

NABIS HOLDINGS INC.

(formerly INNOVATIVE PROPERTIES INC.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED APRIL 30, 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.

NABIS HOLDINGS INC. (formerly Innovative Properties Inc.)
CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited, in Canadian dollars)
As at

	Note	April 30, 2019	October 31, 2018
ASSETS			
Current Assets			
Cash and cash equivalents		\$ 27,307,150	\$ 705,836
Marketable securities	3	8,433	167,052
Receivables		220,261	6,646
Prepaid		3,733,240	35,000
		31,269,084	914,534
Non-Current Assets			
Property and equipment	5	6,446,420	200,000
TOTAL ASSETS		\$ 37,715,504	\$ 1,114,534
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Trade payables and accrued liabilities	7	\$ 1,377,710	\$ 264,033
Interest payable	9	233,920	-
Mortgage payable	8	3,266,314	-
		4,877,944	264,033
Long-Term Liabilities			
Convertible debentures	9	21,351,752	-
TOTAL LIABILITIES		26,229,696	264,033
SHAREHOLDERS' EQUITY			
Share capital	10	8,974,454	4,513,498
Advance subscriptions	10	-	687,500
Reserves	10	17,075,070	2,326,938
Deficit		(14,563,716)	(6,677,435)
TOTAL SHAREHOLDERS' EQUITY		11,485,808	850,501
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 37,715,504	\$ 1,114,534

Nature of operations 1
Subsequent Events 12

On behalf of the Board

“Kevin Ma”
Director

“Shay Shnet”
Director

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

NABIS HOLDINGS INC. (formerly Innovative Properties Inc.)**CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

For the Three and Six Months ended April 30,

(Unaudited, in Canadian dollars)

	Note	Three Months		Six Months	
		2019	2018	2019	2018
Expenses					
Amortization	5	\$ 33,382	\$ 130	\$ 50,049	\$ 372
Bad debts		-	-	4,425	-
Bank charges		1,444	997	2,355	1,099
Consulting fees	7	367,169	439,179	1,077,287	608,804
Corporate development		73,629	-	73,629	-
Corporate finance		818,155	-	1,581,012	-
Filing and transfer agent fees		69,261	8,470	91,509	15,610
Insurance		69,451	-	90,029	-
Investor relations	7	210,322	804	212,707	1,104
Marketing		621,031	-	1,043,556	-
Office and miscellaneous		38,375	11,765	135,471	16,701
Professional fees	7	778,634	23,226	871,537	192,461
Stock-based compensation	12	150,182	-	1,326,619	-
Salaries		225,347	-	345,307	-
Travel and meals		93,562	-	177,870	-
		<u>3,549,944</u>	<u>484,571</u>	<u>7,083,362</u>	<u>836,151</u>
Other Items					
Accretion expense	11	(263,331)	-	(263,331)	-
Change in fair value of marketable securities	3	(34,745)	(23,225)	(158,618)	(412,076)
Gain (loss) on sale of marketable securities	3	-	(35,765)	-	148,723
Foreign exchange loss		(38,475)	(67)	(37,396)	(67)
Interest and other income		36,074	137	36,073	147
Interest expense		(379,647)	-	(379,647)	-
Recovery of loan receivable		-	-	-	40,000
		<u>(680,124)</u>	<u>(58,920)</u>	<u>(802,919)</u>	<u>(223,273)</u>
Net and comprehensive loss		\$ (4,230,068)	\$ (543,491)	\$ (7,886,281)	\$ (1,059,424)
Basic and diluted loss per share		\$ (0.04)	\$ (0.02)	\$ (0.09)	\$ (0.05)
Weighted Average Number of Common Shares Outstanding		95,344,659	24,635,536	89,540,209	20,433,911

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

NABIS HOLDINGS INC. (formerly Innovative Properties Inc.)

CONSOLIDATED 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
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	-	-	-	-	-	(1,059,424)	(1,059,424)
Balance at April 30, 2018	27,598,865	4,513,498	130,901	2,072,533	123,504	(2,583,169)	4,257,267
Net and comprehensive loss	-	-	-	-	-	(4,094,266)	(4,094,266)
Balance at October 31, 2018	27,598,865	4,513,498	130,901	2,072,533	123,504	(6,677,435)	163,001
Convertible debentures	-	-	-	6,062,556	6,063,163	-	12,125,719
Private placement	63,333,333	5,500,000	-	-	-	-	5,500,000
Finders' fee shares	2,726,000	283,900	-	-	-	-	283,900
Share issuance costs	-	(1,859,559)	-	-	-	-	(1,859,559)
Finders' fee warrants	-	-	-	1,575,659	-	-	1,575,659
Exercise of warrants	155,000	160,353	-	(44,103)	-	-	116,250
Exercise of finders' fee warrants	1,250,000	220,510	-	(158,010)	-	-	62,500
Stock options granted	-	-	1,326,619	-	-	-	1,326,619
Exercise of options	487,500	155,752	(77,752)	-	-	-	78,000
Net and comprehensive loss	-	-	-	-	-	(7,886,281)	(7,886,281)
Balance at April 30, 2019	95,550,698	\$ 8,974,454	\$ 1,379,768	\$ 9,508,635	\$ 6,186,667	\$ (14,563,716)	\$ 11,485,808

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

NABIS HOLDINGS INC. (formerly Innovative Properties Inc.)
CONSOLIDATED INTERIM STATEMENTS OF CASHFLOWS
For the Six Months ended April 30,
(Unaudited, in Canadian dollars)

	2019	2018
Operating Activities		
Loss for the period	\$ (7,886,281)	\$ (1,059,424)
Adjustment for non-cash items		
Accretion	263,331	-
Amortization	50,049	372
Bad debt	4,425	-
Change in fair value of marketable securities	158,618	412,076
Gain from sale of marketable securities	-	(148,723)
Interest expense	339,118	-
Stock-based compensation	1,326,619	-
Changes in non-cash working capital items		
Receivables	(218,040)	(32,982)
Due from related parties	-	(2,221)
Prepaid	(3,698,240)	-
Trade payables and accrued liabilities	1,113,678	(221,805)
Net cash flow used in operating activities	(8,546,723)	(1,052,707)
Investing Activities		
Acquisition of equipment	(239,156)	-
Acquisition of land	(2,896,197)	-
Proceeds from sale of marketable securities	-	451,590
Loan to unrelated parties	-	(4,000,000)
Deposit	-	380,000
Net cash flow provided by investing activities	(3,135,353)	(3,168,410)
Financing Activities		
Issuance of shares for cash, net	4,812,500	4,262,041
Exercise of warrants	178,750	-
Exercise of options	78,000	-
Issuance of debentures, net	33,214,140	-
Net cash flow provided by financing activities	38,283,390	4,262,041
Change in cash during the period	26,601,314	40,924
Cash, beginning of period	705,836	292,023
Cash, end of period	\$ 27,307,150	\$ 332,947

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

NABIS HOLDINGS INC.

Formerly Innovative Properties Inc.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

April 30, 2019

(Unaudited, in Canadian dollars)

1. Nature and Continuance of Operations

Nabis Holdings Inc. (formerly 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 on May 29, 2019, the Company changed its name from Innovative Properties Inc. to Nabis Holdings Inc. and CSE ticker symbol remains as “NAB”.

These condensed consolidated 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 April 30, 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 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 consolidated 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 consolidated interim financial statements for the three and six-month periods ended April 30, 2019 were reviewed and authorized for issue by the Board of Directors on July 2, 2019.

Basis of Preparation

These condensed consolidated 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.

NABIS HOLDINGS INC.**Formerly Innovative Properties Inc.**

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

April 30, 2019

(Unaudited, in Canadian dollars)

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

These consolidated financial statements include the accounts of the Company and its controlled entities. Control is achieved when the Company has the power to govern the financial operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases.

The following subsidiaries have been consolidated for all dates presented within these financial statements:

Subsidiary	Ownership	Location
Nabis (Can) Holdings Corp.	100%	Canada
Nabis (US) Corp.	100%	USA
Nabis AZ LLC	100%	USA
Nabis Holdings Michigan Inc.	100%	USA
Nabis NM LLC	100%	USA
Nabis Technologies Corp.	100%	Canada
Nabis Holdings California Inc.	100%	USA
Be In Synergy Inc.	100%	Canada
Abis Biopharma Corporation	100%	Canada
Nabis Holdings Oklahoma Inc.	100%	USA
Nabis Oklahoma Patient Care Inc.	100%	Canada

All intercompany transactions, balances, income and expenses are eliminated in full upon consolidation.

Functional and Presentation Currency

These condensed interim consolidated financial statements are presented in Canadian dollars. The functional currency of the Company is measured using the principal currency of the primary economic environment in which each entity operates. The functional currency of the Canadian entities is in Canadian dollars.

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

Foreign exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the costs of assets when they are regarded as an adjustment to interest costs on those currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks and

NABIS HOLDINGS INC.**Formerly Innovative Properties Inc.**

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

April 30, 2019

*(Unaudited, in Canadian dollars)***2. Basis of Preparation and Significant Accounting Standards (Cont'd)*****Functional and Presentation Currency (Cont'd)***

- Exchange differences on monetary items receivable from or payable to a foreign operation which settlement is neither planned nor likely to occur, which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

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.

3. Marketable Securities

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

	April 30, 2019		October 31, 2018	
<i>Common Shares</i>				
Fair value, beginning	\$	125	\$	725,851
Dispositions		-		(302,867)
Change in fair value		(65)		(422,859)
Fair value, end	\$	60	\$	125
<i>Warrants</i>				
Fair value, beginning	\$	166,927	\$	14,333
Dispositions		-		-
Change in fair value		(158,554)		152,594
Fair value, end	\$	8,373	\$	166,927
Total	\$	8,433	\$	167,052

NABIS HOLDINGS INC.**Formerly Innovative Properties Inc.****NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

April 30, 2019

*(Unaudited, in Canadian dollars)***3. Marketable Securities (Cont'd)**

During the period ended April 30, 2019, the Company realized a gain of \$nil (April 30, 2018 - \$148,723) 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:

	April 30, 2019	October 31, 2018
Expected life of warrants	0.56 years	1.06 years
Annualized volatility	125%	116%
Risk-free interest rate	1.6%	2.2%
Dividend rate	0.0%	0.0%

4. Loan Receivable

Concurrent to the proposed transaction with Modular (Note 1), the Company provided loans in the amount of \$1,600,000 and \$2,400,000 to Modular. The loans were non-interest bearing, payable on demand and secured by general security agreements. During the year ended October 31, 2018, the Company determined that the loans had become unrecoverable and entered into an Appointment of Receiver agreement dated August 10, 2018, pursuant to which the Company exercised its rights under the general security agreements. In lieu of repayment of the aforementioned loans, and pursuant to an agreement dated October 29, 2018, the Company acquired the right, title and interest in and to certain assets, valued at \$200,000. Accordingly, the Company recorded a write-down of the loans receivable \$3,800,000 in its Statement of Comprehensive Loss for the year ended October 31, 2018.

During the year ended October 31, 2018, the Company recorded a gain of \$40,000 (October 31, 2017 - \$nil) from selling previously written-off loan receivable to a non-arm's length party.

5. Property and Equipment

	Balance, October 31, 2018	Additions	Balance, April 30, 2019
Cost			
Equipment	\$ 200,000	\$ 239,156	\$ 439,156
Land	-	6,057,313	6,057,313
	200,000	6,296,469	6,496,469
Accumulated amortization			
Equipment	-	50,049	50,049
Land	-	-	-
	-	50,049	50,049
Net book value			
Equipment	\$ 200,000	\$ 189,107	\$ 389,107
Land	-	6,057,313	6,057,313
	200,000	6,246,420	6,446,420

NABIS HOLDINGS INC.**Formerly Innovative Properties Inc.**

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

April 30, 2019

*(Unaudited, in Canadian dollars)***6. Related Party Transactions*****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.

	April 30, 2019		April 30, 2018	
Consulting and management fees	\$	-	\$	389,679
Data mining preparation fees		14,048		-
Investor relations and marketing fees		5,870		-
Professional fees		140,186		20,357
Rent		-		6,000
	\$	160,104	\$	416,036

Related Party Balances

At April 30, 2019, the Company had balances receivable in the amount of \$3,486 (October 31, 2018 - \$nil) from companies with directors in common.

As at April 30, 2019, \$54,945 (October 31, 2018 - \$1,820) is included in trade payables and accrued liabilities from amounts owing to related parties.

7. Trade Payables and Accrued Liabilities

	April 30, 2019		October 31, 2018	
Trade payables	\$	880,194	\$	233,879
Accrued liabilities		497,516		30,154
	\$	1,377,710	\$	264,033

8. Mortgage Payable

During the six months ended April 30, 2019, the Company acquired five properties in the state of Michigan, USA, and the vendors of these properties offered financing to the Company to facilitate with the acquisitions. These mortgages totaled \$3,161,116 (US\$2,355,000), at an interest rate of 4% per annum and due within 12 months. The Company recorded \$105,198 as total interest expense for the mortgages.

As at April 30, 2019, the Company had a balance of \$3,266,314 in mortgage payable which included both principal and interests payable.

NABIS HOLDINGS INC.**Formerly Innovative Properties Inc.****NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

April 30, 2019

(Unaudited, in Canadian dollars)

9. Convertible Debentures

On March 26, 2019, the Company issued 35,088 units of unsecured convertible debentures at a price of \$1,000 per unit for total principal of \$35,088,000; each unit also consists of 1,111 common share purchase warrants with an exercise price of \$1.10 per common share and expires on March 26, 2022. These convertible debentures will mature on March 26, 2022, bears interest at 8% per annum, payable on the last day of each calendar quarter and are convertible into common shares of the Company at a conversion price of \$0.90 per share at the option of the holder.

The Company paid cash commissions of \$1,873,860 to the agents on the sale of the debenture units, and issued 1,855,334 broker warrants, each carrying the right to purchase one Broker unit at a price of \$0.90 per Broker unit until March 26, 2021. Each Broker unit consists of one common share and one warrant.

The Company estimates 24% to be the market interest rate for a similar debt instrument without a conversion option of these convertible debentures and applied this rate to obtain the fair value (\$22,962,280) of the convertible debentures at inception. The Company applied the residual method to record the fair value of the conversion option of \$6,063,163 to the Company's loan reserve and \$6,062,557 to the Company's warrant reserve. The fair value recorded was offset by the cash commissions paid to the agents.

As at April 30, 2019, these convertible debentures had a carrying value of \$21,351,752 and interest payable of \$233,920.

10. 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.

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.

NABIS HOLDINGS INC.**Formerly Innovative Properties Inc.****NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

April 30, 2019

(Unaudited, in Canadian dollars)

10. Share Capital (Cont'd)***Share Issuances (Cont'd)***

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.

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.

NABIS HOLDINGS INC.**Formerly Innovative Properties Inc.**

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

April 30, 2019

*(Unaudited, in Canadian dollars)***10. Share Capital (Cont'd)*****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, 2018	-	\$ -
Granted	6,600,000	0.22
Exercised	(487,500)	0.16
Balance at April 30, 2019	6,112,500	\$ 0.23

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 a director. 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.

NABIS HOLDINGS INC.**Formerly Innovative Properties Inc.**

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

April 30, 2019

*(Unaudited, in Canadian dollars)***10. Share Capital (Cont'd)*****Stock Options (Cont'd)***

The Company recorded stock-based compensation for the above option grants having a fair value of \$567,032 in connection with the share-based awards using the Black-Sholes option pricing model with the following assumptions:

Risk-free interest rate	1.83% - 2.36%
Dividend yield	0.00%
Expected volatility	66.37% - 262.24%
Expected life	5 years

Warrants

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

	Number of Common Share Purchase Warrants	Number of Brokers' Warrants	Weighted Average Exercise Price
Balance at October 31, 2018	5,591,949	528,796	\$ 0.75
Issued	38,982,768	4,581,334	1.03
Exercised	(155,000)	(1,250,000)	0.13
Balance at April 30, 2019	44,419,717	3,860,130	\$ 1.02

The weighted average life of remaining of these warrants outstanding at April 30, 2019 is 2.51 years.

11. 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.

Loan reserve

The loan reserve records the equity portion of convertible debentures.

NABIS HOLDINGS INC.

Formerly Innovative Properties Inc.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

April 30, 2019

(Unaudited, in Canadian dollars)

12. Subsequent Events

On May 30, 2019, the Company announced that it has completed the purchase of certain assets from PDT Technologies LLC (“PDT”), including extraction and production equipment and rights to lease its current production facility in Port Townsend, WA. The purchase includes the exclusive licensing rights to Chong’s Choice brand products throughout the state of Washington. The Company also plans to spend approximately US\$3,000,000 to further expand the existing production facility to include new highly specialized equipment, two new extraction lines, an extraction clean room and lab facility, capable of producing up to 20,500 kg of cannabis concentrate on an annual basis.

On June 3, 2019, the Company announced that it has entered into an agreement to purchase 49% interest in Cannova Medical Ltd. (“Cannova”), a provider of innovative solutions for cannabis consumption, and to acquire the remaining 51% interest at the option of the Company. The Company will pay US\$1,000,000 and issue an aggregate of 5,911,111 common shares as consideration for the 49% interest. To exercise its option to acquire the remaining 51% interest, the Company must make a nominal cash payment and issue to Cannova shareholders 7,388,888 common shares, which will be held in escrow and released subject to Cannova achieving certain performance milestones.

On June 12, 2019, the Company announced that it has signed a definitive agreement to acquire 100% ownership of Desert’s Finest, a 6,000 square foot dispensary located in Desert Hot Springs, CA. The dispensary, which is licensed by the State of California for the sale of cannabis products, includes the potential for license expansion to add production and cultivation activities on the property subject to future submission of the license. The Company will acquire 100% ownership of Desert’s Finest for total consideration of US\$5,600,000 composed of US\$1,900,000 in cash and US\$3,800,000 of the Company’s common shares to be determined by the ten-day trailing volume weighted average price upon transaction closing.