UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **January 31, 2018**

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from [ ] to [ ]

Commission file number **333-161157**

PIVOT PHARMACEUTICALS INC.

(Exact name of registrant as specified in its charter)

British Columbia	**N/A**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1275 West 6th Avenue, Vancouver, British Columbia	**V6H 1A6**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(604) 805-7783**

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange On Which Registered
N/A	**N/A**

Securities registered pursuant to Section 12(g) of the Act:

N/A
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant

was required to file such reports) and (2) has been subject to such filing requirements for the last 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-K (§229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of Common Stock held by non-affiliates of the Registrant on July 31, 2017 was $3,916,395 based on a $0.09 average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter.

Indicate the number of shares outstanding of each of the registrant's classes of common stock as of the latest practicable date.

88,055,160 common shares as of May 1, 2018

DOCUMENTS INCORPORATED BY REFERENCE

None.

TABLE OF CONTENTS

Table of Contents

PART I

Item 1. Business

This annual report of Pivot Pharmaceuticals Inc. for the year ended January 31, 2018 contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. To the extent that such statements are not recitations of historical fact, such statements constitute forward looking statements which, by definition involve risks and uncertainties. In particular, statements under the Sections; Description of Business, Management's Discussion and Analysis of Financial Condition and Results of Operations contain forward looking statements. Where in any forward looking statements, the Company expresses an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the statement of expectation or belief will result or be achieved or accomplished.

The following are factors that could cause actual results or events to differ materially from those anticipated, and include but are not limited to: general economic, financial and business conditions; changes in and compliance with governmental regulations; changes in tax laws; and the cost and effects of legal proceedings.

You should not rely on forward looking statements in this annual report. This annual report contains forward looking statements that involve risks and uncertainties. We use words such as “anticipates,” “believes,” “plans,” “expects,” “future,” “intends,” and similar expressions to identify these forward-looking statements. Prospective investors should not place undue reliance on these forward looking statements, which apply only as of the date of this annual report. Our actual results could differ materially from those anticipated in these forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Our financial statements are stated in U.S. Dollars (US$) and are prepared in accordance with United States Generally Accepted Accounting Principles.

In this annual report, unless otherwise specified, all dollar amounts are expressed in US dollars and all references to “common shares” refer to the common shares in our capital stock.

As used in this annual report, the terms “we”, “us”, “our” and “our company” mean Pivot Pharmaceuticals Inc., unless otherwise indicated.

General Overview

We are a development stage pharmaceutical and nutraceutical company. We were incorporated in the Province of British Columbia, Canada under the name “649186 B.C. Ltd.”, on June 10, 2002. On September 9, 2003, we changed our name to “Xerxes Health Corp.” and on June 26, 2007, we changed our name to “Neurokine Pharmaceuticals Inc.”.

Effective June 4, 2014, we filed with the British Columbia Registrar of Companies a Form 11, Notice of Alteration, wherein we increased our authorized share capital from 500,000,000 common shares without par value to an unlimited number of common shares without par value. The increase of authorized capital was approved by our stockholders at the annual and special meeting held on June 3, 2014.

On September 26, 2014, our company held a special meeting of stockholders to approve the removal of our company's Pre-Existing Company Provisions, the cancellation of our current Articles and the adoption of new Articles and to approve a reverse stock split on the basis of up to one new common stock for every 100 old common stock.

Table of Contents

Effective October 8, 2014, we filed with the British Columbia Registrar of Companies a Form 11, Notice of Alteration, wherein we removed our Pre-Existing Company Provisions.

Effective April 7, 2015, we filed with the British Columbia Registrar of Companies a Form 11, Notice of Alteration, wherein we changed our name to "Pivot Pharmaceuticals Inc.".

Effective at the opening of trading on April 20, 2015, as approved by FINRA, our company effected a reverse stock split of our issued and outstanding common shares on the basis of 10 old common stock for 1 new common stock.

On November 20, 2015, we completed the acquisition of IndUS Pharmaceuticals, Inc. (“IndUS”), a Delaware corporation, pursuant to an Agreement and Plan of Merger and Acquisition Agreement dated as of November 4, 2015 among our company, Pivot Pharma U.S. Inc., our wholly owned subsidiary, IndUS and Sindu Research

Laboratories Pvt Ltd. As consideration for the purchase, we issued 4,512,500 shares of common stock on November 23, 2015 and 237,500 shares of common stock on December 4, 2015 and granted 41,833 stock options pursuant to the Agreement and Plan of Merger. As part of the acquisition, we appointed Dr. Pravin Chaturvedi as our new Chief Executive Officer and Director. On September 11, 2017, we completed an exchange agreement whereby we exchanged with Dr. Chaturvedi 100% of its shares of common stock of IndUS and IndUS net liabilities for 3,800,000 shares of common stock of Pivot, upon which Dr. Chaturvedi resigned as Chief Executive Officer and Director.

On September 12, 2017, we entered into a licensing agreement with Altum Pharmaceuticals Inc. ("Altum") whereby we were granted worldwide rights to BiPhasix Transdermal Drug Delivery Technology ("BiPhasix Technology") for the delivery and commercialization of cannabinoids, cannabidiol ("CBD"), and tetrahydrocannabinol ("THC") based products. Financial consideration included:

- Issuance of 2,500,000 shares of common stock on effective date of agreement
- Issuance of 2,500,000 shares of common stock of Pivot upon Health Canada Natural Product Number ("NPN") approval;
- Royalties on annual gross sales; and
- For pharmaceutical products, milestone payments payable upon first Investigative New Drug Approval, upon positive outcome of Phase II trial in first indication, and upon New Drug Application approval.

On September 23, 2017, we entered into a collaboration and license agreement with SolMic GmbH ("Solmic") whereby we will acquire worldwide rights to Solmic's Solubilisation Technology for the development and commercialization of cannabinoid-containing natural extracts. Milestones include payments upon the following developments: 1) Regulatory approval of a natural health product; 2) First approval of an investigative new drug application for a pharmaceutical product; 3) Positive outcome of a Phase II clinical trial of a pharmaceutical product in the first indication; and 4) Approval of a New Drug Application for a pharmaceutical product by the US Food and Drug Administration. Other consideration include a sales milestone upon aggregate net sales of $5,000,000 and royalties on aggregate net sales.

On December 19, 2017, we commenced trading on the Canadian Securities Exchange under the symbol "PVOT".

On February 28, 2018, we completed the acquisition of ERS Holdings, LLC ("ERS") pursuant to an Exchange Agreement dated as of February 10, 2018 among Pivot Pharmaceuticals Inc. ("Pivot"), ERS and the members of ERS. As consideration for the purchase, we paid $333,333 in cash on closing and will pay an additional $333,333 six and twelve (12) months after closing for total cash payment of $1 million. In addition, we also issued 5,000,000 shares of our common stock and will pay royalties on future net sales. ERS has developed a patented technology called "RTIC" Ready-To-Infuse-Cannabis, relating to the transformation of cannabis oil into powder for infusion into a variety of food and beverage products such as capsules, K-Cups, stick packs, baked mixes, liquid shots, protein shakes, topicals, lotions, and bottled beverages.

On March 2, 2018, we completed the acquisition of Thrudermic, LLC ("Thrudermic") and worldwide rights to Thrudermic's patented Transdermal Nanotechnology for the development and commercialization of transdermal cannabinoids pursuant to an Exchange Agreement dated as of March 2, 2018 among Pivot, Dr. Joseph Borovsky, Dr. Leonid Lurya and Thrudermic. As consideration for the purchase, we paid $1 in cash on closing and issued 500,000 shares of our common stock.

Our principal executive office is located at 1275 West 6th Avenue, Vancouver, B.C. Canada V6H 1A6. Our telephone number is (604) 805-7783.

Our Current Business

Pivot Pharmaceuticals Inc. is a biopharmaceutical company engaged in the development and commercialization of therapeutic pharmaceuticals and nutraceuticals using innovative drug delivery platform technologies.

Our company focuses on pharmaceutical development of proprietary drug delivery technologies for multiple indications using small molecules, biological and botanical (e.g. cannabinoids) products to treat unmet medical needs. During our year ended January 31, 2018, we in-licensed a patented topical transdermal drug delivery technology platform, BiPhasix, and an oral drug delivery technology, Solmic Micelle, for delivery of cannabinoids. Subsequent to January 31, 2018, we have also acquired the Thrudermic Transdermal Nanotechnology (transdermal) and the Ready-To-Infuse Cannabis technology.

Our fully-owned subsidiaries, Pivot Green Stream Health Solutions Inc. ("PGS") and Pivot Naturals, LLC ("Pivot Naturals") (formerly, ERS), acquired subsequent to January 31, 2018, focus on the research, development, and commercialization of cannabinoid based nutraceuticals. PGS will generate data to support the safety and efficacy of cannabinoids as Natural Health Product ("NHPs") as outlined in Health Canada Regulations in order to make particular health claims. Health Canada publishes the Natural Health Products Regulations ("NHPR") which set out the requirements governing the sale, manufacture, packaging, labelling, importation, distribution and storage of NHPs.

According to Health Canada, the objective of the NHPR is to provide reasonable assurance that products offered for sale in Canada are safe, efficacious and of high quality. PGS may also follow applicable and harmonized regulations for product development and commercialization in the US, European Union and Asia Pacific regions. Alternatively, PGS will commercialize certain cannabinoid products with a Licensed Producer and/or Licensed Distributor as per the regulations concerning Access to Cannabis for Medical Purposes Regulations ("ACMPR") since certain active ingredients in cannabinoids remain restricted until new legislation permits ease of development and distribution in 2018.

Lastly, PGS may also develop products containing cannabinoid active ingredients obtained from industrial hemp according to the Industrial Hemp Regulations ("IHR") permitting such products provided they are sourced from industrial hemp. Otherwise stated, this means that the plants and plant parts of the genera Cannabis, the leaves and flowering heads of which do not contain more than 0.3% THC w/w, and includes the derivatives of such plants and plant parts.

PGS's pipeline targets indications such as cancer supportive care, pain and inflammation, women's sexual dysfunction, dermatology and eye disease.

Our overall strategy includes the following:

1. Acquire market-ready natural health products from third-parties for rebranding and re-sale;
2. Acquire cannabinoid-based food additives for medical consumer sales;
3. Develop cannabinoid-based natural health products using our BiPhasix topical platform technology;
4. Develop pharmaceutical products delivered using our BiPhasix topical platform technology;
5. Obtain partnerships with Health Canada approved Authorized Licensed Producers and/or Licensed Distributors, which can provide restricted and non-restricted cannabinoids as per the ACMPR or the IHR;
6. Acquire novel proprietary drug delivery technologies, for example, metered dose, intra-nasal, suppositories;
7. Make an application at the appropriate time to acquire Health Canada's Authorized Licensed Producers and Licensed Dealers licenses as per the ACMPR;
8. Out-license our platform technologies to Licensed Producers or Licensed Distributors and other drug developers;
9. Secure and develop further intellectual property;
10. Opportunistically acquire later stage drug candidates that provide new treatment options to address unmet medical needs in health care; and
11. Establish partnerships with large and specialty pharmaceutical companies and/or biotechnology companies

to collaboratively develop and/or commercialize our products.

Table of Contents

Our Research and Development Strategies

Our management team has implemented a business minded and cost conscious approach to product research and development by focusing on development of novel therapies to address unmet needs in health care. Our research and development strategy will apply novel drug delivery options for new and/or existing drugs or NHPs.

For a drug to be successful it must be both efficacious and acceptably safe. Before a drug may be commercially marketed, it must be scrutinized and approved by applicable health authorities (such as Health Canada and the FDA in the United States) in each country or jurisdiction where it is sought to be sold. In pharmaceutical research and development, clinical trials are conducted to assess the safety and efficacy of the drug and the data to be collected for such new drugs. Health authorities then scrutinize the pre-clinical and clinical data and determine, based on the results, whether a drug may be sold to the public. Similarly, clinical trials can only take place once satisfactory information has been gathered on the quality of the product and its non-clinical safety, and approval to conduct clinical trials has been granted by the appropriate health authority in the country where the trial is scheduled to take place.

Clinical trials involving new drugs are commonly classified into four phases. Each phase of the drug approval process is treated as a separate clinical trial. The drug development process will normally proceed through all four phases over many years. If the drug successfully passes through Phases I, II and III, it will usually be approved by the national regulatory authority for use in the general population. Phase IV trials are 'post approval' studies. Due to the considerable cost that may be required to complete a full series of clinical trials, the burden of paying for all the necessary people and services is usually borne by the sponsor, who may be the pharmaceutical or biotechnology company that developed the drug that is the subject of the study. Since the diversity of roles may exceed the resources of the sponsor, clinical trials are often managed by outsourced partners such as contract research organizations. Furthermore, approval rates for new drugs at each clinical trial stage are prohibitively low, which may require the sponsor to finance additional trials or abandon the drug under development altogether.

We will also develop products regulated under Canada's Natural Health Products Guidance and support claims with clinical based data as per current regulations.

Pre-clinical safety studies for pharmaceutical or NHP product development are ongoing to advance at least two of our product candidates.

Our Platform Technologies

BiPhasix Transdermal Drug Delivery Technology (Topical Platform)

Pivot has acquired worldwide rights from Altum for its patented topical transdermal drug delivery technology platform, or BiPhasix, which we will use for the delivery and commercialization of cannabinoid, cannabidiol ("CBD") and tetrahydrocannabinol ("THC") based products.

The BiPhasix technology has the potential to deliver drugs less invasively than by injections. It also has the potential to topically deliver therapeutic amounts of drugs with better absorption rates, where creams, ointments or conventional liposomes have not been effective.

Dermal Barrier and Challenges

The skin is often the subject of intensive dermatological therapy. However, except for certain low molecular weight compounds, it is seldom viewed as a route of delivery for systemically acting drugs. This is due partly to the fact that, by design, the skin is a formidable barrier to penetration by external agents and the traditional arsenal of

creams, ointments and gels have not proven themselves to be effective in delivery. In order to reach their target site within the underlying layers of the skin or beyond the skin to the systemic circulation, topical drugs must first penetrate the stratum corneum, the outermost layer of the skin. It is this layer which is considered to be the rate-limiting barrier to drug absorption.

Table of Contents

For dermatological applications where the goal is to treat the skin, the residence time of drugs in the target tissue should be of sufficiently long duration since rapid systemic absorption may limit the therapeutic response and contribute to systemic side effects. This latter case may be the fate of many small molecules formulated in conventional vehicles. In some cases, it is desirable and possible to achieve systemic delivery of small molecules via the transdermal route (for example, nicotine). However, larger molecules, whether intended for dermatological or systemic delivery, would normally not gain entry beyond the stratum corneum. The goal is to have a safe delivery system that does not irritate or damage the skin barrier after repeated usage in patients.

Pivot will use BiPhasix as the next generation of patented liposomal delivery system where a number of features of liposomes are greatly improved. In contrast to traditional liposomes that entrap a single, aqueous phase, our system is a complex system where the lipid bilayers entrap both aqueous and oil phases in the form of a stabilized emulsion. BiPhasix is constructed with multi-compartmental lipid vesicles, each comprising of aqueous compartments and bi-layer compartments in addition to the following unique features of this patented delivery system: Micellar compartments and oily compartments.

These additional features make it possible to achieve greater formulation versatility than previously attainable with traditional creams, gels, ointments or conventional liposomal delivery systems. Thus, the BiPhasix delivery system combines the advantages of liposomes and micro-emulsions, offering a wider range of formulation options for a variety of drug substances:

- Water soluble compounds;
- Lipid soluble compounds;
- Proteins;
- Peptides; and
- Plasmids.

Technical Facts of BiPhasix

BiPhasix is a dermal delivery system for macro-molecules and has the following characteristics:

- Flexible and able to deliver both lipophilic and hydrophilic molecules;
- Vesicles are composed of phospholipid bilayers (formed from pro-liposomal gel) which entraps an oil-in-water submicron emulsion; and
- Hydrophilic active pharmaceutical ingredients are incorporated into the aqueous phase of the oil-in-water emulsion, whereas lipophilic active pharmaceutical ingredients can be incorporated into the oil phase of the submicron emulsion.

Structure, assembly and properties of BiPhasix carrying an active pharmaceutical ingredient include:

1. Vesicles consist of concentric phospholipid bilayers;
2. Cationic submicron emulsion droplets;
3. Cationic surfactant micelles; and
4. A water phase.

Table of Contents

Additional facts regarding the BiPhasix delivery system include:

- The amount of drug that can be incorporated include quantities at the microgram to milligram levels;
- The size of molecules formulated are approximately 300 daltons (“Da”) to 100 kilodaltons (“kDa”);
- Loading capacity range from 30-70%;
- Increased stability of proteins are provided;
- No organic solvents are used in the process;
- No specialized manufacturing equipment are required;
- BiPhasix products are easily scalable using standard pharmaceutical industrial equipment; and
- BiPhasix formulated product have been reviewed by the U.S. Food and Drug Administration (“FDA”), the European Medicines Agency (“EMA”) and the The German Federal Institute for Drugs and Medical Devices (BfArM).

Delivery Mechanisms

The delivery of the BiPhasix vesicles is achieved by the uptake of the vesicles and encapsulated drug into the skin or mucosa via the lipid rich channels, followed by release of drug from the vesicles in a formulation-controlled manner. The result may be either a rapid cutaneous transit time to produce primarily transdermal delivery of the drug, or depot formation within the skin with slow release for primarily dermal delivery of the drug. The following is a hypothetical diagram showing penetration of the biphasic vesicles into the skin for drug delivery:

BiPhasix liposomes and transportation through the skin (in light blue)

Key Advantages of BiPhasix

The key advantages of BiPhasix are:

- Alternative routes: BiPhasix can serve as an alternative dosage form to injectables by providing less invasive routes of administration, such as dermal, transdermal, nasal, vaginal and rectal.
- Controlled release: BiPhasix can be formulated to effect varying degrees of tissue penetration and rate of release at the target site, in accordance with a desired clinical goals.
- Bioavailability studies: As shown in the tables below, BiPhasix can significantly enhance the bioavailability of many drugs, leading to improved clinical outcomes.

Table of Contents

- Stability: As shown in the above tables, BiPhasix has demonstrated excellent stability with most

therapeutic agents tested, especially proteins, which are characteristically unstable in traditional vehicles. Vulnerable drugs can be shielded from degradation in BiPhasix, thereby enhancing their clinical usefulness and commercial viability. BiPhasix is compatible with most plastics and other container-closure systems.

- Solvent-free and no animal product: BiPhasix is formulated with biocompatible materials. Neither organic solvents nor ingredients of animal origin are used in its manufacture.
- Manufacturing feasibility: Clinical supplies and commercial batches can be prepared using conventional manufacturing equipment and container closure systems. Specialized equipment and extensive capital investment are not required.
- Patented technology: The BiPhasix patent pending technology provides market exclusivity for new NHP or prescription drug products containing Cannabinoids, CBD and THC.
- Clinical experience: As shown in the above tables, the BiPhasix delivery system has been tested in FDA and EMA approved trial settings delivering large molecule interferon alpha 2b to women to treat HPV induced cervical neoplasia.

Table of Contents

Thrudermic Transdermal Nanotechnology (Topical Platform)

Pivot has acquired, in March 2018, the worldwide rights to Thrudermic's patented Transdermal Nanotechnology for the development and commercialization of transdermal cannabinoids. Developed in Israel, the Thrudermic lipid-based nano dispersion technology for topical cannabinoids uses FDA approved materials. The technology has the ability to specifically formulate individual drugs to control and prolong drug release while maintaining steady therapeutic concentrations, The technology can handle water soluble and water insoluble drugs with no change to the skin morphology, no sensitivity to the digestive system, no pain from injections and no observed adverse reactions.

Solmic Solubilization Drug Delivery Technology (Oral Platform)

Pivot has acquired the worldwide rights to Solmic's Solubilisation Technology for the development and commercialization of cannabinoid-containing natural extracts. Solmic's technology allows active ingredients to become water soluble without changing their composition and nature. Solubilized substances that are packed in micelles are protected from degradation from light, stomach acid, and from enzymes released in the intestinal tract. The micellisation process results in a stable, homogenous and transparent mixture, which significantly increases uptake of fat soluble ingredients from the gut into the blood system of fat soluble ingredients, resulting in greater bioavailability.

Ready-To-Infuse Cannabis Technology

Pivot's patented Ready-To-Infuse-Cannabis ("RTIC") process technology, acquired in February 2018, creates precise and repeatable dosing of cannabis by transforming concentrated cannabis oil into a stable, emulsifiable, odorless and flavorless powder form. The derived powder may then be encapsulated and infused for use in beverages, edibles, lotions and additional health and personal care products. The RTIC process is conducive for manufacturing of a wide array of products, including:

1. Capsules/Tablets: One of our patents is issued for use in capsules and tablets. Another of our patents has numerous claims for adding other active ingredients to tablets and capsules, such as Melatonin or Gingko Biloba, allowing for specific treatment for targeted effects. Efficient mass production of capsules, conforming to GMP standards is part of our core competencies and manufacturing capabilities. Production of capsules is scheduled for the third quarter of the calendar year 2018.

2. Beverage/Additive Stick Packs: Single-serve stick packs are convenient and functional when used in hot beverages. Stick packs are also highly functional. Production of stick packs is scheduled for the third quarter of the calendar year 2018.

3. Pet Products: Our patented cannabis powder will also be mass produced and packaged in bulk for both consumer pet health needs. Production of pet powders is scheduled for the third quarter of calendar year 2018.

4. Lotions and Topical Creams: Our patented lotion and topical technology will be mass produced and packaged for consumer health needs. Production of lotions and topical creams is scheduled for the first quarter of calendar 2019.

Table of Contents

Our Product Development Initiatives

Our product development initiatives will address unmet medical needs in health care.

PRODUCT	DELIVERY TECHNOLOGY	INDICATION	GLOBAL MARKET SIZE [(1)]	ESTIMATED PRODUCT LAUNCH
PGS-N001	Solmic Solubilisate / Oral	Cancer supportive care (CINV) (chemo-induced nausea and vomiting)	>$1B	2018
PGS-N002	Solmic Solubilisate / Oral	Restless leg syndrome	>$2B	2018
PGS-N003	Solmic Solubilisate / Oral	Pain and inflammation (for opioid withdrawal)	>$15B	2018
PGS-N004	Solmic Solubilisate / Oral	Cancer supportive care (mucositis relief)	>$12B	2018
PGS-N005	BiPhasix / Topical	Female sexual dysfunction (HSDD) (hypoactive sexual desire disorder)	>$6B	2019
PGS-N006	BiPhasix / Topical	Pain and inflammation (joints/opioid withdrawal)	>$20B	2018
PGS-N007	BiPhasix / Topical	Dermatology (skin irritation/redness/ itching)	>$13B	2018
PGS-N008	BiPhasix / Topical	Eye disease (glaucoma, intra-ocular pressure)	>$3B	2019
PGS-N009	Thrudermic / Topical	Pain and inflammation (opioid withdrawal)	>$15B	2018
PGS-N010	Solmic Solubilisate / Oral	Migraine (nausea, vomiting, dizziness, sensitivity to light, sounds and smells)	>$10B	2019

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(1) Derived from IMS data

Clinical Trial Phases (for Pharmaceuticals Products Only)

The following section describes the most common phases of clinical drug trials with reference to the clinical trial requirements that we anticipate will be required for each of our pharmaceutical products in the future and funding permitting.

Pre-Clinical Trials

Pre-clinical trials involve *in vitro* (test tube) and *in vivo* (animal) experiments using wide ranging doses of the study drug to obtain preliminary efficacy, toxicity and pharmacokinetic information. Such tests assist pharmaceutical companies in deciding whether a drug candidate possesses scientific merit for further development as an investigational new drug. In addition, formulation and dosage regimen work studies will need to be conducted.

Phase 0
Phase 0 is a recent designation for exploratory, first in human trials conducted in accordance with the FDA's 2006 Guidance on Exploratory Investigational New Drug. These trials are generally used for novel anticancer drugs.

Distinctive features of Phase 0 trials include the administration of single subtherapeutic doses (doses not intended to treat diseases) of the study drug to a small number of subjects (10-15) to gather preliminary data on the agent's pharmacokinetics and pharmacodynamics.

Phase I

Phase I trials are the first stage of drug testing in human subjects. Normally, a small group of healthy volunteers (20-50) will be selected. This phase includes trials designed to assess the safety, tolerability and effects of the drug in relation to the human body, including how it is absorbed, distributed, metabolized and eliminated by the body. These trials are often conducted in an inpatient clinic, where the subject can be observed by full-time staff. The subject who receives the drug is usually observed until several half-lives of the drug have passed.

Phase I trials also normally include dose-ranging (or dose escalation) studies so that the appropriate dose for therapeutic use can be found. The tested range of doses will usually be a fraction of any dose that causes harm in animal testing.

Phase I trials most often include healthy volunteers; however, real patients are used in some circumstances, such as when patients have an end-stage disease and lack other treatment options. This exception to the rule most often occurs in oncology (cancer) and HIV drug trials. Volunteers are paid an inconvenience fee for the time they spend in the volunteer center. Pay ranges from a small amount of money for a short period of residence to a larger amount of up to approximately $6,000 depending on the length of the volunteer's participation in the trial.

Table of Contents

Phase II

Once the initial safety of a study drug has been confirmed in Phase I trials, Phase II trials are performed on larger groups (20-300) and are designed to assess how well the drug works, as well as to continue Phase I safety assessments using a larger group of volunteers and patients. When the development process for a new drug fails, this usually occurs during Phase II trials when the drug is discovered not to work as planned or to have toxic effects.

Phase II studies are sometimes divided into Phase IIA and Phase IIB. Phase IIA is specifically designed to assess dosing requirements (how much of the drug should be given), while Phase IIB is specifically designed to study efficacy (how well the drug works at the prescribed dose(s)).

Some trials combine Phase I and Phase II, and test both efficacy and toxicity.

All of our planned anticancer products will need to undergo Phase II clinical trials. Completion of these trials is subject to our ability to obtain adequate financing.

We will not establish a firm start date until we raise sufficient financing, which there is no guarantee that we will be able to do. The trial protocol for our Phase II trial has been developed with input from our clinical advisors.

Phase III

Phase III studies are randomized controlled multi-center trials on large patient groups (300-3,000 or more, depending upon the disease or medical condition studied), and are intended to definitively assess the effectiveness of the drug as compared to the current "gold standard" treatment. Because of their size and comparatively long duration, Phase III trials are the most expensive, time-consuming and difficult trials to design and run, especially in therapies for chronic medical conditions.

It is common practice that certain Phase III trials may continue while a regulatory submission is pending at the appropriate regulatory agency. This allows patients to continue to receive possibly lifesaving drugs until the drug can be obtained commercially. Other reasons for performing additional trials at this stage may include "label expansion" (to show the drug is suitable for additional types of patients/diseases beyond the original use for which

the drug was approved for marketing), obtaining additional safety data, or to support marketing claims for the drug. Studies in this phase are categorized by some companies as “Phase IIIB studies”.

While not required in all cases, it is typically expected that at least two successful Phase III trials will be necessary to demonstrate a drug’s safety and efficacy to obtain approval from appropriate regulatory agencies, such as the FDA in the United States, the Therapeutic Goods Administration in Australia or the European Medicines Agency in the European Union, for example.

Once a drug has proved satisfactory after Phase III trials, the trial results are usually combined into a large document containing a comprehensive description of the methods and results of human and animal studies, manufacturing procedures, formulation details and shelf life. This collection of information makes up the regulatory submission that is provided for review to the appropriate regulatory authorities in different countries. They review each submission, and, it is hoped, give sponsors approval to market the drug.

Most drugs undergoing Phase III clinical trials can be marketed under FDA norms with proper recommendations and guidelines, but the drugs must be recalled immediately from the market if any adverse effects are reported. While most pharmaceutical companies refrain from this practice, it is not abnormal to see many drugs undergoing Phase III clinical trials in the market.

We anticipate that all of our current planned products will require us to undertake the conduct of Phase III clinical trials; however, we lack sufficient information to estimate the costs or timeframe required to complete any Phase III clinical trials at this time. Our ability to pursue Phase III trials will be subject to our ability to obtain adequate financing and successfully complete earlier trials phases for the products in question.

Table of Contents

Phase IV

A Phase IV trial is also known as a post-marketing surveillance trial. Phase IV trials involve safety surveillance (pharmacovigilance) and ongoing technical support of a drug after it receives permission to be sold. Phase IV studies may be required by regulatory authorities or may be undertaken by a sponsoring company for competitive or other reasons (for example, the drug may not have been tested for interactions with other drugs, or on certain population groups such as pregnant women, who are unlikely to subject themselves to trials). The safety surveillance is designed to detect any rare or long-term adverse effects over a much larger patient population and longer time period than was possible during the Phase I through III clinical trials. Harmful effects discovered by Phase IV trials may result in a drug no longer being sold or being restricted to certain uses.

We are unable to accurately anticipate at this time whether our current planned products will require us to undertake Phase IV clinical trials. Similarly, we are unable to accurately anticipate at this time what the costs or timeframe to complete those trials might be. Our ability to pursue any Phase IV trials which may be required of us or which we may undertake voluntarily will be subject to our ability to adequately finance those trials and to successfully complete Phase III trials.

Other

Manufacturing

We have limited experience in, and do not own facilities for, manufacturing any products or product candidates. Although we intend to continue to rely on contract manufacturers to produce our products for both clinical and commercial supplies, we will oversee the production of those products and do not anticipate relying on any particular contract manufacturer exclusively.

If we obtain FDA approval in the United States or marketing application approval outside the United States for any of our product candidates, we plan to rely on contract manufacturers to produce sufficient quantities for large-scale

commercialization. These contract manufacturers will be subject to extensive government regulations. Regulatory authorities in the markets that we intend to serve require that drugs be manufactured, packaged and labeled in conformity with current Good Manufacturing Practices ("GMP") as set by the FDA. In this regard, we plan to engage only contract manufacturers who have the capability to manufacture drug products in compliance with current GMP in bulk quantities for commercialization. We also intend to safeguard our intellectual property when working with contract manufacturers by working only with manufacturers who in our estimation have a strong track record of safeguarding confidential information and who are willing to enter into agreements with us that impose upon them strict intellectual property protection measures.

Sales, Marketing and Distribution

We currently have no sales or distribution capabilities and limited marketing capabilities. In order to commercialize our products, we must develop sales, marketing and distribution capabilities or make arrangements with other parties to perform these services for us.

Competition

If any of our products receive marketing approval, they may compete against, and may be used in combination with, well-established products that are currently used for the treatment of their respective indications. By the time we are able to commercialize a product candidate, the competition and potential competition may be greater and more direct. Several companies are focusing on new compounds, most of which are in pre-clinical or early phases of development.

We expect to compete with others on, among other things, the safety and efficacy of our products. Competing successfully will depend on our continued ability to attract and retain skilled and experienced personnel; to identify, secure the rights to and develop pharmaceutical products and compounds; and to exploit these products and compounds commercially before others are able to develop competing products. In addition, our ability to compete may be affected because insurers and other third-party payors in some cases seek to encourage the use of generic products making branded products less attractive to buyers from a cost perspective.

Table of Contents

Patents and Proprietary Rights

Our success will depend in part on our ability to protect our products and product candidates by obtaining and maintaining a strong proprietary position both in the United States and in other countries. To develop and maintain our proprietary position, we will rely on patent protection, regulatory protection, trade secrets, know-how, continuing technological innovations and licensing opportunities.

It is our policy to require our employees, consultants, contractors, or scientific and other advisors, to execute confidentiality agreements upon the commencement of employment or consulting relationships with us. These agreements provide that all confidential information developed or made known to the individual during the individual's relationship with us is to be kept confidential and not disclosed to third parties except in specific circumstances. These agreements provide that all inventions related to our business that are conceived by the individual during our relationship shall be our exclusive property. There can be no assurance, however, that these agreements will provide meaningful protection or adequate remedies for our trade secrets in the event of unauthorized use or disclosure of such information.

Government Regulations

Our current and future operations and research and development activities are or will be subject to various laws and regulations in the countries in which we conduct or plan to conduct our business, including but not limited to the United States, Canada, United Kingdom and potentially certain member countries from the European Union. These

laws and regulations govern the research, development, sale and marketing of pharmaceuticals, taxes, labor standards, occupational health and safety, toxic substances, chemical products and materials, waste management and other matters relating to the pharmaceutical industry. We may require permits, registrations or other authorizations to maintain our operations and to carry out our future research and development activities, and these permits, registrations or authorizations will be subject to revocation, modification and renewal.

Governmental authorities have the power to enforce compliance with lease conditions, regulatory requirements and the provisions of required permits, registrations or other authorizations, and violators may be subject to civil and criminal penalties including fines, injunctions, or both. The failure to obtain or maintain a required permit may also result in the imposition of civil and criminal penalties, and third parties may have the right to sue to enforce compliance.

We expect to be able to comply with all applicable laws and regulations and do not believe that such compliance will have a material adverse effect on our competitive position. We have obtained and intend to obtain all permits, licenses and approvals required by all applicable regulatory agencies to maintain our current operations and to carry out our future research and development activities. We are not aware of any material violations of permits, licenses or approvals issued with respect to our operations, and we believe that we will continue to comply with all applicable laws and regulations.

Pharmaceutical Regulatory Regimes

Regulation by governmental authorities in the United States and other countries is a significant factor in the development, manufacture and marketing of pharmaceuticals. All our pharmaceutical product candidates will require regulatory approval by governmental agencies prior to commercialization. Our drug candidates are subject to rigorous pre-clinical testing and subsequent clinical trials and other premarketing approval requirements of the FDA and regulatory authorities in other countries. Various federal, state and foreign statutes and regulations govern or affect the manufacturing, safety, labeling, stability, record-keeping and marketing of pharmaceutical products. The lengthy process of seeking required approvals and the continuing need for compliance with applicable statutes and regulations require the expenditure of substantial resources. When we obtain regulatory approval for any of our product candidates, the approval may be limited in scope, which may significantly limit the indicated uses for which our product candidates may be marketed, promoted and advertised. Further, approved pharmaceuticals and manufacturers are subject to ongoing review and previously unknown problems may be discovered that may result in restrictions on the manufacture, sale or use of approved pharmaceuticals or their withdrawal from the market.

Pre-Clinical Studies

Before testing any compounds with potential therapeutic value in human subjects in the United States, stringent governmental requirements for pre-clinical data must be satisfied. Pre-clinical testing includes both *in vitro* and *in vivo* laboratory evaluation and characterization of the safety and efficacy of a drug and its formulation. Pre-clinical testing results obtained from these studies, including tests in several animal species, are submitted to the FDA as part of an Investigational New Drug Application and are reviewed by the FDA prior to the commencement of human clinical trials. These pre-clinical data must provide an adequate basis for evaluating both the safety and the scientific rationale for initial trials in human volunteers.

Table of Contents

Clinical Trials

If a company wants to conduct clinical trials in the United States to test a new drug in humans, an Investigational New Drug ("IND") Application must be prepared and submitted to the FDA. The IND Application becomes effective, if not rejected or put on clinical hold by the FDA, within 30 days of filing the application. In addition, an Institutional Review Board must review and approve the trial protocol and monitor the trial on an ongoing basis. The FDA may, at any time during the 30 day review period or at any time thereafter, impose a clinical hold on proposed or ongoing clinical trials. If the FDA imposes a clinical hold, clinical trials may commence or

recommence without FDA authorization, and then only under terms authorized by the FDA. The IND Application process can result in substantial delay and expense.

New Drug Application

After completion of clinical trials, if there is substantial evidence that the drug is both safe and effective, a New Drug Application is prepared and submitted to the FDA for review. The New Drug Application must contain all of the essential information on the drug gathered to that date, including data from preclinical studies and clinical trials, and the content and format of a New Drug Application must conform with all FDA regulations and guidelines. Accordingly, the preparation and submission of a New Drug Application is an expensive and major undertaking for a sponsor.

The FDA reviews all New Drug Applications submitted before it accepts them for filing and may request additional information from the sponsor rather than accepting a New Drug Application for filing. In such an event, the New Drug Application must be submitted with the additional information and, again, is subject to review before filing. Once the submission is accepted for filing, the FDA begins an in depth review of the New Drug Application. By law, the FDA has 180 days in which to conduct the initial review the New Drug Application and respond to the applicant. The review process is often significantly extended by the FDA through requests for additional information and clarification. The FDA may refer the application to an appropriate advisory committee, typically a panel of clinicians, for review, evaluation and a recommendation as to whether the application should be approved and the scope of any approval. The FDA is not bound by the recommendation, but gives great weight to it. If the FDA evaluations of both the New Drug Application and the manufacturing facilities are favorable, the FDA may issue either an approval letter or an approvable letter, which usually contains a number of conditions that must be satisfied in order to secure final approval. If the FDA's evaluation of the New Drug Application submission or manufacturing facility is not favorable, the FDA may refuse to approve the New Drug Application or issue a not approvable letter.

Fast Track Designation and Priority Review

The FDA's fast track program is intended to facilitate the development and expedite the review of drugs that are intended for the treatment of a serious or life-threatening condition for which there is no effective treatment and which demonstrate the potential to address unmet medical needs for their condition. Under the fast track program, the sponsor of a new drug may request the FDA to designate the drug for a specific indication as a fast track product at any time during the clinical development of the product. The FDA must determine if the product qualifies for fast track designation within 60 days of receipt of the sponsor's request.

For a product candidate where fast track designation is obtained, the FDA may initiate review of sections of a New Drug Application before the application is complete. This rolling review is available if the applicant provides a schedule for the submission of the remaining information and pays applicable user fees. However, the time period specified in the *Prescription Drug User Fees Act*, which governs the time period goals the FDA has committed to reviewing a New Drug Application, does not begin until the complete application is submitted. Additionally, the fast track designation may be withdrawn by the FDA if the FDA believes that the designation is no longer supported by data emerging in the clinical trial process.

In some cases, the FDA may designate a product for priority review. A product is eligible for priority review, or review within a targeted six-month time frame from the time of acceptance of filing a New Drug Application, if the product provides a significant improvement compared to marketed products in the treatment, diagnosis or prevention of a disease. A fast track designated product generally meets the FDA's criteria for priority review. We cannot guarantee that any of our products will receive a priority review designation, or if a priority designation is received, that review or approval will be faster than conventional FDA procedures.

Table of Contents

When appropriate, we intend to seek fast track designations for our products. We cannot predict the ultimate impact, if any, of the fast track process on the timing or likelihood of FDA approval on any of our potential products.

Importantly, fast track designation does not result in the elimination or waiver of any pre-clinical or clinical trial requirements.

Orphan Drug Designation

The FDA may grant orphan drug designation to drugs intended to treat a rare disease or condition that affects fewer than 200,000 individuals in the United States. Orphan drug designation must be requested before submitting a New Drug Application. If the FDA grants orphan drug designation, the generic identity of the therapeutic agent and its potential orphan use are disclosed publicly by the FDA. Orphan drug designation does not convey any advantage in, or shorten the duration of, the regulatory review and approval process. If a product that has orphan drug designation subsequently receives FDA approval for the indication for which it has such designation, the product is entitled to a longer market [orphan] exclusivity, which means the FDA may not approve any other applications to market the same drug for the same indication, except in very limited circumstances, for up to seven years after receiving FDA approval.

The Hatch-Waxman Act

Under the *Drug Price Competition and Patent Term Restoration Act* of 1984, known as the *Hatch-Waxman Act*, newly approved drugs may benefit from a statutory period of non-patent marketing exclusivity in the United States. The *Hatch-Waxman Act* provides five years of marketing exclusivity to the first applicant to gain approval of a New Drug Application under Section 505(b) of the *Food, Drug and Cosmetic Act* for a new chemical entity. A drug qualifies as a new chemical entity if the FDA has not previously approved any other drug containing the same active ingredient. The *Hatch-Waxman Act* provides data exclusivity by prohibiting abbreviated New Drug Applications, and the submission of section 505(b)(2) applications, which are marketing applications where the applicant does not own or have a legal right of reference to all the data required for approval, by another company for another version of such drug during the exclusive period. Protection under the *Hatch-Waxman Act* will not prevent the filing or approval of a full New Drug Application for the same active ingredient, although the applicant would be required to conduct its own adequate and well-controlled clinical trials to demonstrate safety and effectiveness.

Other Regulatory Requirements

Any products we manufacture or distribute under FDA approvals are subject to pervasive and continuing regulation by the FDA, including record-keeping requirements and reporting of adverse experiences with the products. Drug manufacturers and their subcontractors are required to register with the FDA and, where appropriate, state agencies, and are subject to periodic unannounced inspections by the FDA and state agencies for compliance with current Good Manufacturing Practices, or cGMP, regulations which impose procedural and documentation requirements upon us and each third-party manufacturer we utilize.

The FDA closely regulates the marketing and promotion of drugs. A company can make only those claims relating to safety and efficacy that are approved by the FDA. Failure to comply with these requirements can result in adverse publicity, warning letters, corrective advertising and potential civil and criminal penalties. Physicians may prescribe legally available drugs for uses that are not described in the product's labeling and that differ from those tested by us and approved by the FDA. Such off-label uses are common across medical specialties. Physicians may believe that such off-label uses are the best treatment for many patients in varied circumstances. The FDA does not regulate the behavior of physicians in their choice of treatments. The FDA does, however, restrict manufacturers from communicating on the subject of off-label use.

The FDA's policies may change and additional government regulations may be enacted which could prevent or delay regulatory approval of our programs or our future product candidates, or such approval of new indications for our future products. We cannot predict the likelihood, nature or extent of adverse governmental regulations that might arise from future legislative or administrative action, either in the United States or abroad in the European Union.

Table of Contents

Clinical Trials

Similar to the United States, the various phases of pre-clinical and clinical research in the European Union are subject to significant regulatory controls. The regulatory controls on clinical research in the European Union are now largely harmonized following the implementation of the Clinical Trials Directive 2001/20/EC, or CTD. Compliance with the national implementations of the CTD has been mandatory since May 1, 2004. However, variations in member state regimes continue to exist, particularly in the small number of member states that have yet to implement the CTD fully.

All member states currently require regulatory and independent ethics committee approval of interventional clinical trials. European regulators and ethics committees also require the submission of adverse event reports during a study and a copy of the final study report.

Marketing Authorization

In the European Union, approval of new medicinal products can be obtained through the mutual recognition procedure or the centralized procedure. The mutual recognition procedure entails initial assessment by the national authorities of a single member state and subsequent review by national authorities in other member states based on the initial assessment. The centralized procedure requires the submission of a single Marketing Authorization Application (a "MAA") to the EMA leading to an approval that is valid in all European Union member states. It is required for certain medicinal products, such as biotechnology products and certain new chemical entities, and is optional, or available at the EMA's discretion, for other new chemical entities or innovative medicinal products with novel characteristics.

Under the centralized procedure, a MAA is submitted to the EMA. Two European Union member states are appointed to conduct an initial evaluation of each MAA. These countries each prepare an assessment report, which are then used as the basis of a scientific opinion of the Committee for Medicinal Products for Human Use. If this opinion is favorable, it is sent to the European Commission which drafts a decision. After consulting with the member states, the European Commission adopts a decision and grants a marketing authorization, which is valid throughout the European Union and confers the same rights and obligations in each of the member states as a marketing authorization granted by that member state.

Advertising

In the European Union, the promotion of prescription medicines is subject to intense regulation and control, including a prohibition on direct-to-consumer advertising. Some jurisdictions require that all promotional materials for prescription medicines be subjected to either prior internal or regulatory review or approval.

Data Exclusivity

For an MAA filed after October 30, 2005, European Union regulators offer eight years of data exclusivity during which generic drug manufacturers cannot file abridged applications. This is followed by two years of market exclusivity during which generic MAAs may be reviewed and approved but during which generic drug manufacturers cannot launch products. The manner in which these new exclusivity provisions will be applied in practice remains far from clear and there can be no assurance that our programs or our other current or future product candidates will qualify for such exclusivity.

Other Regulatory Requirements

If a marketing authorization is granted for our products in the European Union, the holder of the marketing authorization will be subject to ongoing regulatory obligations. A holder of a marketing authorization for our products is legally obliged to fulfill a number of obligations by virtue of its status as a Marketing Authorization Holder (a "MAH"). While the associated legal responsibility and liability cannot be delegated, the MAH can delegate the performance of related tasks to third parties, provided that this delegation is appropriately documented. A MAH can therefore either ensure that it has adequate resources, policies and procedures to fulfill its responsibilities, or can delegate the performance of some or all of its obligations to others, such as distributors or marketing partners.

Table of Contents

The obligations of a MAH include:

- Manufacturing and Batch Release: MAHs should guarantee that all manufacturing operations comply with relevant laws and regulations, applicable good manufacturing practices, the product specifications and manufacturing conditions set out in the marketing authorization and that each batch of product is subject to appropriate release formalities.
- Pharmacovigilance: MAHs are obliged to monitor the safety of products post-approval and to submit to the regulators safety reports on an expedited and periodic basis. There is an obligation to notify regulators of any other information that may affect the risk benefit ratio for the product.
- Advertising and Promotion: MAHs remain responsible for all advertising and promotion of their products in the relevant jurisdiction, including promotional activities by other companies or individuals on their behalf. Some jurisdictions require that a MAH subject all promotional materials to either prior internal or regulatory review and approval.
- Medical Affairs/Scientific Service: MAHs are required to have a function responsible for disseminating scientific and medical information on their medicinal products, predominantly to healthcare professionals, but also to regulators and patients.
- Legal Representation and Distributor Issues: MAHs are responsible for regulatory actions or inactions of their distributors and agents, including the failure of distributors to provide a MAH with safety data within a timeframe that allows the MAH to fulfill its reporting obligations.
- Preparation, Filing and Maintenance of the Application and Subsequent Marketing Authorization: MAHs have general obligations to maintain appropriate records, to comply with the marketing authorization's terms and conditions, to submit renewal applications and to pay all appropriate fees to the authorities. There are also general reporting obligations, such as an obligation to inform regulators of any information that may lead to the modification of the marketing authorization dossier or product labeling, and of any action to suspend, revoke or withdraw an approval or to prohibit or suspend the marketing of a product.

We may hold marketing authorizations for our products in our own name, or appoint an affiliate or a collaboration partner to hold the marketing authorization on our behalf. Any failure by a MAH to comply with these obligations may result in regulatory action against the MAH and its approvals and ultimately threaten our ability to commercialize our products.

Approvals Outside of the United States and the European Union

We will also be subject to a wide variety of foreign regulations governing the development, manufacture and marketing of our products. Whether or not FDA approval or European marketing authorization has been obtained, approval of a product by the comparable regulatory authorities of other foreign countries must still be obtained prior to manufacturing or marketing the product in those countries. The approval process varies from country to country and the time needed to secure approval may be longer or shorter than that required for FDA approval or a European marketing authorization. We cannot assure you that clinical trials conducted in one country will be accepted by other countries or that approval in one country will result in approval in any other country.

Third-Party Reimbursement and Pricing Controls

General:

In the United States and elsewhere, patients' access to pharmaceutical products depends in significant part on the coverage and reimbursement of a product or service by third-party payors, such as government programs, private insurance plans and employers. Third-party payors increasingly are challenging the prices charged for medical products and services. It will be time consuming and expensive for us to go through the process of seeking reimbursement from Medicare, Medicaid and private payors. We may be unable to achieve reimbursement from some payors because they may not consider our products to be "reasonable and necessary" or cost-effective. Furthermore, it is possible that even if payors are willing to reimburse patients for our products, the reimbursement levels may not be sufficient to allow us to sell our products on a competitive and profitable basis.

In many foreign markets, including the countries in the European Union, the pricing of pharmaceutical products is subject to direct governmental control and to drug reimbursement programs with varying price control mechanisms. In the European Union, governments influence the price of pharmaceutical products through their pricing and reimbursement rules and the control of national health care systems that fund a large part of the cost of such products to consumers. The approach taken varies from member state to member state: some jurisdictions operate positive and/or negative list systems under which products may only be marketed once a reimbursement price has been agreed, and other member states allow companies to fix their own prices for medicines, but monitor and control company profits. The downward pressure on health care costs in general, particularly prescription drugs, has become very intense. As a result, increasingly high barriers are being erected to the entry of new products, as exemplified by the National Institute for Clinical Excellence in the United Kingdom which evaluates the data supporting new medicines and passes reimbursement recommendations to the government. In addition, in some countries cross-border imports from low-priced markets (parallel imports) exert a commercial pressure on pricing within a country.

Table of Contents

In the United States, there have been, and we expect that there will continue to be, a number of federal and state proposals to implement means by which the government can negotiate lower drug prices for Medicare and Medicaid beneficiaries. While we cannot predict whether such legislative bills will become law, their enactment could have a material adverse effect on our business, financial condition and results of operations.

Medicare:
In the following section, all references to "CMS" refer to the Center for Medicare and Medicaid Services.
We expect that in the United States, some or possibly a majority of the patients who are treated with our products will be Medicare beneficiaries. The CMS is the agency within the Department of Health and Human Services that administers both Medicare and Medicaid. Two aspects of Medicare reimbursement will be relevant to our products: the availability of reimbursement for physician services for administration of our products and the availability of reimbursement for our products themselves.

The CMS has asserted the authority of Medicare not to cover particular products or services if it determines that they are not "reasonable and necessary" for Medicare beneficiaries. The CMS may create a national coverage determination (a "NCD") for a product, which establishes on a nationwide basis the indications that will be covered and the frequency limits for administration of the product. However, for most new drugs that are eligible for payment, the CMS does not create a NCD. We do not know whether we will seek or obtain a NCD for any of our current or potential products or whether any NCD we obtain will contain favorable coverage terms. As mentioned above, if Medicare coverage for our products is available, the CMS may decide to provide reimbursement through one of two avenues: Part B coverage for physician-administered drugs, or Part D coverage for outpatient prescription drugs. Under Part B coverage, Medicare reimburses purchasers of drugs that meet three statutory requirements:

- the product is reasonable and necessary;
- the product is not usually self-administered and as such is incidental to a physician's service in the office setting; and
- the administering physician bills Medicare directly for the product.

If there is not a national coverage decision, the local Medicare contractors that are responsible for administering the Part B program on a regional basis may have the discretion to decline coverage and reimbursement for a drug or to issue a local coverage decision (an "LCD"). These policies can include both coverage criteria for the drug and frequency limits for the administration of the drug. The local contractors in different areas of the country may determine that our products should be treated like most topical patches and may deny coverage under Part B or, even if they allow coverage, may establish varying coverage criteria and frequency limits for any product. Furthermore, obtaining LCDs in the various regions can be a time-consuming and expensive process.

Medicare payment for physician services related to the administration of any of our products, if any, will most likely be determined according to a prospectively set payment rate, determined by a procedure code established by the American Medical Association. These codes, called Current Procedural Terminology ("CPT") codes, describe the procedure performed and can be specific or more general in nature. We believe that although there are existing CPT codes that could be used, although a specific code for the administration of each of our products would be preferable. If applicable, we plan to apply for a specific CPT code. If, at launch, a specific CPT code is not available, local Medicare contractors will advise which existing CPT code should be used for services related to the administration of our products.

The CMS has been considering changes to Medicare reimbursement that could result in lower payments for physician-administered drugs, and Congress may also consider legislation that would mandate lower reimbursement levels. A reduction in reimbursement levels could materially and adversely affect our revenue.

Table of Contents

The CMS may determine that some of our products do not qualify for Part B coverage and should instead be covered under the Part D outpatient prescription drug benefit. Because, unlike Part B, Part D coverage reimburses patients only for the drug itself and does not provide reimbursement for the physician's administration services (though a physician can bill for service under Part B and it is possible that the CMS will provide such coverage for the administration of any of our products, even if the product in question is covered under Part D), physicians may not consider our products as attractive a treatment option if they are reimbursed under Part D instead of Part B. In addition, under Part D, there are multiple types of plans and numerous plan sponsors, each with its own formulary and product access requirements. While the CMS evaluates Part D plans' proposed formularies for potentially discriminatory practices, the plans have considerable discretion in establishing formularies, establishing tiered co-pay structures and placing prior authorization and other restrictions on the use of specific products. Moreover, Part D plan sponsors are permitted and encouraged to negotiate rebates with manufacturers. Revenue for our products will be substantially affected by their respective formulary status on Part D plans and the rebates that Part D plan sponsors are able to negotiate.

Medicaid:
Most State Medicaid programs have established preferred drug lists, and the process, criteria and timeframe for obtaining placement on the preferred drug list vary from state to state. A federal law establishes minimum rebates that a manufacturer must pay for Medicaid utilization of a product, and many states have established supplemental rebate programs as a condition for including a drug product on a preferred drug list. Submitting a preferred drug list application to each state will be a time-consuming and expensive process, and it is not clear how many or which state programs will accept the applications. Review times for these applications can vary from weeks to 14 months or more.

Private Insurance Reimbursement:
Commercial insurers usually offer two types of benefits: medical benefits and pharmacy benefits. In most private insurance plans, physician-administered drugs are provided under the medical benefit. If private insurers decide to cover any of our products, they will reimburse for the drug(s) and its administration in a variety of ways, depending on the insurance plan's revenue targets, employer and benefit manager input and the contract negotiated with their physicians. Like Medicare and Medicaid, commercial insurers have the authority to place coverage and utilization limits on physician-administered drugs. Many private insurers tend to adopt reimbursement methodologies for a product similar to those adopted by Medicare. Revenue for our products may be materially and adversely affected if private payors make unfavorable reimbursement decisions or delay making favorable reimbursement decisions.

Subsidiaries

We own 100% of the outstanding common stock of Pivot Green Stream Health Solutions Inc., Pivot Naturals, LLC and Thrudermic, LLC.

Employees and Consultants

As of May 1, 2018, we have employment contracts with our chief business officer, chief financial officer as well as our president, director and vice president of our wholly-owned subsidiaries. We currently engage independent contractors in the areas of legal and auditing services. We plan to engage independent contractors in the areas of preclinical toxicity studies and clinical trial execution and data management.

REPORTS TO SECURITY HOLDERS

We are required to file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission and our filings are available to the public over the internet at the Securities and Exchange Commission's website at http://www.sec.gov. The public may read and copy any materials filed by us with the Securities and Exchange Commission at the Securities and Exchange Commission's Public Reference Room at 100 F Street N.E. Washington D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the Securities and Exchange Commission at 1-800-732-0330. The SEC also maintains an Internet site that contains reports, proxy and formation statements, and other information regarding issuers that file electronically with the SEC, at http://www.sec.gov.

Table of Contents

Item 1A. Risk Factors

There is substantial doubt as to whether we will continue operations. If we discontinue operations, you could lose your investment.

Our financial statements have been prepared on the going concern basis, which assumes that we will be able to realize our assets and discharge our liabilities in the normal course of business. However, as at January 31, 2018, we have not earned any revenues and had an accumulated deficit of $20,718,935. We anticipate that we will incur increased expenses without realizing sufficient revenues (if any) to offset those expenses and we therefore expect to incur significant losses for the foreseeable future. Our ability to continue our operations is dependent on obtaining additional financing and generating future revenues, and no assurance can be given that we will successfully be able to do so. Accordingly, our financial statements contain disclosure of management's determination that these factors raise substantial doubt about our ability to continue as a going concern. Importantly, the inclusion in our financial statements of a going concern opinion may negatively impact our ability to raise future financing and achieve future revenue. The threat of our ability to continue as a going concern will be removed only when, in the opinion of our auditor, our revenues have reached a level that is able to sustain our business operations.

If we are unable to obtain additional financing from outside sources and eventually generate enough revenues, we may be forced to sell a portion or all of our assets, or curtail or discontinue our operations. If any of these happens, you could lose all or part of your investment. Our financial statements do not include any adjustments to our recorded assets or liabilities that might be necessary if we become unable to continue as a going concern.

We have incurred operating losses in each year since our inception and expect to continue to incur substantial and increasing losses for the foreseeable future. We also have negative capital cash flows from operating activities. If we cannot generate sufficient revenues to operate profitably or with positive cash flow from operating activities, we may suspend or cease our operations.

We have not generated any revenue since our inception on June 10, 2002 and we have incurred operating and net losses in each year of our existence. We experienced a net loss of $121,182 for the year ended January 31, 2018, compared to a net loss of $6,278,207 for the year ended January 31, 2017. We expect to incur substantial and increasing losses for the foreseeable future as we develop, seek regulatory approval for and commercialize our product candidates and pursue our other research and development activities. If our products are not successful in research and development or in clinical trials, does not gain regulatory approval or does not achieve market

acceptance, we may never generate any revenue. We also cannot assure you that we will be profitable even if we successfully commercialize our products. If we fail to generate sufficient revenues to operate profitability, or if we are unable to fund our continuing losses, you could lose all or part of your investment.

We will require substantial additional funds to complete our research and development activities and proposed acquisition, and if such funds are not available we may need to significantly curtail or cease our operations.

We will require substantial funds to research, develop, test and protect our product candidates, and to manufacture and market any such candidates that may be approved for commercial sale. Based on our planned research and development and commercialization activities, we anticipate that we will require funds of approximately $24.45 million to proceed with completing the development and commercialization of our products. If we do not raise sufficient funds, our plan of operation will be delayed until such time as we raise sufficient funds, provided we are able to do so. Further, the cost of carrying out our operating activities and research and development activities is not fixed, and our cash levels may at any time prove to be insufficient to finance them. Our financing needs may change substantially because a number of factors which are difficult to predict or which may be outside of our control. These include increased competition, the costs of licensing existing drugs and protecting rights to our proprietary technology, the resources required to complete pre-clinical and clinical studies, and the length and results of the regulatory approval process.

We may not succeed in raising the additional funds that we require because such funds may not be available to us on acceptable terms, if at all. We intend to seek additional funding through strategic alliances or through public or private sales of our equity securities, and we may also obtain equipment leases and pursue opportunities to obtain debt financing in the future. If we are unable to obtain sufficient funding on a timely basis, we may be forced to significantly curtail or cease our operations.

Table of Contents

Our inability to complete our research and development projects in a timely manner could have a material adverse effect of our results of operations, financial condition and cash flows.

If our R&D projects are not completed in a timely fashion, our Company could experience:

- substantial additional cost for the conduct of IND supporting R&D activities;
- additional competition in the pharmaceutical and nutraceutical indications in our pipeline;
- additional delay in obtaining requisite regulatory approvals; and
- delay in obtaining future inflow of cash from financial or partnership activities, any of which could have a material adverse effect of our results of operations, financial condition and cash flows.

Any products that we may develop will be required to undergo a time-consuming, costly and burdensome pre-market approval process, and if we are unable to obtain regulatory approval for our products we may never become profitable.

Any products that we may develop will be subject to extensive governmental regulations relating to development activities, conduct of clinical trials, manufacturing and commercialization. In the United States, for example, the prospective therapeutic products that we intend to develop and market are regulated by the FDA under its new drug development and review process. Before such therapeutic products can be marketed, we must obtain clearance from the FDA by submitting an investigational new drug application, then by successfully completing human testing under three phases of clinical trials, and finally by submitting a new drug application.

The time required to obtain approvals for our prospective therapeutic products from the FDA and other agencies in foreign locales with similar processes is unpredictable. We expect to be able to accelerate the approval process and to increase the chances of approval by using existing and approved drugs as the basis for our own technology. However, we cannot guarantee that our expectations will be realized, and there is no assurance that we will ever

receive regulatory approval to use our proprietary substances, methods and processes. If we do not obtain such regulatory approval, we may never become profitable.

We may not commence clinical testing for any of our prospective therapeutic products and the commercial value of any clinical study that we may conduct will depend significantly upon our choice of indication and our patient population selection. If we are unable to commence clinical testing or if we make a poor choice in terms of clinical strategy, we may never achieve revenues.

In order to commence clinical testing, we must successfully complete and obtain positive scientific results from pre-clinical studies and, in the case of an existing drug that we are re-profiling for a new indication, adopt existing pre-clinical or early stage clinical studies to our own research. If we successfully complete any clinical study of our own, the commercial value of any such study will significantly depend upon our choice of indication and our patient population selection for that indication.

Our clinical trials for each drug may fail to adequately demonstrate the safety and efficacy of that candidate, which could force us to abandon our product development plans for that drug candidate.

Before obtaining regulatory approval for the commercial sale of any of our product candidates, we must demonstrate through lengthy, complex and expensive pre-clinical testing and clinical trials that each product is both safe and effective for use in each target indication. Clinical trial results are inherently difficult to predict, and the results we have obtained or may obtain from third-party trials or from our own trials may not be indicative of results from future trials. We may also suffer significant setbacks in advanced clinical trials even after obtaining promising results in earlier studies.

Although we intend to modify any of our protocols in ongoing studies to address any setbacks, there can be no assurance that these modifications will be adequate or that these or other factors will not have a negative effect on the results of our clinical trials. This could significantly disrupt our efforts to obtain regulatory approvals and commercialize our product candidates. Furthermore, we may voluntarily suspend or terminate our clinical trials if at any time we believe that they present an unacceptable safety risk to patients, either in the form of undesirable side effects or otherwise. If we cannot show that our product candidates are both safe and effective in clinical trials, we may be forced to abandon our business plan.

Table of Contents

We will rely on third parties to conduct our formulation development, chemistry activities, as well as pre-clinical and clinical trials. If these third parties do not perform as contractually required or otherwise expected we may not be able to obtain regulatory approval for our product candidates, which may prevent us from becoming profitable. If we are unable to establish a sales, marketing and distribution infrastructure or enter into collaborations with partners to perform these functions, we may not be successful in commercializing our product candidates.

In order to successfully commercialize any of our product candidates, we must either develop a satisfactory sales, marketing and distribution infrastructure or enter into collaborations with partners to perform these services for us. We will require substantial resources to create such an infrastructure, and we may never possess the resources to do so. For example, we may be unable to recruit and retain an adequate number of effective sales and marketing personnel or we may incur unforeseen costs and expenses in connection with developing the necessary infrastructure.

Although we plan to develop our own sales and marketing organizations in some markets, we intend to enter into partnering, co-promotion and other distribution arrangements to commercialize our products in most markets. We may not be able to enter into collaborations on acceptable terms, if at all, and we may face competition in our search for partners with whom we may collaborate. If we are not able to build a satisfactory sales, marketing and distribution infrastructure or collaborate with one or more partners to perform these functions, we may not be able to successfully commercialize our product candidates, which could cause us to cease our operations.

Our product candidates may never gain market acceptance even if we obtain the necessary regulatory approvals, which could prevent us from generating revenues.

Even if we receive the necessary regulatory approvals to commercially sell our product candidates, the success of these candidates will depend on their acceptance by physicians and patients, among other things. Market acceptance of, and demand for, any product that we develop and commercialize will depend on many factors, including:

- our ability to provide acceptable evidence of safety and efficacy;
- our ability to obtain sufficient third-party insurance coverage or reimbursement;
- the availability, relative cost and relative efficacy of alternative and competing treatments;
- the effectiveness of our or our collaborators' sales, marketing and distribution strategy; and
- publicity concerning our products or competing products and treatments.

If our product candidates fail to gain market acceptance, we may be unable to generate sufficient revenue to continue our business.

We will depend on other parties to manufacture our product candidates. If these parties fail to meet our manufacturing requirements and applicable regulatory requirements, our product development and commercialization efforts could suffer and we may never realize a profit.

If we obtain the necessary regulatory approvals to market our products, we will rely on contract manufacturers as single source suppliers for our product candidates.

Because of our planned reliance on contract manufacturers, we may also be exposed to additional risks, including those related to intellectual property and the failure of such manufacturers to comply with strictly-enforced regulatory requirements, manufacture components to our specifications, or deliver sufficient component quantities to us in a timely manner. For example, a contract manufacturer working on our behalf may violate the intellectual property rights of a third party in manufacturing a component of one of our products, and if such a violation occurs without our knowledge, we may be held vicariously liable for the acts of our contractor, incur related costs and court mandated damages, or become enjoined from selling products which violate those third-party intellectual property rights. Similarly, if a contract manufacturer working on our behalf is found to be in violation of FDA or other national regulatory standards regarding the manufacture, packaging or labeling of any of our products, we could face any number of adverse consequences including costly regulatory investigations and fines, interruptions in the flow of our products or materials, product recalls, or liability to consumers regarding any of our products that do not meet such regulatory requirements. If any of these events occurs, if our relationship with any of our potential contract manufacturers terminates, or if any such manufacturer is unable fulfill its obligations to us for any reason, our product development and commercialization efforts could suffer and we may never realize a profit.

Table of Contents

We face potential product liability exposure, and any claim brought against us may cause us to divert resources from our normal operations or terminate selling, distributing and marketing any product for which we have received regulatory approval. This may cause us to cease our operations as it relates to that product.

The use of our product candidates in clinical trials and the sale of any products for which we obtain regulatory approval may expose us to product liability claims from consumers, health care providers, pharmaceutical companies or other entities. Although we plan to obtain product liability insurance coverage for our clinical trials with limits that we hope will be customary and adequate to provide us with coverage for foreseeable risks associated with our product development efforts, our insurance coverage may be insufficient to reimburse us for the actual expenses or losses we may suffer.

If we obtain sufficient financing to proceed with our planned clinical trials, we intend to purchase insurance in amounts customary for trials comparable to our own. To that effect, we intend to consult with industry professionals to determine the optimal amount of coverage. In order to obtain insurance, we must subject our clinical trial protocol to a full review by our eventual insurance provider. The process of binding an insurance policy for a clinical trial can take as long as three months.

We also plan to expand our insurance to cover the commercial sale of products if we obtain the necessary regulatory approval to do so; however, the same product liability risks apply in those circumstances as in clinical trials. Further, even if we are able to successfully defend ourselves against any potential claims, we will likely incur substantial costs in the form of unanticipated expenses and negative publicity. This could result in decreased demand for our product candidates, the withdrawal of clinical trial participants, an impaired business reputation, revenue loss or an inability to commercialize our product candidates. Any of these consequences could cause us to cease our operations.

We face substantial competition in the therapeutic pharmaceutical research and development industry, which could harm our business and our ability to operate profitably.

Our industry is highly competitive, and many of our potential competitors, either alone or together with their partners, have substantially greater financial resources, research and development programs, clinical trial and regulatory experience, expertise in the protection of intellectual property rights, and manufacturing, distribution and sales and marketing capabilities than us. As a result, they may be able to:

- develop product candidates and market products that are faster to market and thus less expensive, potentially safer, and/or more effective or involve more convenient treatment procedures than our future products;
- commercialize competing products before we can launch any of our product candidates;
- initiate or withstand substantial price competition more successfully than us;
- enjoy greater success in recruiting skilled scientific workers from a limited pool of available talent; and
- more effectively negotiate third-party licenses and strategic alliances.

All of our product candidates and product development processes will be subject to ongoing regulatory requirements, and may therefore be the subject of regulatory or enforcement action. The associated costs could prevent us from achieving our goals or becoming profitable.

Our product candidates, clinical data, third-party manufacturing facilities and processes and advertising and promotional activities for any product that receives regulatory approval will be subject to significant review and ongoing and changing regulation by various regulatory agencies. Our failure to comply with any regulatory requirements may subject us to administrative and judicial sanctions, which may include warning letters, civil and criminal penalties, injunctions, product seizures or detention, product recalls, total or partial suspension of production, or the denial of pending product marketing applications.

Table of Contents

Even if we receive regulatory approval to market a particular product candidate, such approval could be conditional upon our conducting costly post-approval studies or could limit the indicated uses that we are able to include on our product labels. In addition, regulatory or enforcement actions could adversely affect our ability to develop, market and sell our prospective products successfully and harm our reputation, which could lead to reduced market demand for such products. Consequently, the costs associated with any such action could cause our business to suffer and prevent us from achieving our goals or becoming profitable.

Since our directors are located outside of Canada, you may be limited in your ability to enforce Canadian civil actions against them for damages to the value of your investment.

We plan to indemnify our directors and officers against liability to us and our security holders, and such indemnification could increase our operating costs.

Our Articles allow us to indemnify our directors and officers against claims associated with carrying out the duties of their offices. Our Articles also allow us to reimburse them for the costs of certain legal defenses. Insofar as indemnification for liabilities arising under relevant securities legislation may be permitted to our directors, officers or control persons, certain securities regulations may deem that such indemnification is against public policy and is therefore unenforceable in that jurisdiction.

Since our officers and directors are aware that they may be indemnified for carrying out the duties of their offices, they may be less motivated to meet the standards required by law to properly carry out such duties, which could increase our operating costs. Further, if our officers and directors file a claim against us for indemnification, the associated expenses could also increase our operating costs.

Not all jurisdictions allow for the medicinal use of cannabis and those jurisdictions which allow it could reverse their position.

Certain jurisdictions currently allow the medicinal use of cannabis. Many other jurisdictions do not. There can be no assurance that additional jurisdictions will allow the medicinal use of cannabis or that those jurisdictions which currently allow it will continue to do so. If either of these events occur, then not only will our growth prospects in this field be materially impacted, we may experience a declining market for our products.

Risks Related to Our Intellectual Property

If we are unable to maintain and enforce our proprietary intellectual property rights, we may not be able to operate profitably.

Our commercial success will depend, in part, on obtaining and maintaining patent protection, trade secret protection and regulatory protection of our technologies and product candidates as well as successfully defending third-party challenges to such technologies and candidates. We will be able to protect our technologies and product candidates from use by third parties only to the extent that valid and enforceable patents, trade secrets or regulatory protection cover them and we have exclusive rights to use them. The ability of our licensors, collaborators and suppliers to maintain their patent rights against third-party challenges to their validity, scope or enforceability will also play an important role in determining our future.

In addition, our commercial success will depend, in part, on maintaining patent rights we have licensed and plan to license in the future, related to products we may market in the future. Since we will not fully control the patent prosecution of any licensed patent applications, it is possible that our licensors will not devote the same resources or attention to the prosecution of the licensed patent applications as we would if we controlled the prosecution of the applications ourselves. Consequently, the resulting patent protection, if any, may not be as strong or comprehensive as it would be had we done so.

The patent positions of biopharmaceutical companies can be highly uncertain and involve complex legal and factual questions that include unresolved principles and issues. No consistent policy regarding the breadth of claims allowed regarding such companies' patents has emerged to date in the United States, and the patent situation outside the United States is even more uncertain. Changes in either the patent laws or in interpretations of patent laws in the United States or other countries may diminish the value of our intellectual property. Accordingly, we cannot predict with any certainty the range of claims that may be allowed or enforced concerning our patents or third-party patents.

Table of Contents

We also rely on trade secrets to protect our technologies, especially where we do not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. While we seek to protect confidential

information, in part, through confidentiality agreements with our consultants and scientific and other advisors, they may unintentionally or willfully disclose our information to competitors. Enforcing a claim against a third party related to the illegal acquisition and use of trade secrets can be expensive and time consuming, and the outcome is often unpredictable. If we are not able to maintain patent or trade secret protection on our technologies and product candidates, then we may not be able to exclude competitors from developing or marketing competing products, and we may not be able to operate profitability.

If we are the subject of an intellectual property infringement claim, the cost of participating in any litigation could cause us to go out of business.

There has been, and we believe that there will continue to be, significant litigation and demands for licenses in our industry regarding patent and other intellectual property rights. Although we anticipate having a valid defense to any allegation that our current product candidates, production methods and other activities infringe the valid and enforceable intellectual property rights of any third parties, we cannot be certain that a third party will not challenge our position in the future. Other parties may own patent rights that we might infringe with our products or other activities, and our competitors or other patent holders may assert that our products and the methods we employ are covered by their patents. These parties could bring claims against us that would cause us to incur substantial litigation expenses and, if successful, may require us to pay substantial damages. Some of our potential competitors may be better able to sustain the costs of complex patent litigation, and depending on the circumstances, we could be forced to stop or delay our research, development, manufacturing or sales activities. Any of these costs could cause us to go out of business.

We may in the future be required to license patent rights from third-party owners in order to develop our products candidates. If we cannot obtain those licenses or if third-party owners do not properly maintain or enforce the patents underlying such licenses, we may not be able to market or sell our planned products.

We have licensed patent-protected technologies with Altum Pharmaceuticals Inc. and we may also license other intellectual property from other third parties, if we believe it is necessary or useful to use additional third-party intellectual property to develop our products. Typically, we would seek to negotiate and obtain any required third party licenses immediately following the completion of preliminary research to establish a concept and plan of development for a new product candidate. However, depending on the ongoing results and requirements of pre-clinical or clinical trials, which may unexpectedly vary from our anticipated plan of development, we may be required to seek additional third-party licenses at later stages of product development. We will also be required to pay license fees, certain milestones or royalties or both to obtain such licenses, and there is no guarantee that such licenses will be available on acceptable terms, if at all. Even if we are able to successfully obtain a license, certain rights may be non- or co-exclusive, and this would give our competitors access to some of the intellectual property as us, which could ultimately prevent us from commercializing a product.

Upon obtaining a license, our business prospects will depend, in part, on the ability of our licensors to obtain, maintain and enforce patent protection on our licensed intellectual property. Our licensors may terminate our license, may not pursue and successfully prosecute any potential patent infringement claim, may fail to maintain their patent applications, or may pursue any litigation less aggressively than we would. Without protection for the intellectual property that we license, other companies may be able to offer substantially similar products for sale, and we may not be able to market or sell our planned products or generate any revenues.

If the FDA grants one of our competitors an orphan drug designation for a drug and indication combination that is similar to the drug and indication combination used and targeted by one of our products, we will face significant competition in marketing our product during the seven year exclusivity period.

The FDA grants an orphan drug designation to a drug intended to treat a rare disease or condition that affects fewer than 200,000 individuals in the United States. An orphan drug designation must be requested before a sponsor submits a New Drug Application to the FDA, and if the FDA grants such a designation the generic identity of the therapeutic agent and its potential orphan use are disclosed publicly by the FDA. An orphan drug designation does not convey any advantage in, or shorten the duration of, the regulatory review and approval process that a drug must undergo; however, if a product that is the subject of an orphan drug designation subsequently receives FDA approval for the indication for which it has such a designation, the product is entitled to orphan exclusivity for up to

seven years after receiving FDA approval. This means that the FDA may not approve any other applications to market the same drug for the same indication, except in very limited circumstances.

Table of Contents

Therefore, if one of our competitors obtains an orphan drug designation for a drug and indication combination that is identical to the drug and indication combination of one of our products (i.e. the same underlying drug applied to the same indication), our product may not be approved for the same indication for up to seven subsequent years.

Risks Associated with Our Securities

Trading on the OTC Bulletin Board and the Canadian Securities Exchange (the "CSE") may be volatile and sporadic, which could depress the market price of our common stock and make it difficult for our stockholders to resell their shares.

Our common stock is quoted on the OTCQB service of the Financial Industry Regulatory Authority and is traded on the CSE. Trading in stock quoted on the OTC Bulletin Board or listed on the CSE is often thin and characterized by wide fluctuations in trading prices, due to many factors that may have little to do with our operations or business prospects. This volatility could depress the market price of our common stock for reasons unrelated to operating performance. Moreover, the OTC Bulletin Board is not a stock exchange, and trading of securities on the OTC Bulletin Board is often more sporadic than the trading of securities listed on a quotation system like NASDAQ or a stock exchange like Amex. Accordingly, shareholders may have difficulty reselling any of their shares.

Our stock is a penny stock. Trading of our stock may be restricted by the SEC's penny stock regulations and FINRA's sales practice requirements, which may limit a stockholder's ability to buy and sell our stock.

Our stock is a penny stock. The Securities and Exchange Commission in the United States (the "SEC") has adopted Rule 15g-9 which generally defines "penny stock" to be any equity security that has a market price (as defined) less than $5.00 per share or an exercise price of less than $5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors". The term "accredited investor" refers generally to institutions with assets in excess of $5,000,000 or individuals with a net worth in excess of $1,000,000 or annual income exceeding $200,000 or $300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in, and limit the marketability of, our common stock.

In addition to the "penny stock" rules promulgated by the Securities and Exchange Commission, the Financial Industry Regulatory Authority has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and

other information. Under interpretations of these rules, the Financial Industry Regulatory Authority believes that there is a high probability that speculative low-priced securities will not be suitable for at least some customers. The Financial Industry Regulatory Authority requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock.

Table of Contents

You will experience dilution or subordinated stockholder rights, privileges and preferences as a result of our financing efforts.

We must raise additional capital from external sources to carry out our business plan over the next two years. To do so, we may issue debt securities, equity securities or a combination of these securities; however, we may not be able to sell these securities, particularly under current market conditions. Even if we are successful in finding buyers for our securities, such buyers could demand high interest rates or require us to agree to onerous operating covenants, which could in turn harm our ability to operate our business by reducing our cash flow and restricting our operating activities. If we choose to sell shares of our common stock, this will result in dilution to our existing stockholders. In addition, any shares of common stock we may issue may have rights, privileges and preferences superior to those of our current stockholders.

We do not intend to pay dividends and there will thus be fewer ways in which you are able to make a gain on your investment, if at all.

We have never paid dividends and do not intend to pay any dividends for the foreseeable future. To the extent that we may require additional funding currently not provided for in our financing plan, our funding sources may prohibit the declaration of dividends. Because we do not intend to pay dividends, any gain on your investment will need to result from an appreciation in the price of our common stock. There will therefore be fewer ways in which you are able to make a gain on your investment, if at all. There is also no guarantee that your investment will appreciate.

Other Risks

Because one of our directors is located in jurisdictions other than Canada, you may have no effective recourse against the director not located in Canada for misconduct and may not be able to enforce judgment and civil liabilities against this director.

One of our directors is a national and/or resident of a country other than Canada, specifically the Germany. As a result, it may be difficult for investors to enforce within Canada any judgments obtained against our director, including judgments predicated upon the civil liability provisions of the securities laws of Canada.

Trends, Risks and Uncertainties

We have sought to identify what we believe to be the most significant risks to our business, but we cannot predict whether, or to what extent, any of such risks may be realized nor can we guarantee that we have identified all possible risks that might arise. Investors should carefully consider all of such risk factors before making an investment decision with respect to our common stock.

Item 1B. Unresolved Staff Comments

As a “smaller reporting company”, we are not required to provide the information required by this Item.

Item 2. Properties

We maintain a dedicated mailing address and telephone reception service located at 1275 West 6th Avenue, Vancouver, British Columbia, Canada V6H 1A6. We also have access to office and meeting space for a nominal fee, on an as-used basis.

Item 3. Legal Proceedings

We know of no material, existing or pending legal proceedings against our company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered or beneficial stockholder, is an adverse party or has a material interest adverse to our interest.

Item 4. Mine Safety Disclosures

Not applicable.

Table of Contents

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock quoted on the OTCQB under the Symbol "PVOTF". Our common stock was listed for quotation on April 13, 2010.

The following table reflects the high and low bid information for our common stock obtained from Stockwatch and reflects inter-dealer prices, without retail mark-up, markdown or commission, and may not necessarily represent actual transactions.

The high and low bid prices of our common stock for the periods indicated below are as follows:

	OTC Bulletin Board[(1)]	
Quarter Ended	**High**	**Low**
January 31, 2018	$ 2.46	$ 0.355
October 31, 2017	$ 0.52	$ 0.047
July 31, 2017	$ 0.125	$ 0.054
April 30, 2017	$ 0.145	$ 0.054
January 31, 2017	$ 0.145	$ 0.02
October 31, 2016	$ 0.16	$ 0.04
July 31, 2016	$ 0.375	$ 0.073
April 30, 2016	$ 0.90	$ 0.20
January 31, 2016	$ 1.10	$ 0.80

(1) Over-the-counter market quotations reflect inter-dealer prices without retail mark-up, mark-down or commission, and may not represent actual transactions.

As of May 1, 2018, there were approximately 81 holders of record of our common stock. As of such date, 88,055,160 common shares were issued and outstanding.

Our common shares are issued in registered form. National Issuer Services Ltd., 760 – 777 Hornby Street, Vancouver, BC Canada V6Z 1S4, telephone number (604)559-8880, is the registrar and transfer agent for our common shares.

Dividend Policy

We have not paid any cash dividends on our common stock and have no present intention of paying any dividends on the shares of our common stock. Our current policy is to retain earnings, if any, for use in our operations and in the development of our business. Our future dividend policy will be determined from time to time by our board of directors.

Table of Contents

Recent Sales of Unregistered Securities; Use of Proceeds from Registered Securities

Other than as set out below, we did not sell any equity securities which were not registered under the Securities Act during the year ended January 31, 2018 that were not otherwise disclosed on our quarterly reports on Form 10-Q or our current reports on Form 8-K filed during the year ended January 31, 2018.

On June 20, 2017, we issued 200,000 shares of our common stock to a third party for services rendered. We relied on Regulation D and/or Section 4(2) of the Securities Act of 1933.

On September 28, 2017, we issued 2,500,000 shares of our common stock to acquire worldwide rights to BiPhasix™ transdermal drug delivery technology for the development and commercialization of Cannabinoids, Cannabidiol and Tetrahydrocannabinol products. On September 29, 2017, we issued 4,623,825 shares of our common stock upon conversion of outstanding principal and accrued interest on convertible debentures. We relied on Regulation D and/or Section 4(2) of the Securities Act of 1933.

Effective October 17, 2017, we closed a private placement for an aggregate of 2,230,000 shares of our common stock at price of $0.10 per share, for gross proceeds of $223,000. Finder's fee consisted of issuance of 200,000 common shares. On October 30 and November 2, 2017, we issued the securities to six (6) non U.S. persons (at that term as defined in Regulation S of the Securities Act of 1933), relying on Regulation S and/or Section 4(2) of the Securities Act of 1933 and one (1) U.S. person (as that term is defined in Regulation S of the Securities Act of 1933) relying upon Rule 506 of Regulation D of the Securities Act of 1933.

On October 26, 2017, we issued 100,000 shares of our common stock pursuant to a promissory note dated September 27, 2017. On November 2, 2017, we issued 92,384 shares of our common stock for settlement of accounts payable. On November 7, 2017, we issued 50,000 shares of our common stock to a third party for services rendered. We relied on Regulation D and/or Section 4(2) of the Securities Act of 1933.

Effective December 15, 2017, we closed a private placement for an aggregate of 505,000 units, consisting of one common share and one half of one share purchase warrant, at price of $0.20 per unit for gross proceeds of US$101,000. On November 21, 2017, we issued 380,000 common shares and 190,000 share purchase warrants to seven (7) non U.S. persons (at that term as defined in Regulation S of the Securities Act of 1933), relying on Regulation S and/or Section 4(2) of the Securities Act of 1933. On December 18, 2017, we issued 125,000 common shares and 62,500 share purchase warrants to four (4) non U.S. persons (at that term as defined in Regulation S of the Securities Act of 1933), relying on Regulation S and/or Section 4(2) of the Securities Act of 1933. Finder's fee consisted of a cash payment of $5,050 and issuance of 25,250 units, consisting of one common share and one half of one share purchase warrant. On December 18, 2017, we issued 25,250 common shares and 12,625 share purchase warrants, related to finder's fee, to one (1) non U.S. persons (at that term as defined in Regulation S of the Securities Act of 1933), relying on Regulation S and/or Section 4(2) of the Securities Act of 1933.

Effective February 28, 2018, we issued a private placement offering of senior secured convertible debentures ("Convertible Debentures") with a conversion price of $1.74 per common share for aggregate gross proceeds of CDN$5,000,000 (the "Offering"). The Convertible Debentures will bear interest at the rate of 10% per annum, payable quarterly, and will mature 12 months following the date of their issuance. Beginning on the date that is four

months and one day following the issuance of the Convertible Debentures, we may force the conversion of the principal amount of the then outstanding Convertible Debentures at the Conversion Price on not less than 30 days' notice should the daily volume weighted average trading price of the Common Shares be greater than $2.50 for any 20 consecutive trading days on the Canadian Stock Exchange, or such other exchange our common shares are principally traded. We relied on Regulation S of the Securities Act of 1933.

On February 28, 2018, we completed the acquisition of ERS pursuant to which we issued 5,000,000 shares of our common stock. On March 2, 2018, we completed the acquisition of Thrudermic, and worldwide rights to Thrudermic's patented Transdermal Nanotechnology pursuant to which we issued 500,000 shares of our common stock.

On March 12, 2018, we issued 75,000 shares of common stock to a third party for services provided. On March 31, 2018, we issued 44,087 shares of our common stock pursuant to employment agreements. On April 4, 2018, we issued 62,500 shares of our common stock to a third party for services provided. We relied on Regulation D and/or Section 4(2) of the Securities Act of 1933.

Table of Contents

Equity Compensation Plan Information

Except as disclosed below, we do not have a stock option plan in favor of any director, officer, consultant or employee of our company.

Convertible Securities

As of May 1, 2018, we had 13,620,833 outstanding options to purchase shares of our common stock at exercise prices ranging from $0.05 to $1.31 and exercisable until March 11, 2023. As of May 1, 2018, we had outstanding warrants to purchase 265,125 shares of our common stock at exercise price of $0.35 and exercisable until June 14, 2019.

Purchase of Equity Securities by the Issuer and Affiliated Purchasers

We did not purchase any of our shares of common stock or other securities during our fourth quarter of our fiscal year ended January 31, 2018.

Item 6. Selected Financial Data

As a "smaller reporting company", we are not required to provide the information required by this Item.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our audited financial statements and the related notes for the years ended January 31, 2018 and January 31, 2017 that appear elsewhere in this annual report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward looking statements. Factors that could cause or contribute to such differences include, but are not limited to those discussed below and elsewhere in this annual report, particularly in the section entitled "Risk Factors" of this annual report.

Our audited financial statements are stated in United States Dollars and are prepared in accordance with United States Generally Accepted Accounting Principles.

Purchase of Significant Equipment

We do not intend to purchase any significant equipment over the next twelve months.

Personnel Plan

We do not expect any material changes in the number of employees over the next 12 month period (although we may enter into employment or consulting agreements with our officers or directors). We do and will continue to outsource contract employment as needed.

Table of Contents

Results of Operations

For the Years Ending January 31, 2018 and 2017

	Year Ended January 31,	
	2018	**2017**
Revenue	$ Nil	$ Nil
Operating expenses	$1,049,255	$6,023,652
Accretion of discounts on convertible debentures	$ 105,392	$ 69,784
(Gain) loss on change in fair value derivative	$ (204,711)	$ 173,110
Gain on disposal of asset	$ (609,311)	$ Nil
Gain on settlements of debentures	$ (246,828)	$ Nil
Interest expense	$ 27,385	$ 11,661
Net loss	$ 121,182	$6,278,207

During the year ended January 31, 2018, we disposed of our shares of common stock of IndUS and IndUS net liabilities for 3,800,000 shares of common stock of Pivot, which resulted in a gain on disposal of asset of $609,311. In addition, we recorded a gain on settlement of debentures related to conversion of debentures into our common stock, settlement of accounts payable into common stock and conversion of accrued management fees into a promissory note upon the disposal of our shares of IndUS common stock.

Expenses

Our operating expenses for our years ended January 31, 2018 and 2017 are outlined in the table below:

	Year Ended January 31,	
	2018	**2017**
Depreciation and amortization	$ 25,075	$ Nil
Due diligence costs	$ 8,750	$ Nil
Foreign exchange loss	$ 101,466	$ 194,566
General and administrative	$ 344,868	$1,597,990
Management fees	$ 303,421	$4,119,231
Professional fees	$ 195,371	$ 111,865
Research and development	$ 70,304	$ Nil

Operating expenses for year ended January 31, 2018 decreased by $4,974,397 as compared to the comparative period in 2017. In 2017, $1,304,738 of stock-based compensation was included in general and administrative expense as a result of 700,000 common stock issued for services and grants of 6,320,833 options to purchase our common stock. In 2018, $148,909 of stock-based compensation was included in general and administrative to recognize 350,000 shares of our common stock issued to third party service providers and 100,000 stock options

granted to members of our advisory board. Management fees decreased by $3,815,810 from the year ended January 31, 2017 to the year ended January 31, 2018. In 2017, 5,000,000 options to purchase our common stock granted to management. In 2018, no options were granted.

Revenue

We have not earned any revenues since our inception and we do not anticipate earning revenues in the upcoming quarter.

Equity Compensation

Our company has a stock option plan which was adopted and approved by our shareholders on December 30, 2015. During our fiscal year ended January 31, 2017:

- 7,250,000 stock options with exercise price of $0.70 and maturity on February 22, 2021 were granted to directors, officers and consultants,
- 29,000 stock options with exercise price of $0.34, maturity on May 2, 2021 and vesting on May 3, 2016 (26,000 stock options), November 2, 2016 (1,000 stock options), May 2, 2017 (1,000 stock options) and November 2, 2017 (1,000 stock options) were granted to a consultant, and
- 41,833 stock options with exercise price of $0.05 and maturity on January 23, 2022 were granted to related parties pursuant to the Agreement and Plan of Merger and Acquisition Agreement dated as of November 4, 2015 between our company and IndUS.

Table of Contents

During our fiscal year ended January 31, 2018, 100,000 stock options with exercise price of $0.39 and maturity on November 14, 2022 were granted.

We currently do not have any other equity compensation plans or arrangements.

Liquidity and Financial Condition

Working Capital

	At January 31, 2018	At January 31, 2017
Current Assets	$ 149,253	$ 129,758
Current Liabilities	$ 429,200	$ 1,606,979
Working Capital (Deficit)	$ (279,947)	$(1,477,221)

Cash Flows

	Year Ended January 31, 2018	Year Ended January 31, 2017
Net Cash used in Operating Activities	$ (395,602)	$ (377,783)
Net Cash used in Investing Activities	$ Nil	$ Nil
Net Cash Provided by Financing Activities	$ 360,500	$ 398,052
Effects of exchange rate changes on cash	$ (12,808)	$ 20,513

(Decrease) Increase in Cash During the Period	**$ (47,910)**	**$ 40,782**

We will require additional funds to fund our budgeted expenses over the next 12 months. These funds may be raised through equity financing, debt financing, or other sources, which may result in further dilution in the equity ownership of our shares. There is still no assurance that we will be able to maintain operations at a level sufficient for an investor to obtain a return on his investment in our common stock. Further, we may continue to be unprofitable. We need to raise additional funds in the immediate future in order to proceed with our budgeted expenses.

Specifically, we estimate our expenses and working capital requirements for the next 12 months to be as follows:

Product Development	**Estimated Expenses**
Development of BiPhasix Topical Cream (20g)	$ 1,430,000
Development of Thrudermic Topical Tube (20g)	1,590,000
Development of Solmic Oral Dropper Bottle (30ml)	1,040,000
Development of Ready-to-infuse Powderized Products	2,310,000
Product Registration and Regulatory	1,590,000
Data Generation to Claim Indications	3,180,000
Manufacturing and Supply	7,150,000
Sales and Marketing Costs	**3,970,000**
General and Administrative	**1,990,000**
Total:	**$24,250,000**

Table of Contents

Based on our planned expenditures, we will require additional funds of approximately $24.25 million to proceed with our business plan over the next 12 months and the commencement of commercialization of our product initiatives. If we secure less than the full amount of financing that we require, we will not be able to carry out our complete business plan and we will be forced to proceed with a scaled back business plan based on our available financial resources.

Funds raised will be used towards the recruitment of appropriate management and research and development ("R&D") personnel, as well as towards product development expenditures. Specifically, the funds will be used to cover R&D expenses associated with 1) manufacturing scale-up of our products at a GMP-certified, high potency drug manufacturing facility; 2) development and manufacture of formulation of our products at a GMP-certified product manufacturing facility for administration of the drug candidates in animals (for safety evaluation) and subsequently to humans 3) submission to appropriate regulatory authorities for NHP registration.

We anticipate that we will incur substantial losses for the foreseeable future. We have negative cash flows from current operating activities and may continue to be unprofitable. Even if we carry out our expanded research and development activities on our products, there is no guarantee that we will be able to market them or derive any revenues from their sale.

Although we are anticipating commercialization to commence on some of our product initiatives over the next 12 months, anticipated revenues will not be sufficient to finance our business plan. We intend to raise capital through equity and, if necessary, debt financing. We anticipate that the bulk of any additional funding we receive will be in the form of equity financing from the sale of our common stock. However, we do not have any financing arranged and we cannot provide any assurance that we will be able to raise sufficient funds from the sale of our common stock to fund our operations or planned research and development activities. In the absence of such financing, we will not be able to carry out our planned research and development activities. Even if we are successful in obtaining equity financing to fund our operations and research and development activities, there is no assurance that we will

obtain the funding necessary to pursue any advanced research and development following the completion of our planned clinical trials. If we do not continue to obtain additional financing, we may be forced to abandon our business plan. There is no assurance that we will be able to maintain operations at a level sufficient for an investor to obtain a return on his investment in our common stock.

Any modifications to our plans will be based on many factors, including the results of our R&D and the amount of available capital. Further, the extent to which we carry out our development of planned products is dependent upon the amount of financing available to us.

Future Financings

We will require additional financing in order to enable us to proceed with our plan of operations, as discussed above, including approximately $24.25 million over the next 12 months to pay for product development, sales and marketing and general and administrative expenses. These cash requirements are in excess of our current cash and working capital resources. Accordingly, we will require additional financing in order to continue operations and to repay our liabilities. There is no assurance that any party will advance additional funds to us in order to enable us to sustain our plan of operations or to repay our liabilities.

We anticipate continuing to rely on equity sales of our common stock in order to continue to fund our business operations. Issuances of additional shares will result in dilution to our existing stockholders. There is no assurance that we will achieve any additional sales of our equity securities or arrange for debt or other financing to fund our planned business activities.

We presently do not have any arrangements for additional financing for the expansion of our operations, and no potential lines of credit or sources of financing are currently available for the purpose of proceeding with our plan of operations.

Contractual Obligations

As a “smaller reporting company”, we are not required to provide tabular disclosure obligations.

Table of Contents

Going Concern

We have not generated any revenues and are dependent upon obtaining outside financing to carry out our operations and pursue our pharmaceutical research and development activities. If we are unable to generate future cash flows, raise equity or secure alternative financing, we may not be able to continue our operations and our business plan may fail. You may lose your entire investment.

If our operations and cash flow improve, management believes that we can continue to operate. However, no assurance can be given that management’s actions will result in profitable operations or an improvement in our liquidity situation. The threat of our ability to continue as a going concern will cease to exist only when our revenues have reached a level able to sustain our business operations.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

Critical Accounting Policies

The discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with the accounting principles generally accepted in the United States of America. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. These estimates and assumptions are affected by management's application of accounting policies. We believe that understanding the basis and nature of the estimates and assumptions involved with the following aspects of our financial statements is critical to an understanding of our financial statements.

Use of Estimates

The preparation of these financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Our company regularly evaluates estimates and assumptions related to the recoverability of long-lived assets, valuation of convertible debentures, assumptions used to determine the fair value of stock-based compensation and derivative liabilities, and deferred income tax asset valuation allowances. Our company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by our company may differ materially and adversely from our company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

Long-lived Assets

In accordance with ASC 360, "Property, Plant and Equipment", our company tests long-lived assets or asset groups for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable. Circumstances which could trigger a review include, but are not limited to: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and current expectation that the asset will more likely than not be sold or disposed significantly before the end of its estimated useful life. Recoverability is assessed based on the carrying amount of the asset and its fair value, which is generally determined based on the sum of the undiscounted cash flows expected to result from the use and the eventual disposal of the asset, as well as specific appraisal in certain instances. An impairment loss is recognized when the carrying amount is not recoverable and exceeds fair value.

Table of Contents

Stock-Based Compensation

Our company records stock-based compensation in accordance with ASC 718, *Compensation – Stock-Based Compensation*, using the fair value method. All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable.

Derivative Financial Instruments

Derivative financial instruments that are not classified as equity and are not used in hedging relationships are measured at fair value. Subsequent changes to fair value are recorded in the statement of operations.

Income Taxes

Our company accounts for income taxes using the asset and liability method in accordance with ASC 740, "Income Taxes". The asset and liability method provides that deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates and laws that will be in effect when the differences are expected to reverse. Our

company records a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized. As of January 31, 2018 and 2017, our company did not have any amounts recorded pertaining to uncertain tax positions.

Our company files federal and provincial income tax returns in Canada. Our company recognizes interest and penalties related to uncertain tax positions in tax expense. During the years ended January 31, 2018 and 2017, there were no charges for interest or penalties.

Financial Instruments and Fair Value Measures
ASC 820, *Fair Value Measurements*, requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1 - Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 - Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3 - Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

Our company's financial instruments consist principally of cash, amounts receivable, accounts payable, and accrued liabilities, due to related parties and convertible debenture. Pursuant to ASC 820, the fair value of our cash is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. We believe that the recorded values of all of our other financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

Table of Contents

Foreign Currency Translation
The functional currency of our parent entity, Pivot Pharmaceuticals Inc., and our wholly-owned subsidiary, Pivot Green Stream Health Solutions Inc., is the Canadian dollar. Our company's presentation currency is the US dollar.

Monetary assets and liabilities are translated using the exchange rate prevailing at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange in effect at the date of the transaction. Expenses are translated at average rates for the period. Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in the determination of income.

Results of operations are translated into our company's presentation currency, US dollars, at an appropriate average rate of exchange during the year. Net assets and liabilities are translated to US dollars for presentation purposes at rates of exchange in effect at the end of the period. Gains or losses arising on translation are recognized in other comprehensive income (loss) as foreign currency translation adjustments.

Recent Accounting Pronouncements

Our company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

As a "smaller reporting company", we are not required to provide the information required by this Item.

Table of Contents

Item 8. Financial Statements and Supplementary Data

PIVOT PHARMACEUTICALS INC.
Consolidated Financial Statements
Years ended January 31, 2018 and 2017
(Expressed in U.S. dollars)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Pivot Pharmaceuticals Inc.:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Pivot Pharmaceuticals Inc. ("the Company") as of January 31, 2018 and 2017, the related consolidated statements of operations and comprehensive income (loss), stockholders' deficit, and cash flows for each of the years in the two-year period ended January 31, 2018 and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of January 31, 2018 and 2017, and the results of its operations and its cash flows for each of the years in the two-year period ended January 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

Explanatory Paragraph Regarding Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses from operations and has a net capital deficiency which raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with

the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Sadler, Gibb & Associates, LLC

We have served as the Company's auditor since 2014.

Salt Lake City, UT
May 1, 2018

PIVOT PHARMACEUTICALS INC.
Consolidated Balance Sheets
(Expressed in U.S. dollars)

	January 31, 2018 $	January 31, 2017 $
Assets		
Current assets		
Cash	64,511	112,421
Prepaids and other current assets	84,742	17,337
Total current assets	149,253	129,758
Security deposit	–	2,900
Intangible asset, net (Note 5)	234,564	–
Total assets	383,817	132,658
Liabilities and Stockholders' Deficit		

Current liabilities		
Accounts payable and accrued liabilities	217,921	996,853
Due to related parties (Note 13)	10,104	22,574
Convertible debenture, net (Note 6)	–	275,011
Derivative liabilities (Note 7)	–	312,541
Promissory note (Note 8)	201,175	–
Total liabilities	429,200	1,606,979
Stockholders' Deficit		
Common stock: Unlimited shares authorized, without par value, 82,373,559 and 75,647,114 shares issued and outstanding, respectively (Note 9)	8,263,767	7,327,588
Additional paid-in capital	11,816,057	11,211,031
Accumulated other comprehensive income	593,728	584,813
Accumulated deficit	(20,718,935)	(20,597,753)
Total stockholders' deficit	(45,383)	(1,474,321)
Total liabilities and stockholders' deficit	383,817	132,658

Nature of operations and continuance of business (Note 1)

(The accompanying notes are an integral part of these consolidated financial statements)

PIVOT PHARMACEUTICALS INC.
Consolidated Statements of Operations and Comprehensive Income (Loss)
(Expressed in U.S. dollars)

	Year Ended January 31, 2018 $	**Year Ended January 31, 2017 $**
Revenue	–	–
Expenses		
Amortization	25,075	–
Due diligence costs	8,750	–
Foreign exchange loss	101,466	194,566
General and administrative	344,868	1,597,990
Management fees	303,421	4,119,231
Professional fees	195,371	111,865
Research and development	70,304	–

Total expenses	1,049,255	6,023,652
Loss from operations	(1,049,255)	(6,023,652)
Other (expenses) income		
Amortization of discount on convertible debentures	(105,392)	(69,784)
Gain (loss) on change in fair value of derivative liabilities	204,711	(173,110)
Gain on disposal of asset (Note 3)	609,311	–
Gain on settlement of debts	246,828	–
Interest expense	(27,385)	(11,661)
Total other income (expenses)	928,073	(254,555)
Net loss	(121,182)	(6,278,207)
Other comprehensive income (loss)		
Foreign currency translation adjustment	8,915	(160,438)
Net comprehensive loss	(112,267)	(6,438,645)
Net loss per share, basic and diluted	(0.00)	(0.08)
Weighted average shares outstanding – basic and diluted	79,898,541	75,315,288

(The accompanying notes are an integral part of these consolidated financial statements)

PIVOT PHARMACEUTICALS INC.
Consolidated Statements of Stockholders' Deficit
(Expressed in U.S. dollars)

	Common Stock		Common Stock Issuable	Additional Paid-In Capital	Foreign Currency Translation Adjustment	Deficit	Total
	Shares #	Amount $	$	$	$	$	$
Balance – January 31, 2016	74,722,100	7,054,499	16,206	6,174,601	745,251	(14,319,546)	(328,989)
Common stock issued for services	925,000	273,089	(16,206)	–	–	–	256,883
Warrants issued with convertible debenture	–	–	–	20,113	–	–	20,113
Stock-based compensation	–	–	–	5,016,317	–	–	5,016,317
Net loss	–	–	–	–	(160,438)	(6,278,207)	(6,438,645)
Balance – January 31, 2017	75,647,100	7,327,588	–	11,211,031	584,813	(20,597,753)	(1,474,321)
Common stock issued	350,000	98,479	–	–	–	–	98,479

for services							
Common stock issued for settlement of accounts payable and accrued liabilities to related parties	92,384	35,153	–	–	–	–	35,153
Capital contribution by officers in forgiveness of liabilities	–	–	–	552,888	–	–	552,888
Common stock issued for conversion of debenture	4,623,825	601,097	–	–	–	–	601,097
Common stock issued for acquisition of license	2,500,000	262,500	–	–	–	–	262,500
Common stock and warrants issued for cash	2,735,000	324,000	–	–	–	–	324,000
Common stock issued for finder's fee	225,250	(5,050)	–	–	–	–	(5,050)
Cancellation of common stock pursuant to disposal of asset	(3,800,000)	(380,000)	–	–	–	–	(380,000)
Stock-based compensation	–	–	–	52,138	–	–	52,138
Net loss	–	–	–	–	(8,915)	(121,182)	(112,267)
Balance – January 31, 2018	82,373,559	8,263,767	–	11,816,057	593,728	(20,718,935)	(45,383)

(The accompanying notes are an integral part of these consolidated financial statements)

PIVOT PHARMACEUTICALS INC.
Consolidated Statements of Cash Flows
(Expressed in U.S. dollars)

	Year Ended January 31, 2018 $	**Year Ended January 31, 2017 $**
Operating activities		
Net loss	(121,182)	(6,278,207)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization	25,075	–
Amortization of discount on convertible debenture	105,392	69,784
Common stock issued for services	98,479	256,867
Fair value of stock options vested	49,608	4,820,100
(Gain) loss on change in fair value of derivative liabilities	(204,711)	173,110
Gain on disposal of assets	(609,311)	–

Gain on settlement of debts	(246,828)	–
Changes in operating assets and liabilities:		
Prepaids and other current assets	(72,747)	8,018
Due to related parties	9,616	18,334
Accounts payable and accrued liabilities	534,384	572,545
Other liabilities	36,623	–
Net cash used in operating activities	(395,602)	(359,449)
Financing activities		
Proceeds from issuance of common stock and warrants	324,000	–
Proceeds from debenture	36,500	–
Proceeds from issuance of convertible debenture	–	379,718
Net cash provided by financing activities	360,500	379,718
Effects of exchange rate changes on cash	(12,808)	20,513
Net change in cash	(47,910)	40,782
Cash – beginning of period	112,421	71,639
Cash – end of period	64,511	112,421

Supplemental cash flow disclosures (Note 13)

(The accompanying notes are an integral part of these consolidated financial statements)

PIVOT PHARMACEUTICALS INC.
Notes to the Consolidated Financial Statements
Year ended January 31, 2017
(Expressed in U.S. dollars)

1. Nature of Operations and Continuance of Business

Pivot Pharmaceuticals Inc. (the "Company") was incorporated in British Columbia under the Business Corporations Act on June 10, 2002. On April 7, 2015, the Company changed its name from Neurokine Pharmaceuticals Inc. to Pivot Pharmaceuticals Inc. The Company is in the business of developing and commercializing therapeutic pharmaceuticals and nutraceuticals, as well as drug delivery platform technologies.

These consolidated financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at January 31, 2018, the Company has not earned any revenue, has a working capital deficit of $279,947 and an accumulated deficit of $20,718,935. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. These factors raise substantial doubt about the Company's ability to continue as a going concern for a period of one year from the issuance of these financial statements. These consolidated financial statements do not include any adjustments to the recorded assets or liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Significant Accounting Policies

(a) Basis of Presentation

The consolidated financial statements and the related notes of the Company are prepared in accordance with generally accepted accounting principles in the United States and are expressed in U.S. dollars. The Company's fiscal year-end is January 31.

(b) Use of Estimates

The preparation of these consolidated financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to the useful life and recoverability of long-lived assets, assumptions used to determine the fair values of stock-based compensation and derivative liabilities and deferred income tax asset valuation allowances. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

(c) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The consolidating entities include:

	% of ownership	Jurisdiction
Pivot Pharmaceuticals Inc.	Parent	Canada
Pivot Green Stream Health Solutions Inc.	100%	Canada

2. Significant Accounting Policies (continued)

(d) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents. As at January 31, 2018 and 2017, the Company had no cash equivalents.

(e) Intangible Asset

Intangible assets consists of costs incurred to acquire a license. Intangible assets are considered finite live assets and recorded at cost less accumulated amortization and accumulated impairment. Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the asset. Amortization is recorded using the straight-line method and is intended to amortize the license over its estimated useful life of four years.

(f) Stock-Based Compensation

The Company records stock-based compensation in accordance with ASC 718, Compensation – Stock-Based Compensation, using the fair value method. All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable.

(g) Derivative Financial Instruments

Derivative financial instruments that are not classified as equity and are not used in hedging relationships are measured at fair value. Subsequent changes to fair value are recorded in the statement of operations and comprehensive income.

(h) Loss Per Share

The Company computes net loss per share in accordance with ASC 260, Earnings Per Share. ASC 260 requires presentation of both basic and diluted earnings per share ("EPS") on the face of the consolidated statement of operations. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti-dilutive. As at January 31, 2018, the Company has excluded 6,153,764 (2017 – 6,840,834) potential dilutive shares.

(i) Comprehensive Income (Loss)

ASC 220, Comprehensive Income, establishes standards for the reporting and display of comprehensive loss and its components in the consolidated financial statements. As at January 31, 2018 and 2017, the Company's comprehensive income included foreign currency translation adjustments.

(j) Research and Development Costs

Research costs are expensed in the period that they are incurred.

2. Significant Accounting Policies (continued)

(k) Income Taxes

The Company accounts for income taxes using the asset and liability method in accordance with ASC 740, "Income Taxes". The asset and liability method provides that deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating loss and tax credit carry-forwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company records a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized. As of January 31, 2018 and 2017, the Company did not have any amounts recorded pertaining to uncertain tax positions.

The Company files federal and provincial income tax returns in Canada. The Company recognizes interest and penalties related to uncertain tax positions in tax expense. During the years ended January 31, 2018 and 2017, there were no charges for interest or penalties.

(l) Financial Instruments and Fair Value Measures

ASC 820, Fair Value Measurements, requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The Company's financial instruments consist principally of cash, accounts payable, and accrued liabilities, due to related parties and promissory note. Pursuant to ASC 820, the fair value of our cash is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets, and the fair value of derivative liabilities is determined based on "Level 3" inputs. The recorded values of all other financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

(Expressed in U.S. dollars)

2. Significant Accounting Policies (continued)

(m) Foreign Currency Translation

The functional currency of the parent entity, Pivot Pharmaceuticals Inc., and the wholly-owned subsidiary, Pivot Green Stream Health Solutions Inc., is the Canadian dollar. The Company's presentation currency is the US dollar.

Monetary assets and liabilities are translated using the exchange rate prevailing at the consolidated balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange in effect at the date of the transaction. Expenses are translated at average rates for the period. Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in the determination of income.

Results of operations are translated into the Company's presentation currency, US dollars, at an appropriate average rate of exchange during the year. Net assets and liabilities are translated to US dollars for presentation purposes at rates of exchange in effect at the end of the period. Gains or losses arising on translation are recognized in other comprehensive income (loss) as foreign currency translation adjustments.

(n) Reclassifications

We have made reclassifications to certain numbers reported in the prior year to conform to the presentation of the current year.

(o) Recent Accounting Pronouncements

The Company has implemented all new accounting pronouncements that are in effect and that may impact its consolidated financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its consolidated financial position or results of operations.

3. Disposal of Asset

On September 11, 2017, the Company completed an exchange agreement whereby the Company exchanged with its past Chief Executive Officer 100% of its shares of common stock of its wholly-owned subsidiary, IndUS Pharmaceuticals, Inc. ("IndUS"), for 3,800,000 shares of common stock of the Company (Note 9(b)). Pursuant to the exchange agreement, the Company has provided its former Chief Executive Officer a promissory note (Note 8(a)) in the amount of $200,000 in discharge of all obligations with respect to Dr. Chaturvedi's accrued salary totaling $267,267 through September 11, 2017 for which a gain of $102,259 has been included in gain on settlement of debts in the statement of operations.

The disposal of IndUS resulted in a gain as follows:

3,800,000 shares of common stock acquired and cancelled	$ 380,000
Net liabilities exchanged	229,311
Gain on disposal of asset	$ 609,311

(Expressed in U.S. dollars)

The disposal of IndUS did not meet the definition of discontinued operations as it did not represent a strategic shift that has a major effect on the Company's operations and financial results.

4. Asset Acquisitions

(a) BiPhasix License

On September 12, 2017, the Company entered into a licensing agreement with Altum Pharmaceuticals Inc. ("Altum"), a party related by way of common director and officers, whereby the Company acquired worldwide rights to the BiPhasix™ transdermal drug delivery technology for the development and commercialization of Cannabinoids, Cannabidiol and Tetrahydrocannabinol products. Consideration included:

1) Issuance of 2,500,000 shares of common stock on September 12, 2017 valued at $247,556 (Notes 5 and 9(c));

2) Issuance of 2,500,000 shares of common stock of Pivot upon Health Canada Natural Product Number approval (not yet issued as of the date of this report);

3) Royalties on annual gross sales; and

4) For pharmaceutical products, milestone payments payable upon first Investigative New Drug Approval, upon positive outcome of Phase II trial in first indication, and upon New Drug Application approval. As of January 31, 2018 and the date of this report, no milestones have been achieved.

(b) SolMic Solubilization License

On September 23, 2017, the Company entered into a collaboration and license agreement with SolMic GmbH ("Solmic") whereby the Company will acquire worldwide rights to Solmic's Solubilization Technology for the development and commercialization of cannabinoid-containing natural extracts. Milestones include payments upon the following developments: 1) Regulatory approval of a natural health product; 2) First approval of an investigative new drug application for a pharmaceutical product; 3) Positive outcome of a Phase II clinical trial of a pharmaceutical product in the first indication; and 4) Approval of a New Drug Application for a pharmaceutical product by the US Food and Drug Administration. Other consideration include a sales milestone upon aggregate net sales of $5,000,000 and royalties on aggregate net sales, which have not been achieved as at January 31, 2018 and as of the date of this report.

5. Intangible Asset

Cost	**BiPhasix License $**
Balance, January 31, 2017	–
License agreement (Note 4(a))	247,556

(Expressed in U.S. dollars)

Effect of foreign exchange rate changes	12,083
Balance, January 31, 2018	259,639
Accumulated Amortization	
Balance, January 31, 2017	–
Amortization	25,075
Balance, January 31, 2018	25,075
Net book value, January 31, 2018	234,564
Net book value, January 31, 2017	–

Weighted average life remaining on intangible asset is 3.6 years. Future amortization for the next four years is:

5. Intangible Asset (continued)

Expiry Date	**$**
2019	79,793
2020	79,793
2021	79,793
2022	48,969

6. Convertible Debenture

On September 30, 2016, the Company issued a convertible debenture with a non-related party for $500,000 Canadian Dollars ($380,411 US Dollars at September 30, 2016) (“Initial Advance”). The debenture is secured under a General Security Agreement, bears interest at 8% per annum and matures on the earlier of:

- The date the lender demands repayment of principal and interest following an event of default,
- The date of a dissolution event,
- The date of a liquidity event, and
- March 30, 2017.

The Company may request one or more additional advances of up to an aggregate amount of $1,000,000 Canadian Dollars (“Additional Advances”) provided that the aggregate amount under the convertible debenture does not exceed $1,500,000 Canadian Dollars.

The note, including the Initial Advance and any Additional Advances, is convertible into common shares at a conversion price equal to the average closing market price of the Company’s common stock during the five day period leading up to the conversion date. The Company recorded the conversion feature of the

(Expressed in U.S. dollars)

convertible debenture as a derivative liability at an estimated fair value of $134,892 with a corresponding discount to the convertible debenture (Note 7).

Pursuant to the convertible loan agreement, the Company issued 434,622 share purchase warrants to which the lender may acquire an interest in the Company equal to 12% of the maximum principal amount outstanding at any time at a price of $0.10 per share, which equates to the ten day average trading price of the Company's common stock determined as at September 30, 2016. The Company calculated the 434,622 share purchase warrants based on the maximum outstanding principal balance on the convertible loan as of September 30, 2016. The Company recorded the share purchase warrant at an estimated fair value of $20,154 with a corresponding discount to the convertible debenture (Note 11).

On September 18, 2017, the lender converted the outstanding principal and accrued interest of the convertible debenture into 4,623,825 shares of common stock (Note 9(d)) of the Company at a conversion price of $0.10. A loss on conversion of debenture of $21,236 was recorded within gain on settlement of debts in the consolidated statements of operations and comprehensive income. As of January 31, 2018, the carrying value of the convertible debenture is $nil (January 31, 2017 - $275,011) which is net of debt discounts related to conversion feature, financing costs and warrants of $nil, $nil and $nil, respectively (January 31, 2017 - $94,709, $6,126 and $6,477, respectively). As of January 31, 2018, interest accrued on the convertible debenture is $nil (January 31, 2017 - $10,307) and the fair value of the conversion option derivative liability is $nil (January 31, 2017 - $312,541).

7. Derivative Liability

Derivative liability consists of convertible debenture with variable conversion price (Note 6). On September 18, 2017, the convertible debenture was converted into shares of common stock (Note 6). The fair value of derivative liability as at January 31, 2018 and January 31, 2017 is as follows:

	January 31, 2018 $	January 31, 2017 $
September 2016 convertible debenture	–	312,541
	–	312,541

The fair value of derivative financial liability was determined using the binomial option pricing model, using the following assumptions:

	Expected Volatility	Risk-free Interest Rate	Expected Dividend Yield	Expected Life (in years)
As at issuance date:				
September 2016 convertible debenture	296%	0.45%	0%	0.50

(Expressed in U.S. dollars)

8. Promissory Note

	January 31, 2018 $	January 31, 2017 $
Principal (Note 8(a))	200,000	–

(a) Promissory Note – Former Chief Executive Officer (Note 3)

Promissory note bears interest at 8% per annum. Principal and accrued interest are due on the earlier of: 1) 30 days after the completion of a financing of at least $2,000,000 and (ii) September 10, 2027, provided that if repayment occurs prior to the second anniversary date, all interest will be waived. On February 28, 2018, the Company issued senior secured convertible debentures for gross proceeds of $5,000,000 Canadian dollars (Note 15). Accordingly, accrued interest being waived, principal was due and repaid on March 30, 2018. In accordance with ASC 470-10-45-2, the Company has classified the note payable as a current liability.

(b) Promissory Note – Third Party

On September 27, 2017, the Company issued a promissory note in the amount of $400,000, bearing interest at 12% per annum and maturing on December 31, 2018, which no proceeds have been received by the Company as at January 31, 2018. As part of the promissory note, 100,000 shares of our common stock were issued (Note 9(d)).

9. Common Stock

During the year ended January 31, 2018:

(a) On July 19, 2017, 200,000 shares of common stock were issued for services rendered.

(b) On September 11, 2017, 3,800,000 shares of common stock were acquired and cancelled pursuant to the share exchange agreement (Note 3).

(c) On September 12, 2017, 2,500,000 shares of common stock were issued pursuant to the Altum licensing agreement (Note 4(a)).

(d) On September 18, 2017, 4,623,825 shares of common stock were issued upon conversion of convertible debenture (Note 6).

(e) On October 26, 2017, 100,000 shares of common stock were issued pursuant to a promissory note issued (Note 8(b)).

(f) In October 2017, the Company received proceeds totaling $223,000 pursuant to private placements for the

(Expressed in U.S. dollars)

issuance of 2,230,000 shares of common stock at a price of $0.10 per share. 330,000 shares of common stock were issued on October 30 and 1,900,000 shares of common stock were issued on November 2, 2017. On November 2, 2017, 200,000 shares of common stock related to share issue costs on this private placement were issued.

(h) On October 31, 2017, the Company settled $35,153 of accounts payable through the issuance of 92,384 shares of common stock (Note 12(d)), which were issued on November 2, 2017.

(i) On November 7, 2017, 50,000 shares of common stock were issued for services rendered.

(j) Effective December 15, 2017, the Company closed a private placement for an aggregate of 505,000 units, consisting of one common share and one half of one share purchase warrant, at price of $0.20 per unit for gross proceeds of $101,000. On November 21, 2017, 380,000 shares of common stock and 190,000 share purchase warrants were issued. On December 18, 2017, 125,000 shares of common stock and 62,500 share purchase warrants were issued. Finder's fee consisted of a cash payment of $5,050 and issuance of 25,250 units, consisting of one common share and one half of one share purchase warrant. On December 18, 2017, 25,250 shares of common stock and 12,625 share purchase warrants related to the finder's fee were issued.

During the year ended January 31, 2017:

(k) On February 10, 2016, the Company issued 100,000 shares of common stock to service providers for services provided valued at $68,000. The value of the common stock was based on the market price of the stock on the date of issuance.

(l) On February 29, 2016, March 31, 2016, May 2, 2016, May 31, 2016, June 28, 2016, August 2, 2016 and August 30, 2016, the Company issued 25,000 shares of common stock on each of these dates to the Company's CEO as monthly compensation valued at $15,000, $13,750, $7,500, $6,000, $4,875, $3,757 and $3,250, respectively. The value of the common stock was based on the market price of the stock on the date of issuance.

(m) In June 2016, 600,000 shares of common stock were issued to service providers and valued at $144,500 based on the market price of the stock on the dates of issuances.

(n) On July 31, 2016 and January 31, 2017, 25,000 shares of common stock, valued at $3,750 and $2,708, respectively, previously held in escrow were released to a member of the Company's Scientific Advisory Board ("SAB member"). The value of the common stock was based on the market price of the stock on the date of issuance.

10. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of Warrants	Weighted Average Exercise Price

		$
Balance, January 31, 2017	434,622	0.10
Granted (Note 9(j))	265,125	0.35
Expired	(434,622)	0.10
Balance, January 31, 2018	265,125	0.35

As at January 31, 2018, the following share purchase warrants were outstanding:

Number of Warrants	Exercise Price $	Expiry Date
190,000	0.35	May 20, 2019
75,125	0.35	June 14 ,2019

11. Stock Options

Effective December 30, 2015, the Company adopted a stock option plan. Under this plan, the Company may grant options to its directors, officers, employees and consultants up to an amount as determined by the Company and will be no more than a percentage of its outstanding common stock as may be required by the stock exchange the Company is listed with. The exercise price of the stock options will be determined by the Company and will be no less than any minimum exercise price as may be required by the stock exchange the Company is listed with.

The following table summarizes the continuity of the Company's stock options:

	Number of Options	Weighted Average Exercise Price (US$)	Weighted Average Remaining Contractual Life (years)	Aggregate Intrinsic Value (US$)
Outstanding, January 31, 2016	6,200,000	0.10	3.9	32,000
Granted	11,320,833	0.48	4.4	36,599
Forfeited	(2,000,000)	(0.10)	–	–
Outstanding, January 31, 2017	15,520,833	0.38	4.2	68,599
Granted	100,000	0.39	4.79	163,000
Forfeited	(2,000,000)	(0.70)	–	–
Outstanding, January 31, 2018	13,620,833	0.34	3.26	22,917,756

11. Stock Options (continued)

The fair value of stock-based compensation expense was estimated using the Black-Scholes option pricing model and the following assumptions:

	Expected Volatility	Risk-free Interest Rate	Expected Dividend Yield	Expected Life (in years)
200,000 options expiring on November 30, 2020	415%	1.48%	0%	3.8
5,250,000 options expiring on February 22, 2021	388%	1.48%	0%	4.3
29,000 options expiring on May 2, 2021	375%	1.73%	0%	3.5
4,000,000 options expiring on December 14, 2021	426%	2.10%	0%	5.0
41,833 options expiring on January 23, 2021	428%	1.94%	0%	5.0
100,000 options expiring on November 14, 2022	382%	1.76%	0%	4.8

Additional information regarding stock options as of January 31, 2018, is as follows:

Options Outstanding	Options Exercisable	Exercise Price $	Expiry Date
200,000	200,000	0.25	November 30, 2020
4,000,000	4,000,000	0.10	December 14, 2020
5,250,000	5,250,000	0.70	February 22, 2021
29,000	29,000	0.34	May 2, 2021
4,000,000	4,000,000	0.10	December 14, 2021
41,833	41,833	0.05	January 23, 2022
100,000	25,000	0.39	November 14, 2022
13,620,833	13,545,833		

$112,147 of stock-based compensation have yet to be recognized and will be recognized in future periods.

12. Supplemental Cash Flow Disclosures

	January 31, 2018 $	January 31, 2017 $
Supplemental disclosures:		
Interest paid	–	–
Income tax paid	–	–
Non-cash investing and financing activities:		
Capital contribution through forgiveness of debt	552,888	–
Common stock issued for finders' fee	39,673	–
Common stock issued for settlement of accounts payable	35,153	–
Common stock issued for settlement of convertible debenture	601,097	–
Common stock issued for intangible asset	262,500	–
Debt discounts on convertible debt	–	174,364
Promissory note issued for settlement of accrued salaries	200,000	–
Common stock received and constructively retired in disposition of assets	380,000	–

PIVOT PHARMACEUTICALS INC.
Notes to the Consolidated Financial Statements
Year ended January 31, 2017
(Expressed in U.S. dollars)

13. Related Party Transactions

(a) As at January 31, 2018, the Company owed $4,767 (2017 - $4,154) to a director of the Company, which is unsecured, non-interest bearing, and due on demand.

(b) As at January 31, 2018, the Company owed $nil (2017 – $18,421) to the Company's past Chief Executive Officer.

(c) On September 12, 2017, the Company entered into a licensing agreement with Altum, a party related by way of common director and officers, whereby the Company acquired worldwide rights to the BiPhasix™ transdermal drug delivery technology for the development and commercialization of Cannabinoids, Cannabidiol and Tetrahydrocannabinol products (Note 4(a)). As at January 31, 2018, the Company owed Altum $5,337 (2017 - $nil) for expenses paid on behalf of the Company, which was repaid subsequent to year end.

(d) During the year ended January 31, 2018, a capital contribution amounting to $552,888 was made by two officers who forgave accrued management fees. In addition, $35,153 of accounts payable due to a company controlled by the Company's Chief Financial Officer were settled for 92,384 shares of common stock.

14. Income Taxes

The Company has approximately $7.7 million of non-capital losses carried forward to offset taxable income in future years which expire beginning in fiscal 2029. The income tax benefit differs from the amount computed by applying the Canadian federal and provincial statutory rates to net loss before income taxes for the years ended January 31, 2018 and 2017, respectively, as a result of the following:

	2018 $	2017 $
Net loss before taxes	121,182	6,329,029
Statutory rate	26.0%	26.0%
Expected tax recovery	31,507	1,645,548
Lower effective tax rate on losses in U.S. jurisdiction	(1,458)	(2,538)
Permanent differences and other	5,950	(1,380,771)
Expenses deductible for tax purposes	28	35
Current period losses not recognized	(36,027)	(262,274)
Income tax provision	–	–

The significant components of deferred income tax assets and liabilities as at January 31, 2018 and 2017, after applying enacted corporate income tax rates, are as follows:

	2018 $	2017 $

(Expressed in U.S. dollars)

Share issue costs	7,047	–
Non-capital losses carried forward	2,004,369	2,351,702
Valuation allowance	(2,011,416)	(2,351,702)
Net deferred tax asset	–	–

14. Income Taxes (continued)

The following table lists the fiscal year in which the loss was incurred and the expiration date of the operating loss:

Expiry Date	Non-Capital Loss $
2029	353,468
2030	63,430
2031	113,439
2032	535,169
2033	-
2034	558,959
2035	1,185,382
2036	3,772,475
2037	1,030,791
2038	95,570
	7,708,683

15. Subsequent Events

Effective February 28, 2018, the Company issued promissory notes for up to CDN $1,000,000 which accrue interest at 10% per annum and mature on December 29, 2022. CDN$557,000 was advanced to the Company, which was repaid with proceeds from the issuance of senior secured convertible debentures on February 28, 2018.

Effective February 28, 2018, the Company issued senior secured convertible debentures with a conversion price of $1.74 per common share for aggregate gross proceeds of CDN$5,000,000 (the "Offering"). The convertible debentures will bear interest at the rate of 10% per annum, payable quarterly, and will mature 12 months following the date of their issuance. Beginning on the date that is four months and one day following the issuance of the convertible debentures, the Company may force the conversion of the principal amount of the then outstanding convertible debentures at the conversion price on not less than 30 days' notice should the daily volume weighted average trading price of the shares of common stock be greater than $2.50 for any 20 consecutive trading days on the Canadian Stock Exchange, or such other exchange our common shares are principally traded.

On February 28, 2018, the Company completed the acquisition of ERS Holdings, LLC ("ERS") pursuant to an Exchange Agreement dated as of February 10, 2018 among the Company, ERS and the members of ERS. As consideration for the purchase, the Company paid $333,333 in cash on closing, issued 5,000,000 shares of common stock and will pay an additional $333,333 six and twelve (12) months after closing. Financial consideration include royalties on future annual net sales.

On March 2, 2018, the Company completed the acquisition of Thrudermic, LLC ("Thrudermic") and worldwide rights to Thrudermic's patented Transdermal Nanotechnology for the development and commercialization of transdermal cannabinoids pursuant to an Exchange Agreement dated as of March 2, 2018 among the Company, Dr. Joseph Borovsky, Dr. Leonid Lurya and Thrudermic. As consideration for the purchase, the Company paid $1 in cash on closing and issued 500,000 shares of our common stock.

On March 12, 2018, the Company granted 200,000 options to purchase common stock to a third party with exercise price of $1.76 Canadian dollars per share, expiry on March 11, 2023 and equal monthy vesting over 12 months.

On March 14, 2018 and April 4, 2018, the Company issued 75,000 and 62,500 shares of common stock, respectively, to third parties for services rendered. On March 31, 2018, the Company issued 44,087 shares of common stock pursuant to employment agreements entered into upon the acquisitions of ERS and Thrudermic.

Table of Contents

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

There were no disagreements related to accounting principles or practices, financial statement disclosure, internal controls or auditing scope or procedure during the two fiscal years and interim periods, including the interim period up through the date the relationship ended.

Item 9A. Controls and Procedures

Management's Report on Disclosure Controls and Procedures

As required by Rule 13a-15 under the Exchange Act, our management evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of January 31, 2018 and determined that they were not effective.

Disclosure controls and procedures refer to controls and other procedures designed to ensure that information required to be disclosed in the reports we file or submit under the Securities Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and that such information is accumulated and communicated to our management, including our president (our principal executive officer) and our chief financial officer (our principal financial officer and principal accounting officer), as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating and implementing possible controls and procedures.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision and with the participation of our management, including our president (our principal executive officer) and our chief financial officer (our principal financial officer and principal accounting officer), we

conducted an evaluation of the effectiveness of our internal control over financial reporting as of January 31, 2018 using the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our company's annual or interim financial statements will not be prevented or detected on a timely basis. In its assessment of the effectiveness of internal control over financial reporting as of January 31, 2018, our company determined that there were control deficiencies that constituted material weaknesses, as described below:

1. *We did not maintain appropriate financial reporting controls* – As of January 31, 2018, our company has not maintained sufficient internal controls over financial reporting for the financial reporting process. As at January 31, 2018, our company did not have sufficient financial reporting controls with respect to the segregation of incompatible duties related to the ability to post adjusting journal entries and access to our company's assets.

Accordingly, our company concluded that these control deficiencies resulted in a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis by the company's internal controls.

As a result of the material weaknesses described above, management has concluded that our company's internal control over financial reporting was not effective as of January 31, 2018 based on criteria established in *Internal Control—Integrated Framework* issued by COSO.

Table of Contents

Sadler, Gibb & Associates, LLC, our independent registered public auditors, was not required to and has not issued an attestation report concerning the effectiveness of our internal control over financial reporting as of January 31, 2018 pursuant to temporary rules of the Securities and Exchange Commission that permit our company to provide only management's report in this annual report.

Changes in Internal Controls

During the period ended January 31, 2018, there were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

On February 5, 2015, we accepted the resignation of Dr. Ahmad Doroudian as our President and Chief Executive Officer of our company. Dr. Ahmad Doroudian remains a director and serves as Chairman of the Board. In addition, Dr. Hamid Doroudian resigned as a director of our company. The resignations of Dr. Ahmad Doroudian and Dr. Hamid Doroudian were not the result of any disagreements with our company regarding our operations, policies, practices or otherwise.

Also on February 5, 2015, Dr. Barbara-Jean Bormann-Kennedy (BJ Bormann) and Dr. Wolfgang Renz were appointed directors of our company. Concurrently with Dr. Ahmad Doroudian's resignation, we appointed Dr. Bormann as Chief Executive Officer of our company.

On November 16, 2015, we accepted the resignation of Dr. BJ Bormann as director. We also accepted the resignation of Dr. Bormann as our Chief Executive Officer effective October 16, 2015. Dr. Bormann's resignation was not the result of any disagreements with our company regarding our operations, policies, practices or otherwise. Dr. Ahmad Doroudian, our director and Chairman of the Board, was appointed as our interim Chief Executive Officer.

On November 20, 2015, we appointed Dr. Pravin Chaturvedi as our new Chief Executive Officer and Director. Also on the same date, we accepted the resignation of Dr. Ahmad Doroudian as interim Chief Executive Officer. Dr. Doroudian remained as Chairman of the board. On February 1, 2016, Dr. Doroudian became our Chief Business Officer.

On November 18, 2016, we accepted the resignation of Dr. Ahmad Doroudian as a member of our Audit Committee. Concurrently, we appointed Dr. Wolfgang Renz to the Audit Committee. On November 24, 2017, Dr. Ahmad Doroudian was appointed to the Audit Committee.

On September 11, 2017, we accepted the resignation of Dr. Pravin Chaturvedi as our Chief Executive Officer and Director. On the same date, we appointed Dr. Patrick Frankham as our new Chief Executive Officer.

Table of Contents

PART III

Item 10. Directors, Executive Officers and Corporate Governance

All directors of our company hold office until the next annual meeting of the security holders or until their successors have been elected and qualified. The officers of our company are appointed by our board of directors and hold office until their death, resignation or removal from office. Our directors and executive officers, their ages, positions held, and duration as such, are as follows:

Name	Position Held with the Company	Age	Date First Elected or Appointed
Dr. Ahmad Doroudian	Chairman, Secretary, Chief Business Officer and Director	57	September 17, 2007
Dr. Patrick Frankham	Chief Executive Officer and Director	46	November 20, 2015
Moira Ong	Chief Financial Officer	43	December 26, 2010
Dr. Wolfgang Renz	Director	48	February 5, 2015

Business Experience

The following is a brief account of the education and business experience during at least the past five years of each director, executive officer and key employee of our company, indicating the person's principal occupation during that period, and the name and principal business of the organization in which such occupation and employment were carried out.

Dr. Ahmad Doroudian – Chairman, Secretary, Chief Business Officer and Director
Dr. Ahmad Doroudian was as our appointed president, Chief Executive Officer and Director on September 17, 2007 and as Chief Executive Officer and secretary on March 30, 2011. He resigned as President, Chief Executive Officer and Secretary on August 30, 2011 and was re-appointed as President, Chief Executive Officer and Secretary on July 24, 2014. Dr. Doroudian subsequently resigned as President and Chief Executive Officer on February 5, 2015 and was appointed as Chairman on that date. Currently, Dr. Ahmad Doroudian acts as our company's Chairman, Secretary, Chief Business Officer and Director.

Prior to joining us, Dr. Doroudian was involved in early stage financing and management of private and publicly listed companies. From 1997 to 2004, he acted as the chief executive officer, chairman, vice chairman and director of PanGeo Pharma, Inc. (now PendoPharm, a division of Pharmascience Inc.), a TSX-listed company founded by Dr. Doroudian which received over $100 million dollars in financing. From 2004 through 2007, Dr. Doroudian also served as the president of, Rayan Pharma Inc., an exporter of pharmaceuticals to Eastern Europe. From 2006 to 2008, Dr. Doroudian was owner and chief executive officer of ABF Pharmacy, a group of successful retail

pharmacies. Dr. Doroudian was also the chief executive officer of Merus Labs International Inc., a specialty pharmaceutical company engaged in the acquisition and licensing of pharmaceutical products.

Dr. Patrick Frankham –Director
Dr. Patrick Frankham was appointed as director of our company on July 24, 2014 and as Chief Executive Officer on September 11, 2017. Dr. Frankham has over 22 years of experience in the biopharmaceutical and services industries. Prior to joining Pivot Pharmaceuticals he was Executive Director, Healthcare Innovation, Boehringer-Ingelheim GmbH. He has also founded several multinational healthcare startup enterprises including healthcare information technology, services and pharmaceuticals companies. His professional experience includes public and private companies as well as multinational corporations. He has developed pharmaceutical products in several therapeutic areas and interacted with global regulatory authorities. Notable prior organizations where he held increasing leadership roles include, Phoenix International Life Sciences (MDS Pharma Services), Endoceutics Inc., AeternaZentaris, BioAxone Biosciences, & ICON Clinical Research. Dr Frankham obtained his PhD in molecular endocrinology (Université Laval, Canada), and holds an MBA in Finance (University of Liverpool, UK). We appointed Dr. Frankham to our board due to his background in the biopharmaceutical industry.

Moira Ong – Chief Financial Officer
Moira Ong was appointed as our Chief Financial Officer on December 26, 2010. Ms. Ong has more than 20 years of experience in public company accounting and audit reporting. From 2010 through 2012, Ms. Ong was also the vice president of finance of Merus Labs International Inc., a specialty pharmaceutical company engaged in the acquisition and licensing of pharmaceutical products. From 2005 until 2010, Ms. Ong was senior manager at a global accounting firm in charge of completion of financial statements for Canadian publicly listed companies. From 2003 to 2005 she served as financial consultant for a private financial planning company. Ms. Ong was a manager in the banking and securities group at a global accounting firm in New York from 2000 to 2003. Ms. Ong obtained her Chartered Professional Accountant designation in 1999 and her Chartered Financial Analyst designation in 2003.

Table of Contents

Dr. Wolfgang Renz - Director
Dr. Wolfgang Renz was appointed as a director of our company on February 5, 2015. Dr. Wolfgang Renz is president of international business at Physicians Interactive. Formerly, he served as corporate vice president of business model & healthcare innovation at Boehringer Ingelheim, one of the world's largest pharmaceutical companies. For over a decade, he has been involved in developing medicines and technology to help people lead healthier, more productive lives. At Boehringer Ingelheim, he led a team of specialists to find, test, and develop the disruptive technologies that will shape the way health care will be delivered in the future. In addition, he also serves as adjunct professor of surgery at McGill University's Faculty of Medicine in Montreal, Canada. Dr. Renz holds a medical degree and a Ph.D. from Freiburg University and is board certified in Germany in emergency medicine.

Family Relationships

There are no other family relationships between any of our directors, executive officers and proposed directors or executive officers.

Conflicts of Interest

Dr. Doroudian is a co-founder and chief executive officer of Altum Pharmaceuticals Inc., a company engaged in the research, development and commercialization of novel pharmaceutical products.

Dr. Renz is president of international business at Physicians Interactive and also serves as adjunct professor of surgery at McGill University's Faculty of Medicine in Montreal, Canada.

While we do not anticipate that these activities will compete with our business, Dr. Doroudian and Dr. Renz may have pre-existing fiduciary duties with one or more organizations and may not agree to present business opportunities or research data to us unless other entities have first declined to accept them or consented to their release. Accordingly, they may have a conflict of interest in determining to which entity a particular business opportunity should be presented.

Our directors are not obligated to commit their time and attention exclusively to our business and, accordingly, they may encounter a conflict of interest in allocating their time between our operations and those of other businesses. Our directors devote their time on an as needed basis. All of our directors, in the course of their other business activities, may become aware of investment and business opportunities which may be appropriate for presentation to us as well as other entities to which they owe a fiduciary duty. As a result, they may have conflicts of interest in determining to which entity a particular business opportunity should be presented. They may also in the future become affiliated with entities engaged in business activities similar to those we intend to conduct.

In general, officers and directors of a corporation are required to present business opportunities to a corporation if:

- the corporation could financially undertake the opportunity;
- the opportunity is within the corporation's line of business; and
- it would be unfair to the corporation and its stockholders not to bring the opportunity to the attention of the corporation.

Table of Contents

Involvement in Certain Legal Proceedings

To the best of our knowledge, none of our directors or executive officers has, during the past ten years:

1. been convicted in a criminal proceeding or been subject to a pending criminal proceeding (excluding traffic violations and other minor offences);
2. had any bankruptcy petition filed by or against the business or property of the person, or of any partnership, corporation or business association of which he was a general partner or executive officer, either at the time of the bankruptcy filing or within two years prior to that time;
3. been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction or federal or state authority, permanently or temporarily enjoining, barring, suspending or otherwise limiting, his involvement in any type of business, securities, futures, commodities, investment, banking, savings and loan, or insurance activities, or to be associated with persons engaged in any such activity;
4. been found by a court of competent jurisdiction in a civil action or by the SEC or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;
5. been the subject of, or a party to, any federal or state judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated (not including any settlement of a civil proceeding among private litigants), relating to an alleged violation of any federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
6. been the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act (15 U.S.C. 78c(a)(26))), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act (7 U.S.C. 1(a)(29))), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Compliance with Section 16(a) of the Securities Exchange Act of 1934

Our common stock is not registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Accordingly, our officers, directors, and principal stockholders are not subject to the beneficial ownership reporting requirements of Section 16(a) of the Exchange Act.

Code of Ethics

Effective April 20, 2011, our company's board of directors adopted a code of business conduct and ethics that applies to, among other persons, members of our board of directors, our company's officers including our president, chief executive officer and chief financial officer, employees, consultants and advisors. As adopted, our code of business conduct and ethics sets forth written standards that are designed to deter wrongdoing and to promote:

1. honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
2. full, fair, accurate, timely, and understandable disclosure in reports and documents that we file with, or submit to, the Securities and Exchange Commission and in other public communications made by us;
3. compliance with applicable governmental laws, rules and regulations;
4. the prompt internal reporting of violations of the code of business conduct and ethics to an appropriate person or persons identified in the code of business conduct and ethics; and
5. accountability for adherence to the code of business conduct and ethics.

Our code of business conduct and ethics requires, among other things, that all of our company's senior officers commit to timely, accurate and consistent disclosure of information; that they maintain confidential information; and that they act with honesty and integrity.

In addition, our code of business conduct and ethics emphasizes that all employees, and particularly senior officers, have a responsibility for maintaining financial integrity within our company, consistent with generally accepted accounting principles, and federal and state securities laws. Any senior officer who becomes aware of any incidents involving financial or accounting manipulation or other irregularities, whether by witnessing the incident or being told of it, must report it to our company. Any failure to report such inappropriate or irregular conduct of others is to be treated as a severe disciplinary matter. It is against our company policy to retaliate against any individual who reports in good faith the violation or potential violation of our company's code of business conduct and ethics by another.

Table of Contents

Our code of business conduct and ethics was included as an exhibit to our annual report on Form 10-K filed with the SEC on May 11, 2011. We will provide a copy of the code of business conduct and ethics to any person without charge, upon request. Requests can be sent to: Pivot Pharmaceuticals Inc., 1275 West 6th Avenue, Vancouver, British Columbia V6H 1A6.

Committees of the Board

All proceedings of our board of directors were conducted by resolutions consented to in writing by all the directors and filed with the minutes of the proceedings of the directors. Such resolutions consented to in writing by the directors entitled to vote on that resolution at a meeting of the directors are, according to the corporate laws of the state of Nevada and the bylaws of our company, as valid and effective as if they had been passed at a meeting of the directors duly called and held.

Our company currently does not have nominating, compensation committees or committees performing similar functions nor does our company have a written nominating, compensation or audit committee charter. Our board of

directors does not believe that it is necessary to have such committees because it believes that the functions of such committees can be adequately performed by our directors.

Our company does not have any defined policy or procedure requirements for shareholders to submit recommendations or nominations for directors. The directors believe that, given the early stage of our development, a specific nominating policy would be premature and of little assistance until our business operations develop to a more advanced level. Our company does not currently have any specific or minimum criteria for the election of nominees to the board of directors and we do not have any specific process or procedure for evaluating such nominees. Our directors assess all candidates, whether submitted by management or shareholders, and make recommendations for election or appointment.

A shareholder who wishes to communicate with our board of directors may do so by directing a written request addressed to our president, at the address appearing on the first page of this annual report.

Audit Committee and Audit Committee Financial Expert

Our board of directors has determined that none of our the members of our audit committee qualifies as an "audit committee financial expert" as defined in Item 407(d)(5)(ii) of Regulation S-K. Dr. Wolfgang Renz is "independent" as the term is used in Item 7(d)(3)(iv) of Schedule 14A under the Securities Exchange Act of 1934, as amended.

Our company has a formal audit committee which was formed in May 2010, but currently does not have a financial expert. Our audit committee consists of Dr. Patrick Frankham, Dr. Wolfgang Renz and Dr. Ahmad Doroudian. Financial information relating to quarterly reports was disseminated to all board members for review. The audited financial statements for the years ended January 31, 2018 and 2017 were provided to each member of the board in which any concerns by the members were directed to management and the auditors.

We believe that the members of our board of audit committee and our entire board of directors are collectively capable of analyzing and evaluating our financial statements and understanding internal controls and procedures for financial reporting. We believe that retaining an independent director who would qualify as an "audit committee financial expert" would be overly costly and burdensome and is not warranted in our circumstances given the early stages of our development and the fact that we have not generated any material revenues to date. In addition, we currently do not have nominating, compensation or audit committees or committees performing similar functions nor do we have a written nominating, compensation or audit committee charter. Our board of directors does not believe that it is necessary to have such committees because it believes the functions of such committees can be adequately performed by our board of directors.

Our company has an audit committee charter which was adopted and approved by our board of directors on May 25, 2010.

Table of Contents

Item 11. Executive Compensation

The particulars of the compensation paid to the following persons:

(a) our principal executive officer;
(b) each of our two most highly compensated executive officers who were serving as executive officers at the end of the years ended January 31, 2018 and 2017; and
(c) up to two additional individuals for whom disclosure would have been provided under (b) but for the fact that the individual was not serving as our executive officer at the end of the years ended January 31, 2018 and 2017,

who we will collectively refer to as the named executive officers of our company, are set out in the following summary compensation table, except that no disclosure is provided for any named executive officer, other than our principal executive officers, whose total compensation did not exceed $100,000 for the respective fiscal year:

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensa-tion ($)	Nonqualified Deferred Compensa-tion Earnings ($)	All Other Compens-ation ($)	Total ($)
Dr. Patrick Frankham [1]	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
President, Chief Executive Officer and Director	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dr. Pravin Chaturvedi [2]	2018	117,000	Nil	Nil	Nil	Nil	Nil	Nil	117,000
Past President, Chief Executive Officer and Director	2017	125,000	Nil	54,132	860,705	Nil	Nil	Nil	1,039,837
Moira Ong [3]	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Chief Financial Officer	2017	Nil[5]	Nil	Nil	430,352	Nil	Nil	Nil	430,352
Dr. Ahmad Doroudian [4]	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Chairman, Secretary, Chief Business Officer and Director	2017	Nil[5]	Nil	Nil	860,705	Nil	Nil	Nil	860,705

(1) Dr. Frankham was appointed as our president, Chief Executive Officer and Director on September 11, 2017.
(2) Dr. Chaturvedi was appointed as our president, Chief Executive Officer and Director on November 20, 2015 and resigned as Chief Executive Officer and Director on September 11, 2017.
(3) Ms. Ong was appointed as our Chief Financial Officer on December 26, 2010.
(4) Dr. Doroudian was appointed as our President, Chief Executive Officer and Director on September 17, 2007 and as Chief Executive Officer and Secretary on March 30, 2011. He resigned as President, Chief Executive Officer and Secretary on August 30, 2011 and was re-appointed as president, Chief Executive Officer and secretary on July 24, 2014. Dr. Doroudian subsequently resigned as President and Chief Executive Officer on February 5, 2015 and was appointed as Chairman on that date. Currently Dr. Ahmad Doroudian acts as our company's Chairman, Secretary, Chief Business Officer and Director.
(5) Amounts incurred as salaries for the year ended January 31, 2017 of $200,000 for Ms. Ong and $200,000 for Dr. Doroudian were forgiven on July 31, 2017.

Other than as set out below, there are no arrangements or plans in which we provide pension, retirement or similar benefits for directors or executive officers. Our directors and executive officers may receive share options at the discretion of our board of directors in the future. We do not have any material bonus or profit sharing plans pursuant to which cash or non-cash compensation is or may be paid to our directors or executive officers, except that share options may be granted at the discretion of our board of directors.

Table of Contents

Stock Option Plan

Our company has stock option plan which was adopted and approved by our shareholders on December 30, 2015.

Stock Options/SAR Grants

During our fiscal year ended January 31, 2018, we did not grant any stock options to officers and directors.

During our fiscal year ended January 31, 2017:

- 5,000,000 stock options with exercise price of $0.70 and maturity on February 22, 2021 to officers and directors, including our past President, Dr. Chaturvedi.
- 4,000,000 stock options with exercise price of $0.10 and maturity on December 14, 2021 were granted to two of our directors.

Outstanding Equity Awards at Fiscal Year End

The particulars of unexercised options, stock that has not vested and equity incentive plan awards for our named executive officers are set out in the following table:

	Options Awards					Stock Awards			
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Market Value of Shares or Units of That Have Not Vested ($)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Stock Rights That Have Not Vested (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)**
Dr. Patrick Frankham	2,000,000	2,000,000	N/A	$ 0.10	December 14, 2020	N/A	N/A	N/A	N/A
Chief Executive Officer	2,000,000	2,000,000	N/A	$ 0.10	December 14, 2021	N/A	N/A	N/A	N/A
Moira Ong *Chief Financial Officer*	1,000,000	1,000,000	N/A	$ 0.70	February 22, 2021	N/A	N/A	N/A	N/A

Dr. Ahmad Doroudian *Chief Business Officer*	2,000,000	2,000,000	N/A	$ 0.70	February 22, 2021	N/A	N/A	N/A	N/A

Table of Contents

Option Exercises

During our fiscal year ended January 31, 2018, there were no options exercised by our named officers.

Compensation of Directors

Other than set out below, we do not have any agreements for compensating our directors for their services in their capacity as directors, although such directors are expected in the future to receive stock options to purchase shares of our common stock as awarded by our board of directors.

We have determined that Dr. Wolfgang Renz is an independent director, as that term is used in Item 7(d)(3)(iv)(B) of Schedule 14A under the *Securities Exchange Act of 1934*, as amended, and as defined by Rule 4200(a)(15) of the NASDAQ Marketplace Rules.

Effective November 19, 2015, we entered into director services agreements with our directors, Dr. Wolfgang Renz and Dr. Patrick Frankham. Pursuant to the agreements each director shall provide director services to our company for a period of 24 months in consideration for 10,000,000 options to purchase our common stock to be granted as follows: 2,000,000 options on each of December 15, 2015, December 15, 2016, December 15, 2017, December 15, 2018 and December 15, 2019. Each agreement may be terminated by our company without notice for cause, or by any party with 30 days prior notice. No options were granted on December 15, 2017 as such grants would have exceeded the limitations set out in our Stock Option Plan.

Pension, Retirement or Similar Benefit Plans

There are no arrangements or plans in which we provide pension, retirement or similar benefits for directors or executive officers. We have no material bonus or profit sharing plans pursuant to which cash or non-cash compensation is or may be paid to our directors or executive officers, except that stock options may be granted at the discretion of the board of directors or a committee thereof.

Indebtedness of Directors, Senior Officers, Executive Officers and Other Management

None of our directors or executive officers or any associate or affiliate of our company during the last two fiscal years, is or has been indebted to our company by way of guarantee, support agreement, letter of credit or other similar agreement or understanding currently outstanding.

Table of Contents

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth, as of May 1, 2018, certain information with respect to the beneficial ownership of our common shares by each shareholder known by us to be the beneficial owner of more than 5% of our common shares, as well as by each of our current directors and executive officers as a group. Each person has sole voting and investment power with respect to the shares of common stock, except as otherwise indicated. Beneficial ownership consists of a direct interest in the shares of common stock, except as otherwise indicated.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Class [1]
Dr. Ahmad Doroudian [2] 4172 Doncaster Way Vancouver BC V6S 1V9	23,050,889[3] CommonShares	26.18%
Dr. Patrick Frankham [6] 388 De La Vauvette Rosemere, QC, J7A 4J7	4,000,000[7] CommonShares	4.54%
Moira Ong [4] 2392 Lawson Avenue West Vancouver, BC V7V 2E6	3,092,384[5] CommonShares	3.51%
Dr. Wolfgang Renz [8] Am Hochgericht 31 Rheinfelden, Germany 79618	4,000,000[9] CommonShares	4.54%
Patrick Rolfes [10] 1161 N. Anaheim Blvd. Anaheim, CA 92801	779,763[11] CommonShares	0.89%
Joseph Borovsky [12] 4843 Gate Post Lane Wilmington, NC 28412	255,023[13] CommonShares	0.29%
Directors and Officers as a Group[1]	***35,178,059 Common Shares***	***39.95%***
None		
Over 5% Shareholders as a Group	***Nil Common Shares***	***Nil%***

(1) Under Rule 13d-3, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: (i) voting power, which includes the power to vote, or to direct the voting of shares; and (ii) investment power, which includes the power to dispose or direct the disposition of shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares outstanding is deemed to include the amount of shares beneficially owned by such person (and only such person) by reason of these acquisition rights. As a result, the percentage of outstanding shares of any person as shown in this table does not necessarily reflect the person's actual ownership or voting power with respect to the number of shares of common stock actually outstanding on April 28, 2017. As of April 28, 2017, there were 75,647,114 shares of our company's common stock issued and outstanding.

(2) Dr. Ahmad Doroudian was appointed as our President, Chief Executive Officer and Director on September 17, 2007 and as Chief Executive Officer and Secretary on March 30, 2011. He resigned as President, Chief Executive Officer and Secretary on August 30, 2011 and was re-appointed as President, Chief Executive Officer and Secretary on July 24, 2014. Dr. Doroudian subsequently resigned as President and Chief Executive Officer on February 5, 2015 and was appointed as Chairman on that date. Currently Dr. Ahmad Doroudian acts as our company's Chairman, Secretary, Chief Business Officer and Director.

(3) Includes 17,385,939 shares owned by Dr. Doroudian, 200,000 shares owned by Khadija Zerouali, the spouse of Dr. Ahmad Doroudian, 200,000 shares owned by Kinwa Pharma International Company Ltd., a company over which Dr. Ahmad Doroudian and Ms. Zerouali have shared voting and investment power, 3,264,950 shares owned by Sassel Investments Inc., a company over which Dr. Ahmad Doroudian has voting and investment power and 2,000,000 options to purchase shares at $0.70 for a period of five years from February 23, 2016.

(4) Ms. Ong was appointed as our Chief Financial Officer on December 26, 2010.

(5) Includes 2,092,384 shares owned by Ms. Ong and 1,000,000 options to purchase shares at $0.70 for a period of five years from February 23, 2016.
(6) Dr. Patrick Frankham was appointed as Director of our company on July 24, 2014 and as our Chief Executive Officer on September 11, 2017.
(7) Includes 2,000,000 options to purchase shares at $0.10 for a period of five years from December 15, 2015 and 2,000,000 options to purchase shares at $0.10 for a period of five years from December 15, 2016.
(8) Dr. Renz was appointed as a Director of our company on February 5, 2015.
(9) Includes 2,000,000 options to purchase shares at $0.10 for a period of five years from December 15, 2015 and 2,000,000 options to purchase shares at $0.10 for a period of five years from December 15, 2016.
(10) Patrick Rolfes was appointed as President of our fully owned subsidiary, Pivot Naturals, LLC (formerly ERS Holdings, LLC) on March 1, 2018.
(11) Includes 779,763 shares owned by Mr. Rolfes.
(12) Joseph Borovsky was appointed as Vice President, Product Formulation on March 1, 2018.
(13) Includes 255,023 shares owned by Mr. Borovsky.

Table of Contents

Changes in Control

We are unaware of any contract or other arrangement or provisions of our Articles or Bylaws the operation of which may at a subsequent date result in a change of control of our company. There are not any provisions in our Articles or Bylaws, the operation of which would delay, defer, or prevent a change in control of our company.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth, as of May 1, 2018, securities authorized for issuance under our equity compensation plan.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (Column A)	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights (Column B)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column A) (Column C)
Equity compensation plans approved by security holders	13,885,958	$ 0.34	N/A
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	13,885,958	$ 0.34	N/A

Item 13. Certain Relationships and Related Transactions, and Director Independence

Except as disclosed herein, no director, executive officer, shareholder holding at least 5% of shares of our common stock, or any family member thereof, had any material interest, direct or indirect, in any transaction, or proposed transaction since the year ended January 31, 2018, in which the amount involved in the transaction exceeded or

exceeds the lesser of $120,000 or one percent of the average of our total assets at the year-end for the last three completed fiscal years.

Director Independence

We currently act with three directors, consisting of Dr. Ahmad Doroudian, Dr. Patrick Frankham and Dr. Wolfgang Renz. Dr. Wolfgang Renz is an independent director.

Our audit committee consists of Dr. Wolfgang Renz and Dr. Ahmad Doroudian.

We do not have a standing compensation or nominating committee, but our entire board of directors acts in such capacities.

Table of Contents

Item 14. Principal Accounting Fees and Services

The aggregate fees billed for the most recently completed fiscal year ended January 31, 2018 and for the fiscal year ended January 31, 2018 for professional services rendered by the principal accountant for the audit of our annual financial statements and review of the financial statements included in our quarterly reports on Form 10-Q and services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for these fiscal periods were as follows:

	Year Ended	
	January 31, 2018 $	**January 31, 2017 $**
Audit Fees	25,000	24,000
Audit Related Fees	Nil	Nil
Tax Fees	Nil	Nil
All Other Fees	Nil	Nil
Total	25,000	24,000

Our board of directors pre-approves all services provided by our independent auditors. All of the above services and fees were reviewed and approved by the board of directors either before or after the respective services were rendered.

Our board of directors has considered the nature and amount of fees billed by our independent auditors and believes that the provision of services for activities unrelated to the audit is compatible with maintaining our independent auditors' independence.

Table of Contents

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Financial Statements

(1) Financial statements for our company are listed in the index under Item 8 of this document

(2) All financial statement schedules are omitted because they are not applicable, not material or the required information is shown in the financial statements or notes thereto.

(b) Exhibits

Exhibit Number	Description
(3)	**Articles of Incorporation and Bylaws**
3.1	Articles of Incorporation 649186 B.C. Ltd. (incorporated by reference from our Registration Statement on Form S-1 filed on August 7, 2009)
3.2	"Company Act" Memorandum of 649186 B.C. Ltd. Certificate of Amendment (incorporated by reference from our Registration Statement on Form S-1 filed on August 7, 2009)
3.3	Certificate of Filing of 649186 B.C. Ltd. (incorporated by reference from our Registration Statement on Form S-1 filed on August 7, 2009)
3.4	Certificate of Incorporation of 649186 B.C. Ltd. (incorporated by reference from our Registration Statement on Form S-1 filed on August 7, 2009)
3.5	Certificate of Name Change of 649186 B.C. Ltd. to Xerxes Health Corp. (incorporated by reference from our Registration Statement on Form S-1 filed on August 7, 2009)
3.6	Transition Application of Xerxes Health Corp. (incorporated by reference from our Registration Statement on Form S-1 filed on August 7, 2009)
3.7	Certificate of Name Change of Xerxes Health Corp. to Neurokine Pharmaceuticals Inc. (incorporated by reference from our Registration Statement on Form S-1 filed on August 7, 2009)
3.8	Notice of Alteration to Authorized Share Structure (incorporated by reference from our Registration Statement on Form S-1 filed on August 7, 2009)
3.9	Notice of Alteration to Authorized Share Structure (incorporated by reference to our Current Report on Form 8-K filed on June 4, 2014)
3.10	Notice of Alteration removing Pre-Existing Company Provisions (incorporated by reference to our Current Report on Form 8-K filed on October 9, 2014)
3.11	Articles (incorporated by reference to our Current Report on Form 8-K filed on October 9, 2014)
3.12	Notice of Alteration changing name to Pivot Pharmaceuticals Inc. (incorporated by reference to our Current Report on Form 8-K filed on April 17, 2015)
3.13	Certificate of Name Change of Neurokine Pharmaceuticals Inc. to Pivot Pharmaceuticals Inc. (incorporated by reference to our Quarterly Report on Form 10-Q filed on June 17, 2015)
(10)	**Material Contracts**
10.1	Non-Exclusive License Agreement with Globe Laboratories Inc. dated June 17, 2008 (incorporated by reference to our Registration Statement on Form S-1/A filed on December 3, 2009)
10.2	Clinical Trial Services Agreement with Virtus Clinical Development (Pty) Limited dated March 1, 2009 (incorporated by reference to our Registration Statement on Form S-1/A filed on March 4, 2010)
10.3	Master Service Agreement with Northern Lipids Inc. dated October 2, 2007 (incorporated by reference to our Registration Statement on Form S-1/A filed on December 3, 2009)
10.4	Assignment of Invention (NK-001) dated January 30, 2008 (incorporated by reference to our Registration Statement on Form S-1/A filed on December 3, 2009)
10.5	Assignment of Invention (NK-002) dated April 18, 2008 (incorporated by reference to our Registration Statement on Form S-1/A filed on December 3, 2009)

Table of Contents

10.6	Subscription Agreement with Ahmad Doroudian (incorporated by reference to our Form 8-K filed on August 12, 2010)
10.7	Debt Settlement Subscription Agreement dated September 26, 2013 with Ahmad Doroudian

	(incorporated by reference to our Quarterly Report on Form 10-Q filed on December 16, 2013)
10.8	Director Services Agreement dated February 25, 2015 with Barbara-Jean Bormann-Kennedy (incorporated by reference to our Current Report on Form 8-K filed on March 26, 2015)
10.9	Director Services Agreement dated February 25, 2015 with Dr. Patrick Frankham (incorporated by reference to our Current Report on Form 8-K filed on March 26, 2015)
10.10	Director Services Agreement dated February 26, 2015 with Dr. Wolfgang Renz (incorporated by reference to our Current Report on Form 8-K filed on March 26, 2015)
10.11	Consulting Services Agreement dated February 25, 2015 with Dr. Giora Davidai (incorporated by reference to our Current Report on Form 8-K filed on March 26, 2015)
10.12	Director Services Agreement dated November 19, 2015 with Dr. Patrick Frankham (incorporated by reference to our Quarterly Report on Form 10-Q filed on December 15, 2015)
10.13	Director Services Agreement dated November 19, 2015 with Dr. Wolfgang Renz (incorporated by reference to our Quarterly Report on Form 10-Q filed on December 15, 2015)
10.14	Consulting Services Agreement dated November 19, 2015 with Dr. Giora Davidai (incorporated by reference to our Quarterly Report on Form 10-Q filed on December 15, 2015)
10.15	Plan of Merger and Acquisition Agreement between our company and IndUS Pharmaceuticals, Inc., dated November 4, 2015 (incorporated by reference to our Current Report on Form 8-K filed on November 23, 2015 and our Current Report on Form 8-K/A filed on February 3, 2016)
10.16	Employment Agreement dated November 20, 2015 with Dr. Pravin Chaturvedi (incorporated by reference to our Quarterly Report on Form 10-Q filed on December 15, 2015)
10.17	Employment Agreement dated February 1, 2016 with Dr. Ahmad Doroudian (filed on April 29, 2016 with our Annual Report on Form 10-K)
10.18	Employment Agreement dated February 1, 2016 with Moira Ong (filed on April 29, 2016 with our Annual Report on Form 10-K)
10.19	Consulting Services Agreement dated February 1, 2016 with Soho Capital Inc. (filed on April 29, 2016 with our Annual Report on Form 10-K)
10.20	Convertible debenture agreement dated September 29, 2016 with Avro Capital Partners Inc. (incorporated by reference to our Quarterly Report on Form 10-Q filed on September 15, 2017)
10.21	Exchange Agreement between our company, IndUS Pharmaceuticals, Inc. and Pravin Chaturvedi, dated September 11, 2017 (incorporated by reference to our Current Report on Form 8-K filed on September 12, 2017)
10.22	Licensing Agreement between our company and Altum Pharmaceuticals Inc. dated September 12, 2017 (incorporated by reference to our Current Report on Form 8-K filed on September 12, 2017)
10.23	Debt Forgiveness Agreement dated July 31, 2017 between our company and Dr. Ahmad Doroudian (filed on September 15, 2017 with our Quarterly Report on Form 10-Q)
10.24	Debt Forgiveness Agreement dated July 31, 2017 between our company and Moira Ong (filed on September 15, 2017 with our Quarterly Report on Form 10-Q)
10.25	Debt Forgiveness Agreement dated July 31, 2017 between our company and Soho Capital Inc. (filed on September 15, 2017 with our Quarterly Report on Form 10-Q)
10.26	Debt Settlement Agreement dated September 18, 2017 between our company and Avro Capital Partners, Inc. (filed on December 15, 2017 with our Quarterly Report on Form 10-Q)
10.27	Collaboration and License Agreement dated September 23, 2017 between our company and SolMic GmbH (filed on December 15, 2017 with our Quarterly Report on Form 10-Q)
10.28	Letter of Intent dated November 7, 2017 between our company and Thrudermic LLC (filed on December 15, 2017 with our Quarterly Report on Form 10-Q)
10.29	Share Exchange Agreement between our company, ERS Holdings, LLC and the members of ERS Holdings, LLC dated February 10, 2018 (incorporated by reference to our Current Report on Form 8-K filed on March 12, 2018)

Table of Contents

10.30	Royalty Agreement between our company and AquaBrew Inc. dated March 1, 2018 (incorporated by reference to our Current Report on Form 8-K filed on March 12, 2018)

10.31	Employment Agreement between our company and Patrick Rolfes dated March 1, 2018 (incorporated by reference to our Current Report on Form 8-K filed on March 12, 2018)
10.32	Share Exchange Agreement between our company, Thrudermic, LLC, Dr. Joseph Borovsky and Dr. Leonid Lurya dated March 2, 3018 (incorporated by reference to our Current Report on Form 8-K filed on March 12, 2018)
10.33	Employment Agreement between our company and Joseph Borovsky dated March 1, 2018 (incorporated by reference to our Current Report on Form 8-K filed on March 12, 2018)
10.34	10% Senior Secured Convertible Debenture (CDN$2,500,000) due March 2, 2019 (CD-1) (incorporated by reference to our Current Report on Form 8-K filed on March 12, 2018)
10.35	10% Senior Secured Convertible Debenture (CDN$2,500,000) due March 2, 2019 (CD-2) (incorporated by reference to our Current Report on Form 8-K filed on March 12, 2018)
(31)	**Rule 13a-14(d)/15d-14(d) Certifications**
31.1*	Section 302 Certification under the Sarbanes-Oxley Act of 2002 of Principal Executive Officer
31.2*	Section 302 Certification under the Sarbanes-Oxley Act of 2002 of Principal Financial Officer
(32)	**Section 1350 Certifications**
32.1*	Section 906 Certification under the Sarbanes-Oxley Act of 2002 of Principal Executive Officer
32.2*	Section 906 Certification under the Sarbanes-Oxley Act of 2002 of Principal Financial Officer
99	**Additional Exhibits**
99.1	Audit Committee Charter (filed on June 17, 2015 with our Annual Report on Form 10-K/A)
99.2	Stock Option Plan (filed on November 25, 2015 with our Definitive Proxy Statement on Schedule 14A)
101*	**Interactive Data Files**
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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** Filed herewith.*

Table of Contents

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PIVOT PHARMACEUTICALS INC.
(Registrant)

Dated: May 1, 2018

/s/ Patrick Frankham
Dr. Patrick Frankham
Chief Executive Officer and Director
(Principal Executive Officer)

Dated: May 1, 2018

/s/ Moira Ong
Moira Ong
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Dated: May 1, 2018	*/s/ Patrick Frankham* **Dr. Patrick Frankham** Chief Executive Officer and Director (Principal Executive Officer)
Dated: May 1, 2018	*/s/ Ahmad Doroudian* **Dr. Ahmad Doroudian** Chairman, Secretary and Director
Dated: May 1, 2018	*/s/ Wolfgang Renz* **Dr. Wolfgang Renz** Director

EXHIBIT 31.1

CERTIFICATION PURSUANT TO
18 U.S.C. ss 1350, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Dr. Patrick Frankham, certify that:

1. I have reviewed this Annual Report on Form 10-K of Pivot Pharmaceuticals Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this

report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2018

/s/ Patrick Frankham
Dr. Patrick Frankham
Chief Executive Officer and Director
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION PURSUANT TO
18 U.S.C. ss 1350, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Moira Ong certify that:

1. I have reviewed this Annual Report on Form 10-K of Pivot Pharmaceuticals Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 1, 2018

/s/ Moira Ong
Moira Ong
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Dr. Patrick Frankham, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Annual Report on Form 10-K of Pivot Pharmaceuticals Inc. for the year ended January 31, 2018 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Pivot Pharmaceuticals Inc.

Dated: May 1, 2018

/s/ Patrick Frankham
Dr. Patrick Frankham
Chief Executive Officer and Director

(Principal Executive Officer)
Pivot Pharmaceuticals Inc.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Pivot Pharmaceuticals Inc. and will be retained by Pivot Pharmaceuticals Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Moira Ong, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) the Annual Report on Form 10-K of Pivot Pharmaceuticals Inc. for the year ended January 31, 2018 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Pivot Pharmaceuticals Inc.

Dated: May 1, 2018

/s/ Moira Ong
Moira Ong
Chief Financial Officer
(Principal Accounting Officer and Principal Financial Officer)
Pivot Pharmaceuticals Inc.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Pivot Pharmaceuticals Inc. and will be retained by Pivot Pharmaceuticals Inc. and furnished to the Securities and Exchange Commission or its staff upon request.