-	16,667	16,667
<i>Net book value</i>	\$ 200,000	\$ 16,667	\$ 183,333

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5. Related Party Transactions

All transactions with related parties have occurred in the normal course of operations. All amounts are unsecured, non-interest bearing and have no specific terms of settlement, unless otherwise noted.

	January 31, 2019		January 31, 2018	
Consulting fees	\$	47,250	\$	-
Data centre preparation fees		14,048		-
Professional fees		4,667		-
Rent		-		4,500
	\$	65,965	\$	4,500

Related Party Balances

At January 31, 2019, the Company had balances receivable in the amount of \$3,486 (October 31, 2018 - \$nil) from companies with directors in common.

As at January 31, 2019, an outstanding balance of \$19,888 (October 31, 2018 - \$nil) and \$16,507 (October 31, 2018 - \$nil) of expense reimbursements to the CEO and an officer respectively, and an outstanding balance of \$1,282 (October 31, 2018 - \$1,820) of professional fees to a company related to the CFO are included in trade payables and accrued liabilities.

6. Deposits and Prepaid

As at January 31, 2019, the Company prepaid \$35,000 (October 31, 2018 - \$35,000) for consulting and professional fees.

As at January 31, 2019, the Company paid deposits of \$39,432 (US\$30,000) (October 31, 2018 - \$nil) and \$657,200 (US\$500,000) (October 31, 2018 - \$nil) to vendors for acquisition of assets and properties.

On October 23, 2017, the Company had advanced \$380,000 to a related company for the purpose of participating in a debenture financing. During the year ended October 31, 2018, the Company determined to withdraw its participation and the funds were returned to the Company.

7. Trade Payables and Accrued Liabilities

	January 31, 2019		October 31, 2018	
Trade payables	\$	119,539	\$	233,879
Accrued liabilities		37,899		30,154
	\$	157,438	\$	264,033

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8. Share Capital

Authorized Share Capital

Unlimited number of common shares without par value.

Advance Subscriptions

At October 31, 2018, the Company received funds in advance for a private placement which closed in November 2018.

Share Issuances

In late November 2018, the Company closed 2 tranches of a private placement financing. For the first tranche of financing, the Company issued 14,591,497 shares at a price of \$0.15 per share for gross proceeds of \$2,188,725. For the second tranche of financing, the Company issued 7,341,838 shares at a price of \$0.15 per share for gross proceeds of \$1,101,275, of which \$45,000 were receivable from subscribers as at January 31, 2019.

Additionally, the Company issued 1,399,998 shares for debt settlement with certain arms-length creditors in the amount of \$210,000 as part of the second tranche of financing. Total proceeds from this private placement were \$3,500,000. The Company paid finders' fee of \$221,400 in shares at \$0.15 per share, and issued 1,476,000 brokers' warrants to purchase up to 1,476,000 common shares at \$0.15 per share for 2 years following the issuance date. Using the Black-Scholes Option Pricing Model, brokers' warrants were valued at a fair value of \$480,101, assuming a risk-free interest rate of 2.21% - 2.23%, an expected life of 2 years, an expected volatility of 153.50% - 154.27% and no expected dividends.

In early November 2018, the Company closed a private placement financing consisting of 40,000,000 shares at a price of \$0.05 per share for gross proceeds of \$2,000,000. In addition, the Company paid finders' fee of \$62,500 in shares at \$0.05 per share, and issued 1,250,000 brokers' warrants to purchase up to 1,250,000 common shares at \$0.05 per share for 2 years following the issuance date. Using the Black-Scholes Option Pricing Model, the brokers' warrants were valued at a fair value of \$158,010, assuming a risk-free interest rate of 2.27%, an expected life of 2 years, an expected volatility of 145.87% and no expected dividends.

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8. Share Capital (Cont'd)

Share Issuances (Cont'd)

In February 2018, the Company closed its first tranche of a private placement financing consisting of 6,746,116 units at a price of \$0.40 per unit of gross proceeds of \$2,698,447. Each unit consists of one common share and one-half common share purchase warrant. Each whole warrant entitles the holder to acquire an additional share at a price of \$0.75 per share until August 14, 2019. In March 2018, the Company closed its second and third tranches of its private placement financing consisting of 4,437,781 units at a price of \$0.40 per unit for gross proceeds of \$1,775,112. Each unit consists of one common share and one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.75 per share until September 12, 2019.

Total proceeds raised from this private placement were \$4,473,560. The fair value of the total warrants issued in the private placements was estimated to be \$1,737,608 and the residual value, \$2,735,952, was assigned to the common shares.

In addition, the Company paid an aggregate of \$211,490 in cash commission to eligible finders and issued 528,796 brokers' warrants to purchase up to 528,796 common shares for 18 months following the issuance date. The brokers' warrants were allocated a fair value of \$184,672, estimated using the Black-Scholes Option Pricing Model assuming a risk-free interest rate of 1.78% - 1.79%, an expected life of 1.5 years, an expected volatility of 114% - 141% and no expected dividends.

Stock Options

The Company has a stock option plan whereby the Company may from time to time in accordance with the Exchange requirements grant to directors, officers, employees and consultants options to purchase common shares of the Company provided that the number of options granted, including all options granted by the Company to date, does not exceed 20% of the Company's common shares issued and outstanding at the time of granting stock options. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities position.

A continuity of the Company's stock options is as follows:

	Number of Options	Weighted Average Exercise Price
Balance at October 31, 2017 and 2018	-	\$ -
Granted	6,350,000	0.21
Balance at January 31, 2019	6,350,000	\$ 0.21

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8. Share Capital (Cont'd)

Stock Options (Cont'd)

On November 13, 2018, the Company granted a total of 5,300,000 options to certain officers, directors and consultants. The options may be exercised within 5 years from the date of grant at a price of \$0.16 per share and are vested 100% on grant date.

On November 18, 2018, the Company granted 250,000 options to a consultant. The options may be exercised within 5 years from the date of grant at a price of \$0.38 per share and are vested 100% on grant date.

On December 3, 2018, the Company granted 550,000 options to consultants. The options may be exercised within 5 years from the date of grant at a price of \$0.47 per share and are vested 100% on grant date.

On January 10, 2019, the Company granted 250,000 options to a consultant. The options may be exercised within 5 years from the date of grant at a price of \$0.415 per share and are vested 100% on grant date.

On January 23, 2019, the Company granted 250,000 options to certain directors of the company. The options may be exercised within 5 years from the date of grant at a price of \$0.68 per share and are vested 100% on grant date.

The Company recorded stock-based compensation for the above option grants having a fair value of \$1,176,437 in connection with the share-based awards using the Black-Sholes option pricing model with the following assumptions:

Risk-free interest rate	1.91% - 2.36%
Dividend yield	0.00%
Expected volatility	153.09% - 154.62%
Expected life	5 years

Warrants

A continuity of the Company's warrants is as follows:

	Number of Common Share Purchase Warrants		Weighted Average Exercise Price
Balance at October 31, 2017	-	\$	-
Issued	6,120,745		0.75
Balance at October 31, 2018	6,120,745	\$	0.75
Issued	2,726,000		0.10
Exercised	(1,255,000)		0.05
Balance at January 31, 2019	7,591,745	\$	0.63

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The weighted average life of remaining of these warrants outstanding at January 31, 2019 is 0.74 years.

9. Reserves

Option reserve

The option reserve records items recognized as stock-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised, the amount recorded will remain in the account.

Warrant reserve

The warrant reserve records the fair value of warrants issued until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital. If the warrants expire unexercised, the amount recorded will remain in the account.

10. Subsequent Events

On January 30, 2019, the Company announced it will conduct a private placement to raise up to \$30,000,000 of debenture units. On March 7, 2019, the Company announced it has increased the size of the private placement from \$30,000,000 to \$35,000,000.

Each debenture unit comprises of one \$1,000 principal amount unsecured convertible debentures and 1,111 common share purchase warrants of the Company. Each warrant will be exercisable to acquire one common share at \$1.10 per share for a period of 36 months from the date of closing, regardless of whether the convertible debentures are converted. In addition, the expiry date of the warrants is subject to acceleration if the daily volume weighted average trading price of the Company's shares is greater than \$2.50 for the preceding 10 consecutive trading days during the term of the warrants, in which case the warrants will expire on the date that is 30 days following the date that note of the acceleration is provided to the holders of the warrants.

The convertible debentures will mature 36 months from the closing date, will bear interest at 8% per annum, payable on the last day of each calendar quarter, and will be convertible at the option of the holder into the Company's shares at a price of \$0.90 per share.

The convertible debentures will be subject to early redemption, in whole or in part, by the Company at any time after the first anniversary of the closing date at a price equal to the then outstanding principal amount of the convertible debentures plus all accrued and unpaid interest thereon up to and including the redemption date.

INNOVATIVE PROPERTIES INC.
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(Unaudited, in Canadian dollars)

10. Subsequent Events (Cont'd)

Commencing on the date that is four months and one day following the closing date, the Company may give notice of mandatory conversion of the convertible debentures at the conversion price if the daily volume weighted average trading price of the Company's shares is greater than \$1.65 for the 10 consecutive trading days preceding such notice. Holders having their convertible debentures converted will receive accrued and unpaid interest thereon in cash.

On February 1, 2019, the Company announced it has entered into a binding Letter of Intent to purchase assets from PDT Technologies LLC ("PDT"), including extraction and production equipment and rights to lease the current production facility in Port Townsend, Washington. The letter of intent also includes licensing rights to produce Chong's Choice Brand CO2 Vape Cartridges.

On February 6, 2019, the Company announced it has entered into a binding term sheet with Momentum Ideas Co. ("Momentum"), an unrelated third party, to acquire certain assets used and marketed under the brand Bloombox, a leading intelligent retail cannabis software platform.

Under the term sheet, the Company will issued Momentum 2,000,000 common shares at a deemed value of \$1.00 per share for an aggregate purchase price of \$2,000,000 for Bloombox. The Company's shares will be issuable upon closing of the investment and is subject to a statutory 4-month hold period. If, after the date that is 4-month and one day following closing, the 10-day volume weighted average price of the Company's shares on the CSE does not equal or exceed \$1.65, the Company will issue an additional 500,000 shares to Momentum, at a deemed price equal to the closing price of the Company's shares on the CSE prior to the date of issuance. The additional shares shall be restricted from resale for an additional 4-month hold period from the date of issuance.

On February 26, 2019, the Company announced that it has entered into a binding Letter of Intent to acquire a property located in the City of Bangor, Michigan that has municipal approvals for 10 cultivation licenses and one processing license for a total consideration of US\$775,000.