



NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

Abacus Health Products Announces Full Year 2018 Results

Toronto, ON – April [30], 2019 – Abacus Health Products, Inc. (CSE: ABCS) (“Abacus” or the “Company”), an Ontario corporation, today released the financial results of its operating subsidiary, Abacus Health Products, Inc., a Delaware corporation (“Abacus U.S.”), for the 12-month period ending December 31, 2018, being a period completed prior to the closing of the Company’s reverse takeover transaction with Abacus U.S. completed on January 29, 2019 (the “RTO”). All amounts are in U.S. dollars, unless otherwise noted.

Financial and Operating Summary

- Company completed its RTO transaction with Abacus U.S. on January 29, 2019.
- Subordinate voting shares of the Company began trading on the Canadian Securities Exchange (CSE) under the Symbol ABCS on January 30, 2019.
- CBD CLINIC™, a line of topical pain relief medications sold only to professional practitioners, continued its strong growth in 2018, with revenue of \$8.4 million, an increase of 232% over the same 12-month period in 2017.
- CBDMEDIC™, sold to consumers via retail chains and its e-commerce platform, launched towards the end of 2018 and added new advanced skincare and treatment products to the line in 2019.
- First CBDMEDIC™ purchase order from a major U.S. retail chain was announced in February 2019 with new purchase orders received in April 2019.
- Revenue of Abacus U.S. for the full year 2018 was \$8.5 million, an increase of 232% over the same 12-month period in 2017.
- Revenue of Abacus U.S. for the fourth quarter 2018 was \$2.9 million representing sequential growth of 43% over the prior quarter.
- CAD\$30 million bought deal offering announced in April 2019 expected to close in May 2019 subject to regulatory approvals.
- Expects to release first quarter 2019 results on or about May 30, 2019 and hold an investor conference call the following day.

“Our focus in 2018 was to build a strong foundation for our CBD CLINIC™ and CBDMEDIC™ brands,” said Perry Antelman, CEO. “With strong momentum of CBD CLINIC™ through 2018 and into 2019 and the purchase orders we have received for CBDMEDIC™ from national retailers in 2019, both brands are well positioned for growth and success.”

Financial Results

In 2018, Abacus U.S. derived its revenues primarily from sales of its CBD CLINIC™ product line, which is sold to professional practitioners through a distributor network as well as through an e-commerce platform.

Revenue of Abacus U.S. for the fourth quarter and year ended 2018 was \$2.9 million and \$8.5 million respectively, which represents an increase of approximately \$1.7 million and \$5.9 million respectively, for the fourth quarter and year ended 2017. The increase in revenue was primarily driven by an increase in sales to distributors that sold the Company's CBD CLINIC™ products in the chiropractic and massage therapist markets.

Abacus launched CBDMEDIC™, sold to consumers via retail chains and its e-commerce platform, towards the end of 2018. In 2019, the Company added new advanced skincare and treatment products to the line and began receiving retail purchase orders in the first quarter of 2019. Abacus expects to begin recognizing revenues in CBDMEDIC™ in the first quarter of 2019 as it begins fulfilling the terms of its purchase orders. Revenues for subsequent quarters in 2019 are expected to increase further, reflecting full financial reporting periods where CBDMEDIC™ products will be in retail stores.

Gross profit of Abacus U.S. for the year ended December 31, 2018 was approximately \$5.1 million representing a gross margin of 59.2%, an increase from 51.5% for the year ended 2017.

Net cash flows provided by operating activities of Abacus U.S. was \$829,390 for the year ended 2018, an increase of \$858,967 compared to a net use of \$29,577 for the year ended 2017. The increase in cash provided by operating activities was primarily due to an increase in sales volume and an increase in trade payables.

Cash provided by financing activities of Abacus U.S. was \$2,738,118 for the year ended 2018 primarily due to the net proceeds received from issuance of convertible notes.

Net cash used in investing activities of Abacus U.S. was \$98,020 for the year ended 2018 compared to \$Nil for the year ended 2017.

Subsequent Events

On January 29, 2019, the Company completed, pursuant to an agreement and plan of merger, its RTO with Abacus U.S. Prior to the closing of the RTO, the Company was a largely inactive mineral exploration company.

In the second quarter of 2019, Abacus announced a CAD\$30 million bought deal offering, which is expected to close in May 2019 subject to receipt of regulatory approvals. Abacus intends to use the net proceeds of the offering to accelerate the Company's marketing and sales programs to, among other purposes, seek to increase the number of retail store locations carrying CBDMEDIC products to over 10,000. A preliminary prospectus containing important information relating to the securities offered under the offering has been filed with securities commissions or similar authorities in all of the provinces of Canada, except Québec. The preliminary prospectus is still subject to completion or amendment. There

will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued.

Abacus expects to release first quarter 2019 results on or about May 30, 2019 and intends to conduct an investor conference call the following day.

Note to U.S. Investors

This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the United States Securities Act of 1933, as amended, and applicable state securities laws.

Additional Financial Information

A copy of the financial statements of Abacus U.S. for the 12-month period ending December 31, 2018 is available under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.abacushp.com.

Forward-Looking Statements

This news release contains forward-looking statements or information (collectively, "forward-looking statements") within the meaning of applicable securities legislation. Forward-looking statements are based on a number of assumptions and are subject to a number of risks and uncertainties, many of which are beyond the Company's control, that could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking statements.

The forward-looking statements contained in this news release include, without limitation, statements relating to the anticipated closing of the Company's bought deal offering and the use of proceeds therefrom, the anticipated release of the Company's first quarter results, anticipated revenue recognition for CBDMEDIC™ and anticipated increases of such revenues in subsequent quarters, are based on management's current expectations and are subject to a number of risks, uncertainties and assumptions, including assumptions regarding the Company's ability to efficiently operate its business, market and economic conditions, business prospects or opportunities, future plans and strategies, anticipated events and trends, and regulatory changes that may affect the Company and its customers and industry. There can be no assurance that actual results will not differ materially from those expressed or implied in forward looking statements. Undue reliance should not be placed on forward-looking statements. Additional information about these risks, uncertainties and assumptions is contained under "Risk Factors and Uncertainties" in the Company's annual information form dated April 12, 2019, which is available under the Company's SEDAR profile at www.sedar.com. Each forward-looking statement speaks only as of the date hereof, and the Company undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law.

###

About Abacus Health Products, Inc.

Abacus is a company engaged in the development and commercialization of over-the-counter (OTC) registered topical medications with active pharmaceutical ingredients and which contain organic and natural ingredients, including a cannabinoid-rich hemp extract containing CBD from Cannabis sativa L plant. Abacus' products are aimed at the rapidly growing markets for topical pain relief and therapeutic skincare and are based on proprietary patent-pending technologies developed by Abacus. Abacus' formulations combine advanced science with organic and natural ingredients to provide safe relief. Abacus currently offers two lines of products: (i) CBD CLINIC™, marketed to the professional practitioner market, and (ii) CBDMEDIC™, marketed to the consumer market. Abacus' products are offered across the United States and are produced by a contract manufacturer in a cGMP compliant and audited manufacturing facility.

To learn more about Abacus, visit www.abacushp.com

For further information: please contact **Hank Hague, CFO**, of the Company, at 416-848-1457 or investorrelations@abacushp.com