COMMERCE ACQUISITION CORP.

FILING STATEMENT
with respect to a Qualifying Transaction
pursuant to Policy 2.4 of the TSX Venture Exchange with
Mimi's Rock, Inc. to be renamed

MIMI'S ROCK CORP.

MIMI'S ROCK

DATED AS OF MAY 17, 2019

Neither the TSX Venture Exchange Inc. (the "Exchange") nor any securities regulatory authority has in any way passed upon the merits of the Qualifying Transaction described in this Filing Statement.

TABLE OF CONTENTS

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Filing Statement including the summary hereof. Terms and abbreviations used in the financial statements of the Corporation, MRI, the MRI Subsidiaries and the Resulting Issuer and in the appendices to this Filing Statement are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

"**Acquisition Agreement**" has the meaning ascribed to such term under the heading "*Summary of Filing Statement – The Qualifying Transaction – Acquisition Agreement*".

"**Affiliate**" means a company that is affiliated with another company as described below:

(a) A company is an "Affiliate" of another company if:

(i) one of them is the subsidiary of the other; or

(ii) each of them is controlled by the same Person.

(b) A company is "controlled" by a Person if:

(i) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person; and

(ii) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company.

(c) A Person beneficially owns securities that are beneficially owned by:

(i) a company controlled by that Person; or

(ii) an Affiliate of that Person or an Affiliate of any company controlled by that Person.

"**Amalco**" means the corporation created following the amalgamation of MRI and Newco pursuant to the Amalgamation Agreement.

"**Amalco Shares**" means the common shares in the capital of Amalco.

"**Amalgamation**" has the meaning ascribed to such term under the heading "*Summary of Filing Statement – Qualifying Transaction*"

"**Amalgamation Agreement**" has the meaning ascribed to such term under the heading "*Summary of Filing Statement – The Qualifying Transaction – Acquisition Agreement*".

"**Amazon**" means the e-commerce platform owned and operated by Amazon.com, Inc. or its Affiliates.

"**Arm's Length Transaction**" means a transaction which is not a Related Party Transaction.

"**Associate**" when used to indicate a relationship with a Person, means:

(a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;

(b) any partner of the Person;

(c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a Person serves as trustee or in a similar capacity;

(d) in the case of a Person, who is an individual:

(i) that Person's spouse or child; or

(ii) any relative of the Person or of his spouse who has the same residence as that Person;

but

(e) where the Exchange determines that two Persons shall, or shall not, be deemed to be Associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company.

"**Bloom Burton**" means Bloom Burton Securities Inc.

"**Broker Warrants**" has the meaning ascribed to such term under the heading "*Part I Information Concerning Commerce - Description of the Securities - Commerce Common Shares*".

"**Business**" means the business of MRI and the MRI Subsidiaries.

"**CAGR**" means compound annual growth rate.

"**CEO**" means chief executive officer.

"**CFO**" means chief financial officer.

"**Closing**" has the meaning ascribed to such term under the heading "*Summary of Filing Statement – Private Placement*".

"**Closing Date**" means the day that the Transaction closes, which shall not be prior to the date upon which all regulatory approvals have been obtained for the transactions described herein and including specifically the approvals of the Exchange for the Transaction and all conditions contained in the Acquisition Agreement shall be met or waived.

"**Commerce Assets**" means all of Commerce's right, title, estate and interest in and to its property and assets, real and personal, moveable and immoveable, of whatsoever nature and kind and wheresoever situate, including but without limitation, the assets as more particularly set forth and described in the audited financial statements of Commerce Acquisition Corp. for the financial year ended December 31, 2018 and the period from incorporation (March 27, 2017) to December 31, 2017;

"**Commerce Board**" means the board of directors of Commerce.

"**Commerce Common Shares**" means common shares in the capital of Commerce.

"**Commerce Exchange Options**" means the options to purchase Commerce Common Shares to be issued by Commerce pursuant to the Commerce Stock Option Plan in exchange for the MRI Options outstanding at Closing.

"**Commerce Exchange Warrants**" means the warrants to purchase Commerce Common Shares to be issued by Commerce in exchange for the MRI Warrants outstanding at Closing.

"**Commerce Options**" has the meaning ascribed to such term under the heading "*Part I. Information Concerning Commerce – Stock Option Plan*".

"**Commerce Shareholders**" has the meaning ascribed to such term under the heading "*Risk Factors*".

"**Commerce Stock Option Plan**" has the meaning ascribed to such term under the heading "*Part I. Information Concerning Commerce – Stock Option Plan*".

"**Completion of the Qualifying Transaction**" means the date the Final Exchange Bulletin is issued by the Exchange.

"**Consolidation**" has the meaning ascribed to such term under the heading "*Summary of Filing Statement – The Qualifying Transaction*".

"**Control Person**" means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

"**Corporation**" or "**Commerce**" means Commerce Acquisition Corp., a corporation incorporated under the OBCA. Where used in a context occurring after giving effect to the Transaction, references to Commerce are also references to the Resulting Issuer.

"**CPC**" means a corporation:

(a) that has been incorporated or organized in a jurisdiction in Canada;

(b) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the CPC Policy; and

(c) in regard to which the Completion of the Qualifying Transaction has not yet occurred.

"**CPC Escrow Agreement**" has the meaning ascribed to such term under the heading "*Part III. Information Relating to the Resulting Issuer – Escrowed Securities – CPC Escrowed Securities*".

"**CPC Policy**" means TSX-V Policy 2.4 – *Capital Pool Companies*.

"**Debt Financing**" has the meaning ascribed to such term under the heading "*Part II. Information Relating to MRI and the MRI Subsidiaries – General Development of the Business*".

"**DTI**" means DTI GmbH, a wholly-owned subsidiary of MRI incorporated under and existing pursuant to the laws of Germany.

"**Equity Financing**" has the meaning ascribed to such term under the heading "*Part II. Information Relating to MRI and the MRI Subsidiaries – General Development of the Business*".

"**Exchange**" or "**TSX-V**" means the TSX Venture Exchange Inc.

"**Exchange Policies**" means the policies included in the TSX-V Corporate Finance Manual and "**Exchange Policy**" means any one of them.

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

"**Filing Statement**" means this filing statement of the Corporation dated May 17, 2019.

"**Final Exchange Bulletin**" means the bulletin which is issued following Closing of the Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Transaction.

"**GMP**" means good manufacturing practice standards enforced by the FDA for the safety and sanitation standards for the manufacturing, processing and packing of products.

"**holding company**" has the meaning ascribed to such term under the heading "*Part III. Information Concerning the Resulting Issuer – Escrowed Securities – CPC Escrowed Securities*".

"**IFRS**" means the International Financial Reporting Standards as issued by the International Accounting Standards Board.

"**In-Kind Dividend**" has the meaning ascribed to such term under the heading "*Part II. Information Concerning MRI – Description of Securities – Series B Non-Voting Convertible Preferred Shares*".

"**Insider**" if used in relation to an issuer, means:

(a) a director or senior officer of an issuer;

(b) a director or senior officer of a company that is an insider or subsidiary of an issuer;

(c) a Person that beneficially owns or controls, directly or indirectly, Voting Shares carrying more than 10% of the voting rights attached to all outstanding Voting Shares of an issuer; or

(d) an issuer itself if it holds any of its own securities.

"**Intellectual Property Assets**" means all right, title and interest of MRI in and to any of the following:

(a) all trade secrets, confidential information and confidential know-how in which MRI now has or hereafter may have an interest, whether patented or unpatented, published or unpublished;

(b) all trade-marks (both registered and unregistered), design marks, logos, trade names, domain names, registrations and applications that have been or shall be made or filed at any trade-marks or similar office in any jurisdiction, and all records thereof and reissues, extensions or renewals thereof, and all common law and other rights in the foregoing;

(c) all patents and patent applications which MRI now owns or may hereafter own that have been or shall be made or filed in any patent or similar office of any jurisdiction; and

(d) all copyrights that MRI now owns or may hereafter own, including all registrations and applications that have been or shall be made or filed in the copyright or similar office of any jurisdiction, and all common law and other rights in the foregoing.

"**IPO**" has the meaning ascribed to such term under the heading "*Summary of Filing – The Companies – Commerce*".

"**LOI**" has the meaning ascribed to such term under the heading "*Summary of Filing Statement – The Qualifying Transaction*".

"**MD&A**" has the meaning ascribed to such term under the heading "*Summary of Filing Statement – Selected Pro Forma Consolidated Financial Information*".

"**Meeting**" means the annual general and special meeting of the Corporation held on November 15, 2018.

"**Member**" means a Person who has executed the Members' Agreement, as amended, and is accepted as and becomes a member of the Exchange under the Exchange Policies.

"**Members' Agreement**" means the Members' agreement among the Exchange and each Person who, from time to time, is accepted as and becomes a Member of the Exchange.

"**MRG**" means Mimi's Rock GmbH, a wholly-owned subsidiary of MRI incorporated under and existing pursuant to the laws of Germany.

"**MRI**" or "**Target**" means Mimi's Rock, Inc.

"**MRI Assets**" means all of the right, title, estate and interest MRI or the MRI Subsidiaries have in and to their property and assets, real and personal, moveable and immoveable, of whatsoever nature and kind and wheresoever situated, including but without limitation, the assets as more particularly set forth and described in the audited consolidated financial statements of MRI for the year ended December 31, 2018 and the Intellectual Property Assets;

"**MRI Board**" means the board of directors of MRI.

"**MRI Common Shares**" means the common shares in the capital of MRI.

"**MRI Optionholders**" means the holders of MRI Options and "**MRI Optionholder**" means any one of them.

"**MRI Options**" means any options of acquire MRI Common Shares outstanding immediately prior to Closing.

"**MRI Preferred Shares**" means, collectively, the MRI Series A Preferred Shares and the MRI Series B Preferred Shares.

"**MRI Series A Preferred Shares**" means the series A preferred shares in the capital of MRI issued and outstanding.

"**MRI Series B Preferred Shares**" means the series B preferred shares in the capital of MRI issued and outstanding.

"**MRI Shareholders**" means the holders of MRI Shares and "**MRI Shareholder**" means any one of them.

"**MRI Shares**" means, collectively the MRI Common Shares, the MRI Series A Preferred Shares and the MRI Series B Preferred Shares and "**MRI Share**" means any one of the MRI Common Shares, MRI Series A Preferred Shares and the MRI Series B Preferred Shares.

"**MRI Subsidiaries**" means, collectively, MRG, DTI and TBH, and "**MRI Subsidiary**" means any one of them.

"**MRI Warrantholders**" means the holders of MRI Warrants and "**MRI Warrantholder**" means any one of them.

"**MRI Warrants**" means the common share purchase warrants to purchase MRI Common Shares outstanding immediately prior to Closing.

"**Name Change**" has the meaning ascribed to such term under the heading "*Summary of Filing Statement – The Qualifying Transaction – Name Change*".

"**Named Executive Officer**" has the meaning ascribed to such term under the heading "*Part II. Information Concerning MRI and the MRI Subsidiaries – Executive Compensation – Summary Compensation Table*".

"**Newco**" means 2666096 Ontario Inc., a corporation incorporated under the OBCA for the purposes of completing the Transaction and a wholly-owned subsidiary of Commerce.

"**Newco Share**" means the common shares in the capital of Newco.

"**Non-Arm's Length Party**" means in relation to a company, a Promoter, officer, director, other Insider or Control Person of that company (including an issuer) and any Associates or Affiliates of any of such Persons. In relation to an individual, means any Associate of the individual or any company of which the individual is a Promoter, officer, director, Insider or Control Person.

"**Non-Arm's Length Qualifying Transaction**" means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the CPC and in relation to the Significant Assets which are to be the subject of the proposed Qualifying Transaction.

"**NSF**" means the U.S. National Science Foundation.

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

"**Person**" means a company or individual.

"**Principal**" has the meaning ascribed to such term in Exchange Policy 1.1 – *Interpretation*.

"**Private Placement**" has the meaning ascribed to such term under the heading "*Summary of Filing Statement – Private Placement*".

"**Promoter**" means a promoter as prescribed by applicable securities laws.

"**Qualifying Transaction**" means a transaction where a CPC acquires Significant Assets other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means, which, for the purposes of this Filing Statement has the particular meaning ascribed to such term under "*Summary of Filing Statement – The Qualifying Transaction*".

"**Related Party Transaction**" has the meaning ascribed to such term in the Exchange Policies, and includes a related party transaction that is determined by the Exchange to be a Related Party Transaction. The Exchange may deem a transaction to be a Related Party Transaction where the transaction involves Non-Arm's Length Parties, or other circumstances exist which may compromise the independence of the issuer with respect to the transaction.

"**Resulting Issuer**" means the issuer that was formerly a CPC that exists upon issuance of the Final Exchange Bulletin and in this Filing Statement means "Commerce Acquisition Corp." following completion of the Transaction and issuance of the Final Exchange Bulletin. It is anticipated that the Resulting Issuer will change its name from "Commerce Acquisition Corp." to "Mimi's Rock Corp."

"**Resulting Issuer Common Shares**" means the common shares of the Resulting Issuer following Closing of the Transaction.

"**Resulting Issuer Options**" means the options to purchase Resulting Issuer Common Shares following Closing of the Transaction.

"**Resulting Issuer Securities**" means collectively, Resulting Issuer Common Shares, the Resulting Issuer Options and the Resulting Issuer Warrants following Closing of the Transaction.

"**Resulting Issuer Shareholder**" has the meaning ascribed to such term under the heading "*Part III. Information Concerning Commerce – The Qualifying Transaction – Acquisition Agreement – Mutual Conditions and Covenants*".

"**Resulting Issuer Stock Option Plan**" has the meaning ascribed to such term under the heading "*Part III. Information Concerning the Resulting Issuer – Options to Purchase Securities – Stock Option Plan*".

"**Resulting Issuer Warrants**" means the warrants to purchase Resulting Issuer Common Shares following Closing of the Transaction.

"**Reverse Takeover**" has the meaning ascribed to such term in Exchange Policy 5.2 – *Changes of Business and Reverse Takeovers*.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval, having a website address at www.sedar.com.

"**Series A In-Kind Dividend**" has the meaning ascribed to such term under the heading "*Part II. Information Concerning MRI – Description of Securities – Series A Non-Voting Convertible Preferred Shares*".

"**Series B In-Kind Dividend**" has the meaning ascribed to such term under the heading "*Part II. Information Concerning MRI – Description of Securities – Series B Non-Voting Convertible Preferred Shares*".

"**Share Exchange Ratio**" has the meaning ascribed to such term under the heading "*Summary of Filing Statement – Qualifying Transaction*"

"**Significant Assets**" means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transactions would result in the CPC meeting the initial listing requirements of the Exchange.

"**Sponsor**" has the meaning ascribed to such term in Exchange Policy 2.2 – *Sponsorship and Sponsorship Requirements*.

"**Surplus Security Escrow Agreement**" has the meaning ascribed to such term under the heading "*Part III. Information Relating to the Resulting Issuer – Escrowed Securities – Resulting Issuer Escrowed Securities*".

"**Target Company**" means a company to be acquired by the CPC as its Significant Asset pursuant to a Qualifying Transaction.

"**TBH**" means Thunder Beach Holdings Inc., a wholly-owned subsidiary of MRI incorporated under and existing pursuant to the laws of Barbados.

"**Transaction**" means the acquisition by Commerce of all of the MRI Shares in consideration for the issuance of, on a post-Consolidation basis, an aggregate of approximately 47,809,337 Commerce Common Shares, inclusive of such additional number of Commerce Common Shares equal to the In-Kind Dividend multiplied by the Share Exchange Ratio, to the MRI Shareholders pursuant to the terms of the Acquisition Agreement.

"**TSX**" means the Toronto Stock Exchange.

"**Value Security Escrow Agreement**" has the meaning ascribed to such term under the heading "*Part III. Information Relating to the Resulting Issuer – Escrowed Securities – Resulting Issuer Escrowed Securities*".

"**Vitalabs Facility**" has the meaning ascribed to such term under the heading "*Part II. Information Concerning MRI – Description of the Business – General*".

"**Voting Shares**" means a security of an issuer that (a) is not a debt security, and (b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

"**Warrant**" has the meaning ascribed to such term under the heading "*Summary of Filing Statement – Private Placement*".

CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

Unless otherwise indicated, all references to "$" in this Filing Statement refer to Canadian dollars and all references herein to "US$" in this Filing Statement refer to United States dollars

NON-IFRS MEASURES

MRI has included the following non-IFRS performance measures:

- EBITDA (earnings before interest, tax, depreciation and amortization); and
- Adjusted EBITDA (earnings before interest, tax, depreciation and amortization, stock based compensation, and acquisition costs);

MRI believes that, in addition to conventional measures prepared in accordance with IFRS, that these non-IFRS performance measures provide useful information to both management and investors to evaluate MRI's performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These non-IFRS performance measures do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similarly titled measures presented by other publicly traded companies and should not be construed as an alternative to other financial measures determined in accordance with IFRS.

CAUTIONARY STATEMENTS REGARDING FORWARD LOOKING INFORMATION

This Filing Statement contains forward-looking statements or forward-looking information within the meaning of applicable securities laws which may include, but is not limited to, statements or information with respect to the anticipated benefits resulting from the Transaction, the timing and success of applications to obtain approvals required with respect to the Transaction and the nature of the business and operations of the Resulting Issuer following the completion of the Transaction. Often, but not always, forward-looking statements and forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Examples of such statements include: (a) the intention to complete the Transaction and the terms on which the Transaction is intended to be completed; (b) the description of the Resulting Issuer, MRI and the MRI Subsidiaries that assumes completion of the Transaction; and (c) in respect of the Resulting Issuer, statements pertaining to the acquired subsidiaries' proposed operations and method for funding thereof, expectations regarding the ability to raise capital and to be able to obtain and maintain all applicable licences and permits for all subsidiaries' operations, treatment under governmental regulatory regimes and tax laws, capital expenditure programs and the timing and method of financing thereof and future development plans and status of assets, future growth and performance.

Forward-looking statements and forward-looking information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of MRI, the MRI Subsidiaries, or the Resulting Issuer, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and forward-looking information. Such factors include, but are not limited to: the risks and uncertainties involved in satisfying the conditions to close the Transaction; the difficulties associated with the nature of the Resulting Issuer's business and operations following the Transaction; the ability of MRI to satisfy the requirements of the Exchange such that it will issue the Final Exchange Bulletin; the ability to obtain necessary financing; the successful integration of Commerce and its acquired subsidiaries; the economy generally; current and future stock prices; results of operations; availability of permits and licences; market conditions; the regulatory and foreign environment; future capital and other expenditures (including the amount, nature and sources of funding thereof); competitive advantages; fluctuations in foreign currency exchange rates; business prospects and opportunities; transportation delays, accidents, labour disputes and other risks in the nutraceutical industry; political developments; arbitrary changes in law; delays in obtaining governmental approvals and anticipated and unanticipated costs; as well as those factors discussed in the section entitled "Risk Factors" in this Filing Statement.

Although Commerce has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements and forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements and forward-looking information contained herein are made as of the date of this Filing Statement, and Commerce, the Target and the Resulting Issuer disclaim any obligation to update any forward-looking statements or forward-looking information if these beliefs, estimates and opinions or circumstances should change, except as required by applicable law. There can be no assurance that forward-looking statements and forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements and information. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information due to the inherent uncertainty in them. All forward-looking statements and forward-looking information contained or incorporated by reference in this Filing Statement are qualified by this cautionary statement.

INFORMATION PERTAINING TO COMMERCE

The information contained in this Filing Statement with respect to Commerce Acquisition Corp. (the "**Corporation**" or "**Commerce**") and 2666096 Ontario Inc. ("**Newco**") has been furnished by Commerce or has been taken from or is based upon publicly available documents or records of Commerce on file with Canadian securities administrators and other public sources.

INFORMATION PERTAINING TO MRI AND THE MRI SUBSIDIARIES

The information contained in this Filing Statement with respect to Mimi's Rock, Inc. ("**MRI**"), Mimi's Rock GmbH ("**MRG**"), DTI GmbH ("**DTI**"), and Thunder Beach Holdings Inc. ("**TBH**") has been furnished by MRI. Accordingly, Commerce and its directors, officers, employees, representatives and agents assume no responsibility for the accuracy or completeness of such information with respect to MRI or any MRI Subsidiary.

TRADEMARKS, TRADE NAMES AND SERVICE MARKS

All trademarks used in this Filing Statement are the property of their respective owners and may not appear with the "®" symbol.

SUMMARY OF FILING STATEMENT

The following is a summary of information relating to the Corporation, Target and Resulting Issuer (assuming completion of the Qualifying Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement.

Certain capitalized terms and abbreviations used in this Filing Statement shall have the meaning ascribed to such terms in the "Glossary of Terms".

The Companies

Commerce

The Corporation is a CPC which completed its initial public offering ("**IPO**") of 5,000,000 common shares at a purchase price of $0.20 per common share for gross proceeds of $1,000,000 on May 7, 2018. Commerce was incorporated under the OBCA on March 27, 2017 and is a reporting issuer in the provinces of Ontario, Alberta and British Columbia.

The head and registered office of Commerce is located at 77 King Street West, TD North Tower, Suite 700, P.O. Box 118, Toronto, Ontario, M5K 1G8.

Newco

Newco was incorporated on November 19, 2018, under the OBCA for the purposes of carrying out the Transaction, and is a wholly-owned subsidiary of Commerce.

Newco has its head and registered office located at 77 King Street West, Suite 700, TD North Tower, P.O. Box 118, Toronto, Ontario, M5K 1G8.

See *"Part I. Information Concerning Commerce – General Development of the Business*".

MRI

MRI was incorporated under the OBCA on October 16, 2017. MRI is in the nutraceutical business, providing health supplement and wellness products as well as vitamins and nutritional supplements to customers across the United States.

MRI's head and registered office is located at 610 Chartwell Road, Suite 202, Oakville, ON L6J 2X6.

MRG

MRG was incorporated on January 22, 2018, under the laws of Germany. MRG is a private company and a wholly-owned subsidiary of MRI.

MRG's head and registered office is located at Neur Wall 63, 20354 Hamburg, Germany.

DTI

DTI was incorporated as DTU UG on April 20, 2013 and reregistered as DTI GmbH on January 25, 2017, under the laws of Germany. DTI is a private company that is a wholly-owned subsidiary of MRG, which in turn is a wholly-owned subsidiary of MRI.

DTI's head and registered office is located at Rathausplatz 22, 22926 Ahrensburg Germany.

TBH

TBH was incorporated on April 20, 2018, under the laws of Barbados. TBH is a private company and a wholly-owned subsidiary of MRI.

TBH's head and registered office is located at Suite 203, Building No. 8, Harbour Road, St. Michael, Barbados.

See "*Part II. Information Concerning MRI – Corporate Structure*".

The Qualifying Transaction

The series of transactions described in this Filing Statement and contemplated in the transaction documents referenced herein are proposed to constitute a Qualifying Transaction (the "**Qualifying Transaction**"), as such term is defined in the CPC Policy. On August 9, 2018, Commerce and MRI entered into a non-binding letter of intent (the "**LOI**") to outline a proposal by which Commerce will acquire all of the issued and outstanding MRI Shares, with the intention that the Transaction will constitute Commerce's Qualifying Transaction. The Qualifying Transaction will be completed by way of a three-cornered amalgamation among Commerce, Newco and MRI, pursuant to an acquisition agreement (the "**Acquisition Agreement**") and an associated amalgamation agreement (the "**Amalgamation Agreement**").

As set out in more detail in the Acquisition Agreement and Amalgamation Agreement posted under Commerce's SEDAR profile, the completion of the Transaction will involve the following main elements:

(a) Commerce shall complete a share consolidation on the basis of 1 post-consolidation common share for every 4 pre-consolidation common shares issued and outstanding (the "**Consolidation**");

(b) Following the Consolidation, Newco and MRI will amalgamate (the "**Amalgamation**") pursuant to the terms of the Acquisition Agreement and the Amalgamation Agreement, the result of which shall be:

   a. Commerce shall issue one-and-one-half Commerce Common Shares for each MRI Share held by a MRI Shareholder (the "**Share Exchange Ratio**");

   b. Each MRI Option will be cancelled and, in consideration therefor, Commerce shall issue Commerce Exchange Options to the MRI Optionholders. The rate of exchange of Commerce Exchange Options for MRI Options shall be equal to the Share Exchange Ratio.

   c. Each MRI Warrant will be cancelled and, in consideration therefor, Commerce shall issue Commerce Exchange Warrants to the MRI Warrantholders. The rate of exchange of Commerce Exchange Warrants for MRI Warrants shall be equal to the Share Exchange Ratio.

   d. Each Newco Share will be cancelled and, in consideration therefor, Amalco shall issue one Amalco Share to Commerce for each such cancelled Newco Share.

(c) On or before the Closing Date, Commerce will change its name to "Mimi's Rock Corp".

Consolidation

On or prior to the Closing date, Commerce will complete the Consolidation, resulting in approximately 1,562,500 Commerce Common Shares being issued and outstanding on a post-Consolidation basis.

Acquisition Agreement

On January 2, 2019, Commerce, MRI and Newco entered into the Acquisition Agreement. Pursuant to the Acquisition Agreement and subject to the fulfillment of certain conditions, MRI and Newco agreed to amalgamate and continue as one corporation (the resultant corporation being "**Amalco**"). Moreover, pursuant to the Acquisition Agreement and subject to the fulfillment of certain conditions, Commerce, following the Consolidation and concurrently with the Amalgamation agreed to acquire all of the issued and outstanding common shares in the capital of MRI in consideration for the issuance of 1.5 Commerce Common Shares, at a deemed issue price per share of $1.00, for each MRI Share held by the former MRI Shareholders, resulting in the issuance of an aggregate of approximately 47,809,337 Commerce Common Shares, inclusive of such additional Commerce Common Shares as a result of the In-Kind Dividend payable on the conversion of MRI Preferred Shares to MRI Common Shares prior to the Closing Date. Each Newco Share will be cancelled and, in consideration therefor, Amalco shall issue one Amalco Share to Commerce for each such cancelled Newco Share.

Name Change

On or before the Closing Date, Commerce shall change its name from "Commerce Acquisition Corp." to "Mimi's Rock Corp." (the "**Name Change**").

The Resulting Issuer

Upon completion of the Transaction and other ancillary transactions contemplated by the Acquisition Agreement and the Amalgamation Agreement, MRI, MRG, DTI and TBH will become wholly-owned subsidiaries of the Resulting Issuer and the business of the Resulting Issuer (indirectly through the operation of MRI and DTI), will be the nutraceutical business of MRI and DTI. Subject to approval by the Exchange, it is expected that the Resulting Issuer will be listed on the Exchange as a Tier 1 Industrial or Life Sciences Issuer (as defined under the Exchange Policies). The Resulting Issuer's head and registered office will be located at 610 Chartwell Road, Suite 202, Oakville, ON L6J 2X6.

Following the completion of the Transaction, the original shareholders of Commerce will hold an aggregate of approximately 1,562,500 Resulting Issuer Common Shares, representing approximately 3% of the then issued and outstanding Resulting Issuer Common Shares; and original shareholders of MRI will hold an aggregate of approximately 47,809,337 Resulting Issuer Common Shares, (which is inclusive of the In-Kind Dividend payment issued to holders of MRI Preferred Shares on the conversion of such shares into MRI Common Shares on or prior to the Closing Date), representing approximately 97% of the then issued and outstanding Resulting Issuer Common Shares.

See "*Part III. Information Concerning the Resulting Issuer*".

Estimated Funds Available

The consolidated working capital of the Resulting Issuer as of April 30, 2019 is $2,519,587.

The table below shows the breakdown of the estimated funds available:

Estimated Funds Available	**Amount ($)**
Pro forma consolidated working capital	$2,519,587
Estimated fees and expenses of the Transaction	$(150,000)
Total estimated funds available	$2,369,587

Intended Use of Funds

Based on the information available as at the date of this Filing Statement, assuming the completion of the Transaction, the Resulting Issuer is expected to have approximately $2,519,587 in working capital as at April 30, 2019.

The Resulting Issuer's operations will be funded primarily from working capital and cash generated from operations. As a result of the acquisition of DTI in July 2018, the Resulting Issuer expects to generate positive cash flow of approximately $2 million on a quarterly basis. As the business is not capital intensive, operations will not require the Resulting Issuer to raise additional cash through equity or debt issuances. Additional capital may be required should the Resulting Issuer decide to pursue acquisitions, however, any such transactions will likely have the impact of increasing cash flow and will not impact operating cash requirements.

See "*Part III. Information Concerning the Resulting Issuer – Narrative Description of the Business – Business Objectives and Milestones*".

Notwithstanding the foregoing, there may also be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Resulting Issuer to achieve its objectives as set out in this Filing Statement. The Resulting Issuer may also require additional funds in order to fulfill all of its expenditure requirements and to meet its objectives, in which case the Resulting Issuer expects to either issue additional shares or incur debt. There is no assurance that any additional funding required by the Resulting Issuer will be available if required.

Selected *Pro Forma* Consolidated Financial Information

The following table sets out selected financial information for Commerce, MRI, and the MRI Subsidiaries, and selected unaudited *pro forma* consolidated financial information for the Resulting Issuer, after giving effect to the Transaction and certain other adjustments. This financial information should be read in conjunction with the financial statements and reports thereon included in this Filing Statement, being the:

- audited financial statements of Commerce Acquisition Corp. for the financial year ended December 31, 2018 and the period from incorporation (March 27, 2017) to December 31, 2017, which is attached hereto as "*Appendix A – Financial Statements of Commerce*";

- management's discussion and analysis ("**MD&A**") of Commerce Acquisition Corp. for the financial year ended December 31, 2018 and the period from incorporation (March 27, 2017) to December 31, 2017, which is attached hereto as "*Appendix B – Management's Discussion and Analysis of Commerce*";

- audited consolidated financial statements of Mimi's Rock, Inc. and the MRI Subsidiaries for the financial year ended December 31, 2018 and from incorporation to December 31, 2017, the audited financial statements of DTI GmbH for the financial years ended December 31, 2017, 2016 and 2015 and the unaudited financial statements for the six months ended June 30, 2018 and 2017 which are together attached hereto as "*Appendix C – Consolidated Financial Statements of MRI and Financial Statements of DTI*";

- consolidated MD&A of Mimi's Rock, Inc. and the MRI Subsidiaries for the financial year ended December 31, 2018, and from incorporation to December 31, 2017 and the MD&A for DTI and the MD&A for DTI for the financial years ended December 31, 2017, 2016 and 2015 and for the six Months Ended June 30, 2018, which are together attached hereto as "*Appendix D – Management's Discussion and Analysis of MRI and DTI*"; and

- unaudited *pro forma* financial statements of the Resulting Issuer, consisting of a *pro forma* statement of financial position prepared as at December 31, 2018, all of which give effect to the completion of the Transaction, which are attached hereto as "*Appendix E – Pro Forma Financial Statements of Resulting Issuer*".

The information provided in the table below is derived from the audited financial statements of Commerce Acquisition Corp. for the year ended December 31, 2018, the audited consolidated financial statements of Mimi's Rock, Inc. and the

MRI Subsidiaries for the year ended December 31, 2018, and the *pro forma* financial statements of the Resulting Issuer as at December 31, 2018:

Balance Sheet Data	**Commerce as at December 31, 2018 ($)**	**MRI as at December 31, 2018 ($)**	**Proforma adjustments**	**Resulting Issuer as at December 31, 2018 (unaudited) ($)**
Current assets	804,649	7,339,241		8,143,890
Other assets	N/A	32,273,273		32,273,273
Total assets	804,649	39,612,514		40,417,163
Current liabilities	4,133	6,059,275		6,063,408
Other liabilities	N/A	15,758,495	(2,728,800)	13,029,695
Total liabilities	4,133	21,817,770		19,093,103
Total shareholders' equity	800,516	17,794,744	2,728,800	21,324,060

See "*Part I. Information Concerning Commerce – Selected Consolidated Financial Information and Management's Discussion and Analysis – Financial Information", "Part II. Information Concerning MRI – Selected Consolidated Financial Information and Management's Discussion and Analysis – Financial Information"* and *"Appendix E – Pro Forma Financial Statements of the Resulting Issuer*".

Listing and Market Price of Commerce Common Shares

Commerce Common Shares are listed on the Exchange under the symbol "CAQ.P". The closing market price of Commerce Common Shares on August 8, 2018, the last trading day immediately preceding the announcement of the Transaction, was $0.20. It is anticipated that the Resulting Issuer Common Shares will resume trading on the Exchange upon completion of the Transaction under the symbol "MIMI".

See "*Part I. Information Concerning Commerce – General Development of Business"* and *"Part I. Information Concerning Commerce – Stock Exchange Price*".

No public market exists for the Amalco Shares, the MRI Common Shares or the common shares of any MRI Subsidiary.

See "*Part II. Information Concerning MRI – General Development of Business"* and *"Part II. Information Concerning MRI – Stock Exchange Price*".

Interest of Insiders, Promoters and Control Persons

Other than as disclosed below, the Resulting Issuer does not anticipate any additional Insiders, Promoters or Control Persons and no Associates and Affiliates thereof being formed on completion of the Transaction:

Insider, Promoter or Control Person (including Associates and Affiliates)	**Position**	**Number and Percentage of Commerce Common Shares, MRI Common Shares or MRI Preferred Shares Prior to the Transaction**	**Number and Percentage of Resulting Issuer Common Shares upon Completion of the Transaction[(1)(2)]**
Telfer Hanson[(3)]	Proposed Executive Chairman and Director	5,000,000 MRI Common Shares 360,000 MRI Preferred Shares	8,067,000 (16.34%) Resulting Issuer Common Shares
David Kohler[(4)]...........................	Proposed CEO and Director	5,000,000 MRI Common Shares 250,000 MRI Preferred Shares	7,893,750 (15.99%) Resulting Issuer Common Shares
Andrew Patient..........................	Proposed CFO	N/A	N/A

Insider, Promoter or Control Person (including Associates and Affiliates)	Position	Number and Percentage of Commerce Common Shares, MRI Common Shares or MRI Preferred Shares Prior to the Transaction	Number and Percentage of Resulting Issuer Common Shares upon Completion of the Transaction(1)(2)
Norman Betts	Proposed Director	N/A	N/A
David Grandin	Proposed Director	N/A	N/A
Bryan Pearson	Proposed Director	N/A	N/A

Notes:

(1) All numbers are provided on an undiluted basis.
(2) Inclusive of In-Kind Dividend payments
(3) Shares are held by Telfer Hanson (2017) Family Trust, of which Mr. Hanson is a trustee, Telfer Hanson or RKH Limited, which Mr. Hanson controls.
(4) Shares are held by David Kohler or the David Kohler (2017) Family Trust, of which Mr. Kohler is a trustee.

Conflicts of Interest

Some of the proposed directors and officers of the Resulting Issuer are also directors, officers and/or Promoters of other reporting and non-reporting issuers. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Resulting Issuer, notwithstanding that they are bound by the provisions of the OBCA to act at all times in good faith in the interest of the Resulting Issuer and to disclose such conflicts to the Resulting Issuer if and when they arise. To the best of their knowledge, the proposed management of the Resulting Issuer is not aware of the existence of any conflicts of interest between any of their directors and officers as of the date of this Filing Statement, other than as disclosed herein. See "*Risk Factors – Risks Relating to the Resulting Issuer – Conflicts of Interest*" and "*Risk Factors – Risks Relating to the Resulting Issuer – Principal Securityholder*".

Sponsorship

Commerce was granted an exemption from sponsorship requirements pursuant to Section 3.4 of TSX-V Policy 2.2 – *Sponsorship and Sponsorship Requirements*.

Arm's Length Transaction

The Transaction constitutes a Qualifying Transaction and is not a Non-Arm's Length Qualifying Transaction.

Interests of Experts

Other than as set out below, no Person, whose profession or business gives authority to a statement made by the Person and who is named has having prepared or certified a part of this Filing Statement or as having prepared or certified a report or valuation described or included in this Filing Statement, holds any beneficial interest, directly or indirectly, in any property of Commerce, MRI, or any of their respective Associates or Affiliates, and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Resulting Issuer or of an Associate or Affiliate of the Resulting Issuer and no such Person is a Promoter of Commerce, MRI or any of their respective Associates or Affiliates.

Josh Arbuckle is a director of Commerce and is also a partner at the law firm of Chitiz Pathak LLP. Chitiz Pathak LLP provides legal services to Commerce.

See "*Part IV. General Matters – Interests of Experts*".

Summary of Risk Factors

There are a number of risk factors associated with an investment in the Resulting Issuer. Accordingly, prospective investors should carefully consider and evaluate all risks and uncertainties involved in an investment in the Resulting Issuer, including risks related to:

- Risks relating to the Transaction:
  - Market reaction;
  - Costs of the Transaction;
  - Failure to secure a more attractive offer;
  - Termination of the Transaction in certain circumstances;
  - Subsequent financing; and
  - Tax consequences.

- Risks relating to the Resulting Issuer:
  - Reliance on strength of reputation and brands;
  - Third-party manufacturing, transportation and distribution;
  - Reliance on a single manufacturer;
  - Reliance on a single brand;
  - Adverse changes in the size or growth rate of the nutritional supplements industry;
  - Litigation;
  - Protection of intellectual property;
  - Disruption or breaches in information technology systems;
  - Reliance on a single consumer market;
  - Operating in a foreign country;
  - Volatile market price for Resulting Issuer Common Shares;
  - Inability to successfully implement growth strategy on a timely basis;
  - Sources for materials may fail to support demand and increasing raw materials could adversely affect margins;
  - Difficulty expanding sales in targeted international markets;
  - Changes in general economic conditions;
  - Holding company status;
  - Management of growth;
  - Increased expenses as a public company;
  - Reliance on management;
  - Principal securityholders;
  - Conflicts of interest;
  - Limited market for securities;
  - Liquidity risk;
  - Negative impacts of unanticipated currency fluctuations;
  - E-commerce sites and possible de-listing; and
  - Germany, Canada and United States Federal and State Level Tax Matters.

- Risks relating to the nutritional supplements industry:
  - Product liability and intended health effects;
  - Product recalls;
  - Success depends on product development and innovation;
  - Environmental regulations and risks;
  - Changes in legal, regulatory and industry standards;
  - Competition;
  - Operating risk and insurance coverage; and
  - Natural disasters, unusual weather and geo-political events.

See "*Risk Factors*" below.

Conditional Listing Approval

The Exchange has conditionally approved the Transaction subject to the Corporation fulfilling all of the requirements of the Exchange on or before July 25, 2019.

RISK FACTORS

An investment in Commerce Common Shares (and correspondingly an investment in Resulting Issuer Common Shares) should be considered highly speculative for reasons including, but not limited to, the uncertainty related to completion of the Transaction and the expected business of the Resulting Issuer upon completion of the Qualifying Transaction. In evaluating the Transaction, investors should carefully consider not only the following risk factors relating to the Qualifying Transaction, but the risk factors associated with the businesses of MRI and the MRI Subsidiaries, being the expected business of the Resulting Issuer, set out below. The following list of risk factors is not a definitive list of all risk factors associated with the Qualifying Transaction. Additional risks and uncertainties, including those currently known or considered immaterial by Commerce, may also adversely affect Commerce Common Shares prior to the Qualifying Transaction, Resulting Issuer Common Shares and/or the businesses of Commerce and the Resulting Issuer. For a description of the risk factors facing the Corporation as a CPC, please see the Corporation's Prospectus, dated February 27, 2018 available on request made to the Corporation or at the Corporation's profile at www.sedar.com.

Risks Relating to the Transaction

Market Reaction

The Commerce Common Shares are not currently trading on the TSX-V, and the Corporation cannot assure you that a market will develop or be sustained for the Resulting Issuer Common Shares. If a market does not develop or is not sustained, it may be difficult for you to sell your Commerce Common Shares at an attractive price or at all. Commerce cannot predict the prices at which the Commerce Common Shares will trade.

Costs of the Transaction

Certain costs related to the Qualifying Transaction, such as accounting fees incurred by Commerce, must be paid by Commerce even if the Qualifying Transaction is not completed.

Failure to Secure a More Attractive Offer

If the Qualifying Transaction is not completed and the Commerce Board decides to seek another merger or business combination, there can be no assurance that it will be able to find an equivalent or more attractive price than the consideration pursuant to the Qualifying Transaction.

Termination of the Transaction in Certain Circumstances

Each of Commerce, Newco and MRI has the right to terminate the Acquisition Agreement in certain circumstances. Accordingly, there is no certainty, nor can the parties provide any assurances that the Acquisition Agreement will not be terminated by any of Commerce, Newco or MRI before the completion of the Qualifying Transaction. In addition, the completion of the Qualifying Transaction is subject to a number of conditions precedent, certain of which are outside the control of Commerce, Newco or MRI. There is no certainty that these conditions will be satisfied on a timely basis or at all. If for any reason the Qualifying Transaction is delayed or not completed, the market price of Commerce Common Shares may be adversely affected. See "*Risk Factors – Market Reaction*" above.

Subsequent Financing

From time to time, the Resulting Issuer may require subsequent financing. The Resulting Issuer's ability to obtain financing, if and when required, will depend on investor demand, operating performance, the condition of the capital markets and other factors. If the Resulting Issuer raises funds through the issuance of equity, equity-linked or debt securities, those securities may have rights, preferences, or privileges senior to the rights of holders of the Resulting Issuer Common Shares, and existing holders of such shares may experience dilution.

Tax Consequences

The transactions described herein, including the acquisition, ownership and disposition of the Resulting Issuer Common Shares may have tax consequences in Canada, or elsewhere, depending on each particular existing or prospective shareholder's specific circumstances. Such tax consequences are not described herein and this Filing Statement is not intended to be, nor should it be construed to be, legal or tax advice to any particular shareholder. Existing and prospective shareholders should consult their own tax advisors with respect to any such tax considerations.

Risks Relating to the Resulting Issuer's Business

Reliance on Strength of Reputation and Brands

Any negative publicity about nutritional supplements generally, or concerning any actual or purported failure by the Resulting Issuer to meet high quality standards or comply with applicable laws and regulations could do significant damage to the Resulting Issuer's reputation and brands and could harm its financial condition and operating results. The Resulting Issuer may be impacted as the perceptions of consumers and others are formed based on modern communication and social media tools over which it has no control. The increasing use of social media has especially heightened the need for reputational risk management procedures. Any actions the Resulting Issuer takes that cause negative public opinion have the potential to negatively impact its reputation, which may materially adversely affect its business, results of operations or financial condition.

Adverse publicity, such as negative media about the nutritional supplement segment generally or about specific types of products within this segment, whether or not accurate, resulting from individuals' use or misuse of our products or new scientific research findings about such products, that associates consumption of the Resulting Issuer's products or any similar products with illness or other adverse effects, questions the benefits of its products or similar products or claims that any such products are ineffective, inappropriately labelled or have inaccurate instructions as to their use, could negatively impact the Resulting Issuer's reputation or the market demand for its products.

Third-Party Manufacturing, Transportation and Distribution

MRI, through DTI, currently operates its business using a supply-chain management system known as "dropshipping" whereby DTI facilitates the delivery of the goods from a third-party manufacturer to a third-party distributor and then to the end-point consumer who places the associated order. DTI does not take physical possession of the goods in its inventory at any point during the ordering or delivery process. Following the completion of the Qualifying Transaction, this same supply-chain management system will be used by the Resulting Issuer.

This system will inherently require that the Resulting Issuer rely on the efforts and services of third-party manufacturers, carriers and distributors. If issues arise at any step of the supply chain, it could cause logistical problems and delays in customers obtaining their orders beyond the direct control of the Resulting Issuer. There can be no assurance that the third-party manufacturers will continue to reliably manufacture products for us at the levels of quality or in the quantities we require, nor can there be any assurance that the third-party carriers and distributors fulfill their obligations pursuant to their committed timelines. Any insufficiency or delay by third-party services would adversely affect the Resulting Issuer's financial performance.

These third-party business relationships, transactions and contracts will require that such third parties have performance, payment and other obligations to the Resulting Issuer. If any of these third parties were to become subject to bankruptcy, receivership or similar proceedings, the Resulting Issuer's rights and benefits in relation to such business relationships, contracts and transactions with such third parties could be terminated, modified in an adverse manner, or otherwise impaired. No assurances can be made that the Resulting Issuer would be able to arrange for alternate or replacement business relationships, transactions or contracts on terms as favorable as the initial business relationships, transactions or contracts, if at all. Any inability on the Resulting Issuer's part to do so could have a material adverse effect on its business and results of operations. See also the description of dropshipping in "*Description of Business – Dropshipping*".

Reliance on a Single Manufacturer

MRI, through DTI, currently relies exclusively upon one manufacturer, Vitalabs, Inc., for the production of all of its products. As a result, any delays or shutdowns that stem from this manufacturer could have a significant impact upon the business of the Resulting Issuer. Additionally, a potential increase in the cost of manufacturing by this one manufacturer would have a significant adverse impact upon the Resulting Issuer's distribution chain and margins, as may any claims made in respect of products produced by Vitalabs, Inc.

Vitalabs, Inc. is located in Georgia, United States. Consequently, any large fluctuations in the value of the American dollar would invariably have an adverse impact on the Resulting Issuer.

Reliance on a Single Brand

Following the closing of the Qualifying Transaction, the Resulting Issuer will have only one brand of product offerings, "Dr. Tobias". In turn, the Resulting Issuer will be reliant on a single brand to generate all of its sales and resultant profit. If any issues arise that could obstruct the Resulting Issuer from being able to sell product under the existing brand, its business and associated financial performance could be materially and adversely affected due to, among other things, loss of brand-recognition and loyalty.

The absence of a second brand necessarily means that the company's reputation, and the perception of its products, are inextricably linked to the "Dr. Tobias" name. As a result, any reputational damage to the "Dr. Tobias" brand will have an outsize impact upon the Resulting Issuer. Further, the absence of a second brand potentially limits the ability of MRI to expand its consumer base outside of those who consume "Dr. Tobias" products.

Adverse Changes in the Size or Growth Rate of the Nutritional Supplements Industry

The success of MRI's, and consequently the Resulting Issuer's, growth strategy is primarily tied to the size and growth rate of the nutritional supplement segment of the consumer health industry. MRI's nutrition sales data is collected for most, but not all channels, and as a result, it is difficult to estimate the size of the market and predict the rate at which the market for its products will grow, if at all. Underlying market conditions are subject to change based on economic conditions, consumer preferences and other factors that are beyond our control, including media attention and scientific research, which may be positive or negative. An adverse change in size or growth rate of the nutritional supplement segment could have a material adverse effect on MRI's and the Resulting Issuer's business, financial condition and results of operations.

Litigation

The Resulting Issuer may become party to litigation from time to time in the ordinary course of their respective businesses which could adversely affect their respective operations. Should any litigation in which the Resulting Issuer becomes involved be determined against the Resulting Issuer, such a decision may adversely affect the Resulting Issuer's respective abilities to continue operating, adversely affect the market price of Resulting Issuer Common Shares and use significant resources. Even if the Resulting Issuer, as the case may be, is involved in litigation and succeeds, litigation can redirect significant company resources. Litigation may also create a negative perception of the Resulting Issuer's brand.

Protection of Intellectual Property

MRI products are not currently protected by patents. The applicable labeling regulations governing natural health products require that the ingredients of such products be precisely and accurately indicated on product containers. Accordingly, patent protection for natural health products often is impractical given the large number of manufacturers who produce natural health products having many active ingredients in common.

Additionally, certain current MRI products and planned Resulting Issuer products are affected by rapid change and frequent reformulations, as the body of scientific research and literature refines the current understanding of the application and efficacy of certain substances and the interactions among various substances. In this respect, MRI maintains an active research and development program, which will be continued under the Resulting Issuer's operations that is devoted to developing purer more potent and more effective formulations of its products. MRI protects its investment in research, as well as the techniques it uses to improve the purity and effectiveness of our products, by relying on trade secret and trademark laws. Notwithstanding the Resulting Issuer's efforts, there can be no assurance that efforts to protect MRI's and the Resulting Issuer's trade secrets and trademarks will be successful. The Resulting Issuer intends to maintain and keep current all of its trademark registrations and to pay all applicable renewal fees as they become due. Beyond merely its trademarks, if for any reason the Resulting Issuer is unable to maintain MRI's current or its future intellectual property rights, its sales of any related products could be materially and negatively affected.

Disruption or Breaches in Information Technology Systems

MRI's business operations are currently managed through a variety of information technology systems. The Resulting Issuer will be dependent on these systems for sale transactions, supply-chain management and inventory management. While the systems are designed to operate without interruption, the Resulting Issuer may in the future experience interruptions to the availability of its computer systems from time to time. The failure of the computer systems to operate effectively, keep pace with growing capacity requirements, smoothly transition to upgraded or replacement systems or integrate with new systems could adversely affect MRI and the Resulting Issuer's business.

In addition, the Resulting Issuer's computer systems may be subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, cyber-attacks, denial-of-service attacks, security breaches, catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes, acts of war or terrorism, and usage errors by the Resulting Issuer's or its Affiliates' employees. If the computer systems are damaged or cease to function properly, the Resulting Issuer may have to make an investment to fix or replace them, and it may suffer loss of critical data, compromise to the integrity or confidentiality of customer and employee information in its systems or networks, disruption to any systems or networks of third parties on which it relies, and interruptions or delays in its operations. A lack of relevant and reliable information that enables management to effectively manage the Resulting Issuer's business could preclude it from optimizing its overall performance. Any significant loss of data or failure to maintain reliable data may have an adverse effect on the business and results of operations. Any such disruption may increase the Resulting Issuer's costs, diminish its growth prospects, expose it to litigation, decrease customer confidence and damage its brand, and a material interruption to any of its computer systems could adversely affect the business or results of operations and reputation.

Reliance on a Single Consumer Market

MRI currently only distributes its products within the United States. Unless MRI expands the reach of its distribution, the Resulting Issuer expects to be reliant on the United States' consumer market to, alone, generate all of its sales and resulting profit. In the event that something obstructs the Resulting Issuer's ability to access the United States' consumer market, the Resulting Issuer may have significant difficulty generating sales, thus materially and adversely affecting the Resulting Issuer's profitability. As a result, MRI's operating results and financial performance may be affected by adverse changes in economic conditions (such as economic downturns or trade disputes concerning the imposition of apparel quotas, higher tariffs or other trade barriers), political conditions (such as government elections, terrorist attacks or wars) and social conditions (such as trade union disputes) in the United States.

Operating in a Foreign Country

All of MRI's current sales are completed via DTI, a company registered in Germany. Furthermore, all sales are currently limited to the United States and MRI's sole manufacturer is located in the United States. As a result, MRI is exposed to the risks and expenses that exist when manufacturing, operating or selling products in a foreign jurisdiction. MRI is subject to all of the accompanying risks that come with complying with the laws and regulations of the countries in which the products are sold. This includes the need to receive licensing approval as well as a responsibility to be compliant with the packaging requirements of various countries.

In addition, by operating in Germany, the Resulting Issuer will be obligated to comply with both German and Canadian regulatory and legal regimes. As a result, MRI may have more legal and regulatory burdens than a company operating solely in Canada.

Volatile Market Price for Resulting Issuer Common Shares

The market price for Resulting Issuer Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Resulting Issuer's control, including the following:

- actual or anticipated fluctuations in the Resulting Issuer's quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which the Resulting Issuer operates;
- addition or departure of the Resulting Issuer's executive officers and other key personnel;
- release or expiration of transfer restrictions on outstanding Resulting Issuer Common Shares;
- sales or perceived sales of additional Resulting Issuer Common Shares;
- operating and financial performance that vary from the expectations of management, securities analysts and investors;
- regulatory changes affecting the Resulting Issuer's industry generally and its business and operations;
- announcements of developments and other material events by the Resulting Issuer or its competitors;
- fluctuations to the costs of vital production materials and services;
- changes in global financial markets and global economies and general market conditions, such as interest rates and pharmaceutical product price volatility;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Resulting Issuer or its competitors;
- operating and share price performance of other companies that investors deem comparable to the Resulting Issuer or from a lack of market comparable companies; and
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Resulting Issuer's industry or target markets.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of Resulting Issuer Common Shares may decline even if the Resulting Issuer's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are lasting and not temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in share price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Resulting Issuer's operations could be adversely impacted and the trading price of Resulting Issuer Common Shares may be materially adversely affected.

Inability to Successfully Implement Growth Strategy on a Timely Basis

MRI's and the Resulting Issuer's future success depends, in part, on its ability to implement its growth strategy, including (i) product innovations within existing categories and growth into adjacent categories and continued growth of existing products in existing categories; (ii) further penetration into international markets and new geographies; (iii) in support of its profitability targets, improvements in its operating income, gross profit and Adjusted EBITDA margins. MRI's ability to implement this growth strategy depends, among other things, on its ability to:

- develop new products and product line extensions that appeal to consumers and will be supported by retailers and distributors;
- maintain and expand brand loyalty and brand recognition by effectively implementing its marketing strategy and advertising initiatives;
- maintain and improve its competitive position with its existing and newly acquired brands in the channels in which we compete;
- identify and successfully enter and market its products in new geographic markets and market segments and categories;
- enter into successful distribution arrangements with international distributors and retailers of MRI's products;
- maintain and, to the extent necessary, improve its high standards for product quality, safety and integrity;
- maintain sources for the required supply of quality raw ingredients to meet its growing demand; and
- respond to and profit from trends in the nutritional supplement segments, including the health and wellness mega-trend, an aging population, an increased demand from consumers for scientific support and quality assurance, rising demand for protein in nutritional supplements, increasing regulatory and quality standards and demand in emerging markets.

The Resulting Issuer, by way of MRI, may not be able to successfully implement its growth strategy and reach its revenue and profitability improvement targets. MRI may need to change its strategy. If MRI fails to implement its growth strategy or if it invests resources in a growth strategy that ultimately proves unsuccessful, its business, financial condition and results of operations may be materially adversely affected.

Sources for Materials May Fail to Support Demand and Increasing Raw Materials Could Adversely Affect Margins

In carrying out the Resulting Issuer's operations, MRI is dependent on a stable and consistent supply of raw materials and other inputs, including ingredients and packaging products. Although most of its products and inputs are generally available from multiple sources, certain materials may be sourced and controlled by a limited number of suppliers. Certain materials are commodities that may experience price volatility due to changing supply and demand conditions, especially if they are sourced and controlled by a limited number of suppliers.

In addition, increasing regulatory requirements and standards with respect to nutritional supplement products in international jurisdictions may make it more difficult or costly for certain manufacturers and sources of raw materials and other inputs that MRI and its suppliers rely on to produce those inputs. This may affect the availability and the speed with which MRI's products may be produced.

Although we believe our current arrangements for the supply of products and inputs are adequate to cover existing demand and anticipated growth, there can be no assurance that MRI's suppliers will be able to meet its demand, especially if its business experiences significant growth. Furthermore, there also can be no assurance that MRI will be able, in the future, to continue to purchase products and inputs from its current suppliers or any other suppliers on favourable terms or at all. If it experiences supply issues or price increases with certain products or inputs, MRI may not be able to reformulate its products so as to avoid using those materials. An interruption in the availability of certain materials or products, or significant increases in the prices paid by MRI for them, could have a material adverse effect on its business, financial condition, liquidity and operating results.

Difficulty Expanding Sales in Targeted International Markets

International markets have been, and will continue to be, a focus for sales growth, and over time MRI and the Resulting Issuer intend for international sales to comprise a larger percentage of their total sales. Several factors, including weakened economic conditions in any targeted international markets, could adversely affect such growth.

Additionally, MRI's entry into new international markets requires management attention and financial resources that would otherwise be spent on other parts of its business. The country in which MRI sells its products, or otherwise has an international presence, is to some degree subject to political, economic and/or social instability. MRI's sales expose it to risks and expenses inherent in operating or selling products in foreign jurisdictions, and developing and emerging markets in particular where the risks may be heightened. These risks and expenses include:

- adverse currency exchange rate fluctuations, as well as international sales being denominated in United States dollars;

- risks associated with complying with laws and regulations in the countries in which the products are sold, such as requirements to apply for and obtain licenses, permits or other approvals for its products, and the delays associated with obtaining such licenses, permits or other approvals;

- the costs of adapting our products for sale in foreign countries, including to change formulations, formats, labelling or packaging;

- multiple, changing, and often inconsistent enforcement of laws, rules and regulations, including regulations and standards relating to consumer health products;

- risks associated with the reliance on international distributors, including the possible failure of international distributors to appropriately understand, represent and effectively market and sell MRI's products;

- damage to MRI's reputation or brand if counterfeit versions of its products are introduced into its international markets;

- the imposition of additional foreign governmental controls or regulations, new or enhanced trade restrictions or non-tariff barriers to trade, or restrictions on the activities of foreign agents, representatives, and distributors;

- increases in taxes, tariffs, customs and duties, or costs associated with compliance with import and export licensing and other compliance requirements;

- the imposition of restrictions on currency conversion or the transfer of funds or limitations on MRI's ability to repatriate non-Canadian earnings in a tax effective manner;

- the imposition of Canadian and/or international sanctions against a country, company, person or entity with whom MRI does business that would restrict or prohibit its continued business with the sanctioned country, company, person or entity;

- downward pricing pressure on our products in our international markets, due to competitive factors or otherwise;

- laws and business practices favouring local companies;

- political, social or economic unrest or instability;

- greater risk on credit terms, longer payment cycles and difficulties in enforcing agreements and collecting receivables through certain foreign legal systems; and

- difficulties in enforcing or defending intellectual property rights; and the effect of disruptions caused by severe weather, natural disasters, outbreak of disease or other events that make travel to a particular region less attractive or more difficult.

MRI's international efforts may not produce desired levels of sales. Furthermore, its experience with selling products in its current international markets may not be relevant or may not necessarily translate into favourable results if it sells in other international markets. If and when MRI enters into new markets in the future, it may experience different competitive conditions, less familiarity with its brands and/or different consumer tastes and discretionary spending patterns. As a result, MRI may be less successful than expected in expanding its sales in its current and targeted international markets. Sales into new international markets may take longer to ramp up and reach expected sales and profit levels, or may never do so, thereby affecting MRI's overall growth and profitability. To build brand awareness in these new markets, MRI may need to make greater investments in advertising and promotional activity than originally planned, which could negatively impact the profitability of its sales in those markets. These or one or more of the factors listed above may harm MRI's business, results of operations or financial condition. Any material decrease in its international sales or profitability could also adversely impact its business, results of operations or financial condition.

Changes in General Economic Conditions

Current and future conditions in the economy have an inherent degree of uncertainty. As a result, it is difficult to estimate the level of growth or contraction in the general economy of any of the countries in which MRI's products are sold. It is even more challenging to estimate growth or contraction in various parts, sectors and regions of the economy of those countries. Our budgeting and forecasting are dependent upon estimates of demand for our products and growth or contraction in the markets we serve. Economic uncertainty complicates reliable estimation of our future income and expenditures. Adverse changes in general economic conditions may occur as a result of weakening global economic conditions, tightening of consumer credit, falling consumer confidence, political events or uncertainty, increasing unemployment, declining stock markets or other factors affecting economic conditions generally or in the various countries in which MRI's products are sold. These changes may adversely affect demand for MRI's products, increase the cost or decrease the availability of financing to fund its business and growth plans or increase costs associated with manufacturing and distributing its products, any of which could have a material and adverse effect on MRI's revenue and profitability.

In addition, consumer spending habits, including spending on MRI's products, are affected by, among other things, prevailing economic conditions, levels of employment, fuel prices, salaries and wages, the availability of consumer credit, consumer confidence and consumer perception of economic conditions. A general economic slowdown in any of MRI's active markets could decrease demand for its products, which would adversely affect MRI's revenue. In addition, an uncertain economic outlook may adversely affect consumer spending habits and customer traffic, which may result in lower revenue. A prolonged economic downturn in any of MRI's markets could have a material negative impact on its business, financial condition and performance. Such would equivalently impact the Resulting Issuer.

Holding Company Status

The Resulting Issuer is, at least initially upon completion of the Qualifying Transaction, a holding company and essentially all of its operating assets are the capital stock of its subsidiaries. As a result, investors in the Resulting Issuer are subject to the risks attributable to its subsidiaries. As a holding company, the Resulting Issuer conducts substantially all of its business through its subsidiaries, which generate substantially all of its revenues. Consequently, the Resulting Issuer's cash flows and ability to complete current or desirable future enhancement opportunities are dependent on the earnings of its subsidiaries and the distribution of those earnings to the Resulting Issuer. The ability of these entities to pay dividends and other distributions will depend on their operating results and will be subject to applicable laws and regulations which require that solvency and capital standards be maintained by such companies and contractual restrictions contained in the instruments governing their debt. In the event of a bankruptcy, liquidation or reorganization of any of the Resulting Issuer's subsidiaries, holders of indebtedness and trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to the Resulting Issuer.

Management of Growth

The Resulting Issuer and its subsidiaries may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Resulting Issuer to manage growth effectively will require continued implementation and improvement of their operational and financial systems and to expand, train and manage their respective employee bases. The inability of the Resulting Issuer to deal with growth may have a material adverse effect on their respective businesses, financial conditions, results of operations and prospects.

Increased Expenses as a Public Company

The Resulting Issuer will incur significant legal, accounting, insurance and other expenses as a result of being a public company, which may negatively impact its performance and could cause its results of operations and financial condition to suffer more than those of MRI as a private company. Compliance with applicable securities laws in Canada and the rules of the Exchange substantially increases the Resulting Issuer's expenses, including its legal and accounting costs, and make some activities more time-consuming and costlier. Reporting obligations as a public company and the Resulting Issuer's anticipated growth may place a strain on its financial and management systems, processes and controls, as well as on its personnel.

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

Reliance on Management

The success of the Resulting Issuer is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. While employment agreements and incentive programs are customarily used as primary methods of retaining the services of key employees, these agreements and incentive programs cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Resulting Issuer's business, operating results or financial condition.

Principal Securityholders

Upon completion of the Transaction, the Resulting Issuer's largest shareholders are expected to be certain former MRI Shareholders, being Telfer Hanson, the Telfer Hanson (2017) Family Trust and RKH Limited, collectively and David Kohler and the David Kohler (2017) Family Trust, collectively holding in the aggregate, 15,960,750 Resulting Issuer Common Shares, or 32% of the outstanding Resulting Issuer Common Shares after giving effect to the Transaction based on a total of 49,371,837 Resulting Issuer Common Shares issued and outstanding upon the completion of the Transaction. The MRI Shareholders will have a controlling interest in the Resulting Issuer and will be in the position to exert significant influence on the corporate actions that the Resulting Issuer takes. The MRI Shareholders will have a significant influence on determining the outcome of any corporate transaction or other matter submitted to shareholders for approval, including mergers, consolidations and the sale of all or substantially all of the Resulting Issuer's assets, election of directors and other significant corporate actions. The MRI Shareholders' controlling interest could also have the effect of delaying or preventing a change of control of the Resulting Issuer or entrenching the Resulting Issuer's board of directors or the Resulting Issuer's management, which could conflict with the interests of the other shareholders and, consequently, could adversely affect the market price of the Resulting Issuer's securities. Finally, due to The MRI Shareholders' significant shareholdings, there can be no guarantee of a ready liquid market for Resulting Issuer Common Shares.

Conflicts of Interest

The Resulting Issuer may be subject to various potential conflicts of interest because of the fact that some of its officers and directors may now or in the future be engaged in a range of business activities. In addition, the Resulting Issuer's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Resulting Issuer. External business interests may require significant time and attention of the Resulting Issuer's executive officers and directors. In some cases, executive officers and directors may have fiduciary obligations associated with external business interests that may interfere with their abilities to devote time to the Resulting Issuer's businesses and affairs, as applicable, and this could adversely affect the Resulting Issuer's operations.

In addition, the Resulting Issuer may also become involved in transactions that conflict with the interests of its directors and the officers, who may from time to time deal with persons, firms, institutions or corporations with which the Resulting Issuer may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons, firms, institutions or corporations could conflict with those of the Resulting Issuer. In addition, from time to time, these persons, firms, institutions or corporations may be competing with the Resulting Issuer for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under the applicable laws. In particular, in the event that such a conflict of interest arises at a meeting of the Resulting Issuer's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with the applicable laws, the directors of the Resulting Issuer are required to act honestly, in good faith and in the best interests of the Resulting Issuer.

Limited Market for Securities

Upon completion of the Qualifying Transaction, the Resulting Issuer Common Shares will be listed on the Exchange, however, there can be no assurance that an active and liquid market for the Resulting Issuer Common Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Resulting Issuer.

Liquidity Risk

Liquidity risk is the risk that the Resulting Issuer will not be able to meet its financial obligations as they become due. The Resulting Issuer's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities as they become due. The Resulting Issuer shall facilitate this in part by maintaining a line of credit with a major Canadian bank.

Negative Impacts of Unanticipated Currency Fluctuations

Currency fluctuations may materially affect the financial position and results of the Resulting Issuer. The Resulting Issuer's earnings and cash flow may also be affected by fluctuations in the exchange rate between the U.S. dollar and other currencies, such as the Canadian dollar. The Resulting Issuer will not engage in currency hedging to offset any risk of currency fluctuations.

E-Commerce Sites and Possible De-Listing

The Resulting Issuer's main source of revenue, via DTI, will be through the sales of its products through Amazon. Amazon has the right to terminate this relationship with DTI under certain circumstances. User behavior on e-commerce websites is rapidly evolving, and if the Resulting Issuer fails to successfully adapt to these changes, its competitiveness and market position may suffer.

Germany, Canada and United States Federal and State Level Tax Matters

As the Resulting Issuer's business is conducted via its German subsidiary, DTI it is subject to German income tax. Due to the income tax treaty between the United States and Germany, DTI is not subject to U.S. federal income tax. Under the treaty, the business profits of an enterprise of a contracting state are taxable only in that state unless the business carries on business in the other contracting state through a permanent establishment situated therein. As certain states do not recognize federal treaty regulations, there is a risk these states determine a state income tax liability exists. The Resulting Issuer cannot provide assurance that it will not be subject to U.S. federal, state or local income tax in the future.

There is a risk that U.S. and other foreign jurisdictions could assert that the Resulting Issuer is liable for U.S. state and local or other foreign business activity taxes, which are levied upon income or gross receipts, or for the collection of U.S. state and local sales and use taxes. U.S. states are becoming increasingly active in asserting nexus for business activity tax purposes and imposing sales and use taxes on products and services provided over the internet. The application of federal, state, provincial, local and foreign tax laws to e-commerce businesses continues to evolve. New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time, possibly with retroactive effect, and could be applied solely or disproportionately to e-commerce businesses. A successful assertion by one or more jurisdictions requiring the Resulting Issuer to collect sales or other taxes on the sale of its products could result in substantial tax liabilities for past transactions and otherwise harm the Resulting Issuer's business. The Resulting Issuer cannot provide assurance that it will not be subject to sales and use taxes or related penalties for past sales in jurisdictions where the Resulting Issuer currently believes no such taxes are required.

Risks Relating to the Nutritional Supplements Industry

Product Liability and Intended Health Effects

As a distributor of products designed to be ingested by humans, MRI and the MRI Subsidiaries, and thereby the Resulting Issuer, face an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of products involves the risk of injury or loss to consumers due to tampering by unauthorized third parties, product contamination, unauthorized use by consumers or other third parties. Previously unknown adverse reactions resulting from human consumption of the Resulting Issuer's products alone or in combination with other substances could occur. The Resulting Issuer may be subject to various product liability claims, including, among others, that its products caused injury, illness or loss, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Resulting Issuer could result in increased costs, adversely affect its reputation with its clients and consumers generally, and adversely affect the results of operations and financial conditions of the Resulting Issuer.

The products could also have certain side effects if not taken as directed or if taken by a consumer that has certain medical conditions. Such product-related risks, exacerbated by the difficulty with which consumers can isolate the Resulting Issuer's products' negative or positive effects on health, could lead to claims or litigation which could negatively affect the business' reputation, financial condition, and results of operations. See also the descriptions of the risk factors as set out in *'Reliance on Strength of Reputation and Brands'* and *'Reliance on a Single Manufacturer'*.

Product Recalls

Manufacturers and distributors of products may be subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with prohibited substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the Resulting Issuer's products are recalled due to an alleged product defect or for any other reason, the Resulting Issuer could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Resulting Issuer may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. See also the risk factor '*Reliance on a Single Manufacturer*' above.

Success Depends on Product Development and Innovation

The Resulting Issuer's business will be subject to changing consumer trends and preferences and dependent, in part, on continued consumer interest in our new products, including line extensions, reformulations, new formulations and new formats. There can be no assurance that consumers will accept any such new products or that the Resulting Issuer will be able to attain sufficient market share for such products. The success of any new product offerings depends upon a number of factors, including the Resulting Issuer's ability to: (i) accurately anticipate customer needs; (ii) develop new products that meet these needs; (iii) successfully commercialize new products in a timely manner; (iv) price products competitively; (v) manufacture and deliver products in sufficient volumes and in a timely manner; (vi) differentiate product offerings from those of competitors; and (vii) maintain relationships with its scientist employees and consultants in order to benefit from their expertise and innovations.

The new products of the Resulting Issuer's competitors may beat its products to market, be more potent or effective, have more features or be less expensive than its products. They may obtain better market acceptance than the Resulting

Issuer's products or render its products obsolete. If the Resulting Issuer does not introduce new products to meet the changing needs and tastes of consumers in a timely manner and more effectively than its competitors, it may experience declining sales, which could have an adverse effect on its operating results.

Additionally, the development and introduction of new products may require substantial research, development and marketing expenditures, which the Resulting Issuer may be unable to recoup if new products do not gain widespread market acceptance or if the market for such products does not develop as expected. Efforts to accelerate its innovation capabilities may exacerbate risks associated with innovation. If the Resulting Issuer is unsuccessful in meeting its objectives with respect to new products, its financial condition, reputation and results of operations could be harmed.

Environmental Regulations and Risks

The operations of MRI and the MRI Subsidiaries, and soon-to-be the Resulting Issuer, are subject to environmental regulation. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Resulting Issuer's respective operations.

Government approvals and permits are currently, and may in the future, be required in connection with the Resulting Issuer's operations. To the extent such approvals are required and not obtained, the Resulting Issuer may be curtailed or prohibited from the continued production of nutritional supplements or from proceeding with any further development of its operations.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Resulting Issuer may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Changes in Legal, Regulatory and Industry Standards

In all of MRI's and the Resulting Issuer's markets, the formulation, manufacturing, packaging, labelling, handling, distribution, importation, exportation, licensing, sale and storage of its products are affected by extensive laws, governmental regulations, administrative determinations, court decisions and similar constraints. Such laws, regulations and other constraints may exist at the federal, provincial or local levels in Canada and at all levels of government in foreign jurisdictions. There is currently no uniform regulation applicable to natural health products worldwide. There can be no assurance that MRI is in compliance with all of these laws, regulations and other constraints. MRI's failure to comply with these laws, regulations and other constraints or new laws, regulations or constraints could lead to the imposition of significant penalties or claims and could negatively impact MRI's business. In addition, the adoption of new laws, regulations or other constraints or changes in the interpretations of such requirements may result in significant compliance costs or lead MRI to discontinue product sales and may have an adverse effect on the marketing of its products, resulting in significant loss of sales. The introduction of new environmental laws affecting the size or materials composition of our packaging could impact the visibility of our products on the display shelves of our retail partners, resulting in significant loss of sales.

Governmental regulations in countries where MRI operates or plans to operate may prevent or delay entry into those markets or require it to incur additional costs. In addition, MRI's ability to sustain satisfactory levels of sales in its existing markets is dependent in significant part on its ability to introduce additional products into such markets. However, governmental regulations in the existing markets, both domestic and international, can delay or prevent the introduction, or require the reformulation or withdrawal, of certain products. Further, such regulatory action, whether or not it results in a final determination adverse to MRI, could create negative publicity, with detrimental effects on sales.

There has been an increasing movement in certain markets to increase the regulation of natural health products which will impose additional restrictions or requirements. In addition, there has been increased regulatory scrutiny of nutritional supplements and marketing claims under existing and new regulations. Although MRI believes its products are prepared for these changes, having a long history of adhering to applicable standards and its own internal controls, such anticipated regulatory and standards changes may introduce some risk and harm MRI's operations if its products or advertising activities are found to violate existing or new regulations or if it is not able to affect necessary changes to its products in a timely and efficient manner to respond to new regulations.

Competition

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

To remain competitive, the Resulting Issuer will require a continued level of investment in research and development, marketing, sales and client support. The Resulting Issuer may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Resulting Issuer.

Operating Risk and Insurance Coverage

MRI, the MRI Subsidiaries, and the manufacturer of the products sold by MRI have insurance to protect their assets, operations and employees. While the Resulting Issuer believes the insurance coverage addresses all material risks to which it is exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which it is exposed. However, the Resulting Issuer may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. The Resulting Issuer might also become subject to liability for pollution or other hazards which may not be insured against or which the Resulting Issuer may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Resulting Issuer to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Natural Disasters, Unusual Weather and Geo-Political Events

The occurrence of one or more natural disasters, such as hurricanes and earthquakes, unusually adverse weather, pandemic outbreaks, boycotts and geo-political events, such as civil unrest and acts of terrorism, or similar disruptions could impact the Resulting Issuer's supply chain and, thereby, its operations. In turn, such events could materially adversely affect the Resulting Issuer's business, results of operations or financial condition.

PART I: INFORMATION CONCERNING COMMERCE

CORPORATE STRUCTURE

Name and Incorporation

The full name of the Corporation is "Commerce Acquisition Corp." The Corporation was incorporated under the OBCA on March 27, 2017 and is a reporting issuer in the provinces of Ontario, Alberta and British Columbia.

The head and registered office of Commerce is located at 77 King Street West, Suite 700, TD North Tower, P.O. Box 118, Toronto, Ontario, M5K 1G8.

GENERAL DEVELOPMENT OF THE BUSINESS

History

The Corporation was incorporated on March 27, 2017, with David Mitchell as CEO and director, Robert Howe as CFO and director, Joshua Arbuckle as Secretary and director, and Steven Hoffman as director. Since the incorporation of Commerce, the board of directors has been increased to 5 seats, and Keith Raymond Harris has been appointed as a director of the Corporation and successor CFO to Robert Howe. As a CPC, the Corporation has not commenced commercial operations and has no assets other than cash. The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction.

On May 7, 2018, the Corporation announced that it had completed its IPO of 5,000,000 Commerce Common Shares for $0.20 per Commerce Common Share for gross proceeds of $1,000,000.

Commerce also granted Industrial Alliance Securities Inc., its agent on the IPO, an administrative fee, a cash commission equal to 10% of the gross proceeds of the IPO, and options entitling it to purchase up to 500,000 Commerce Common Shares at an exercise price of $0.20 per Commerce Common Share for a 24-month period from the day the Commerce Common Shares are listed on the Exchange.

On the same day, the Corporation granted options to acquire 625,000 Commerce Common Shares at a price of $0.20 per Commerce Common Share to certain directors and officers of the Corporation, expiring in 5 years from the date of grant.

On May 7, 2018, the Commerce Common Shares were listed for trading on the Exchange under the symbol "CAQ.P".

On August 9, 2018, Commerce entered into the LOI with MRI, pursuant to which Commerce agreed, subject to certain conditions, to acquire all of the issued and outstanding securities of MRI by way of a three-cornered amalgamation among Commerce, Newco, and MRI. The Transaction is intended to constitute Commerce's Qualifying Transaction under the Exchange policies.

On November 15, 2018 the Corporation held the Meeting in order to approve the Name Change and the Consolidation in connection with the Transaction.

On January 2, 2019, Commerce, MRI and Newco entered into the Acquisition Agreement in order to effect the Transaction.

Commerce would like to provide the following additional information with respect to one of its directors, Steven Hoffman, which was erroneously omitted from Commerce's most recent management information circular filed on October 26, 2018 on Commerce's Sedar profile at www.sedar.com:

Mr. Hoffman was an employee of Nav Capital AG, and in this role was assigned to be a director of its subsidiary, NAV Capital Partners AG. Shareholders of Nav Capital AG approved and directed a dissolution and liquidation of the business, including NAV Capital Partners AG. To the knowledge of Mr. Hoffman, the liquidation was not contentious, as the enterprise had debt of less than $300,000 and sufficient assets to satisfy them. The liquidation was completed in March 2016.

THE QUALIFYING TRANSACTION

Commerce proposes to acquire from the MRI Shareholders all of the issued and outstanding common shares of MRI pursuant to the Acquisition Agreement (and for greater certainty is inclusive of the MRI Preferred Shares converted to MRI Common Shares in connection with the Transaction), and concurrently with or immediately prior to the Transaction, shall complete the Name Change and Consolidation.

Acquisition Agreement

On August 9, 2018, Commerce entered into the LOI with respect to the Qualifying Transaction.

On January 2, 2019, Commerce, MRI and Newco entered into the Acquisition Agreement and agreed to enter into the Amalgamation Agreement upon receipt of all required approvals. Pursuant to the Amalgamation Agreement and subject to the fulfillment of certain conditions, MRI and Newco agreed to amalgamate and continue as one corporation, being Amalco. Moreover, pursuant to the Acquisition Agreement and subject to the fulfillment of certain conditions, Commerce agreed to acquire each of the issued and outstanding MRI Shares in consideration for the issuance of 1.5 Commerce Common Shares, post-Consolidation, resulting in the issuance of an aggregate total of 47,809,337 Commerce Common Shares, being the Resulting Issuer Common Shares (inclusive of the In-Kind Dividend payable to the holders of MRI Preferred Shares on the conversion of such shares to MRI Common Shares), at a deemed issue price per share of $1.00, for each MRI Share held by each former MRI Shareholder.

Following the completion of the Transaction: (a) Amalco and the MRI Subsidiaries will become wholly-owned subsidiaries of Commerce, and the business of the combined entity after giving effect to the Transaction will be the business of MRI (indirectly through the operation of each of MRG, DTI and TBH); (b) original shareholders of Commerce will hold an aggregate of 1,562,500 Resulting Issuer Common Shares, representing approximately 3% of the then issued and outstanding Resulting Issuer Common Shares; (c) Telfer Hanson, the Telfer Hanson (2017) Family Trust and RKH Limited will hold an aggregate of 8,067,000 Resulting Issuer Common Shares, representing approximately 16.34% of the then issued and outstanding Resulting Issuer Common Shares[1]; (d) David Kohler and the David Kohler (2017) Family Trust will hold an aggregate of 7,893,750 Resulting Issuer Common Shares[2], representing approximately 15.99% of the then issued and outstanding Resulting Issuer Common Shares; (e) Bloom Burton Securities Inc. will hold an aggregate of 2,176,500 Resulting Issuer Common Shares, representing approximately 4.41% of the then issued and outstanding Resulting Issuer Common Shares; and (f) in connection with the private placement of MRI Preferred Shares, former holders of MRI Preferred Shares will hold an aggregate of 31,814,087 Resulting Issuer Common Shares (inclusive of the In-Kind Dividend payable to the holders of MRI Preferred Shares on the conversion of such shares to MRI Common Shares, immediately prior to the completion of the Transaction), representing approximately 64.44% of the then issued and outstanding Resulting Issuer Common Shares.

The following is a summary of certain provisions of the Acquisition Agreement. It does not purport to be complete and is subject to, and is qualified in its entirety by reference to, provisions of the Acquisition Agreement, which can be found on SEDAR at www.sedar.com under Commerce's profile and is incorporated by reference herein. All terms defined in this section but not otherwise defined herein shall be attributed their respective meanings as set out in the Acquisition Agreement.

Mutual Conditions

The respective obligations of each of Commerce, Newco and MRI to complete the Transaction are subject to the fulfillment of each of the following conditions precedent, unless waived in writing by Commerce, MRI, or Newco:

(a) On the Closing Date, there shall have been obtained the written consents or approvals, in form and substance satisfactory to each of Commerce, Newco and MRI, acting reasonably, of any governmental or regulatory agency or Persons whose consent, waivers, forbearance or other approval to the transactions contemplated hereby is required (including pursuant to any contract), and all conditions

[1] Inclusive of 60,158 Resulting Issuer Options to be exercised by Telfer Hanson following the Closing of the Transaction.
[2] Inclusive of 60,158 Resulting Issuer Options to be exercised by David Kohler following the Closing of the Transaction.

imposed upon such consents, waivers, forbearance or other approvals shall have been satisfied, including without limitation, the Exchange;

(b) The Commerce Common Shares issuable in connection with the Amalgamation, including but not limited to:

(i) the Commerce Common Shares to be issued in exchange for MRI Shares; and

(ii) the Commerce Common Shares issuable on exercise of the Commerce Exchange Options and Commerce Exchange Warrants,

shall have been conditionally approved for listing by the Exchange, subject to fulfilment of the Exchange's conditions, including the usual and ordinary listing requirements;

(c) On the Closing Date, no prohibition under any applicable laws against the completion of the Transaction or any of the transactions contemplated by the Acquisition Agreement are to be in existence.

(d) Closing Date is to occur on or prior to May 31, 2019, or such later date as may be agreed in writing by Commerce and MRI.

(e) Any Person who will be a holder of a Resulting Issuer Common Share (each, a "**Resulting Issuer Shareholder**") and is required by the Exchange to sign an escrow agreement in accordance with the policies of the Exchange shall have signed and delivered such agreement;

(f) The Exchange to have received a Sponsorship Acknowledgement Form (as defined in the Exchange Policies), and the accompanying documents as may be required by the TSX-V Policy 2.2 - *Sponsorship and Sponsorship Requirements*, or the sponsorship requirement shall have been waived by the Exchange or satisfied by other means acceptable to the Exchange.

(g) At a special meeting of the MRI Shareholders to be convened as soon as is reasonably practicable following the execution of the Acquisition Agreement, the MRI Shareholders must approve the following:

(i) the Amalgamation; and

(ii) such other matters as may be agreed to in writing by Commerce, Newco and MRI from time to time.

Conditions Precedent in favour of Commerce

The obligation of Commerce to complete the Transaction is subject to the fulfillment of each of the following conditions precedent, unless waived in writing by Commerce (where capable of being waived):

(a) On the Closing Date, MRI shall have executed, delivered and performed all covenants on its part to be performed under the Acquisition Agreement and all representations and warranties contained in the applicable sections of the Acquisition Agreement to be true and correct at Closing, unless they specifically relate to an earlier date, with the same effect as if made on and as of such date, and a certificate to that effect signed by a duly authorized officer of MRI to have been delivered to Commerce as of the Closing.

(b) On the Closing Date, there will have been no material change or change in a material fact or a new material fact or an undisclosed material fact or material change in respect of MRI which might reasonably be expected to have a material adverse effect on the condition (financial or otherwise), capital, property, assets, operations, business, affairs or prospects of MRI.

(c) On the Closing Date, all necessary steps and corporate proceedings to have been taken by MRI, their respective board of directors and securityholders (as applicable) to permit the transactions contemplated by the Acquisition Agreement.

(d) MRI shall have executed and delivered to Commerce all documents as Commerce may reasonably request for the purposes of completing the Transaction in accordance with the terms of the Acquisition Agreement.

If any such conditions is not be fulfilled or waived in writing by Commerce at or prior to the Closing Date, Commerce may rescind the Acquisition Agreement by written notice to MRI and, in such event, Commerce and MRI shall be released from all obligations thereunder.

Conditions Precedent in favour of MRI

The obligations of MRI to complete the Transaction is subject to the fulfillment of the following conditions precedent unless waived in writing by MRI (where capable of being waived):

(a) On the Closing Date, Commerce shall have executed, delivered and performed all covenants on its part to be performed under the Acquisition Agreement and all representations and warranties are to be true and correct at Closing, unless they specifically relate to an earlier date, with the same effect as if made on and as of such date, and a certificate to that effect signed by a duly authorized officer of Commerce to have been delivered to MRI as of the Closing.

(b) On the Closing Date, all necessary steps and corporate proceedings, as approved by MRI must have been taken by Commerce, the Commerce Board and the Commerce Shareholders (as applicable) to permit the transactions contemplated by the Acquisition Agreement.

(c) Commerce and Newco shall have executed and delivered to MRI all documents as MRI may reasonably request for the purposes of completing the Amalgamation in accordance with the terms of this Agreement;

(d) Commerce shall have filed articles of amendments implementing the Consolidation and the Name Change;

(e) Commerce shall have delivered resignation and mutual releases by of all current officers and directors of Commerce to take effect on Closing, which resignations shall be staged in such a manner that new directors as directed by MRI can be appointed by the remaining board members to fill each vacancy and the board members of Commerce shall have signed such resolutions as may be necessary to give effect to this reorganization of the Commerce board of directors on Closing with the result that the board of directors of the Resulting Issuer post-closing will be as follows:

Name	**Position**
Telfer Hanson..	Proposed Executive Chairman and Director
David Kohler	Proposed CEO and Director
Norman Betts	Proposed Director
David Grandin	Proposed Director
Bryan Pearson.......................................	Proposed Director
Andrew Patient	Proposed CFO

If any such condition is not fulfilled or waived in writing by MRI at or prior to the Closing Date, MRI may rescind the Acquisition Agreement by written notice to Commerce and, in such event, Commerce and MRI shall be released from all obligations thereunder.

Representations and Warranties

The Acquisition Agreement contains a number of customary representations and warranties of each of the parties relating to, among other things, corporate status, the corporate authorization and enforceability of, and board approval of the Acquisition Agreement and the Transaction, and the business and affairs of Commerce and MRI.

Conduct of Business – MRI

(a) Up to the Closing Date, MRI shall (1) carry on the Business in the normal and ordinary course; (2) preserve the ongoing goodwill of MRI; and (3) ensure that key employees, if any, and key independent contractors continue their association with MRI and MRI undertakes to notify Commerce of any event or occurrence during such period which might reasonably be considered to have a materially adverse effect on the MRI Assets or the Business.

(b) Unless otherwise contemplated herein or approved by Commerce in writing, which approval shall not be unreasonably withheld, during the period from the date hereof until the earlier of the Closing Date or termination of the Acquisition Agreement, MRI shall not:

(i) except in the ordinary course of business, sell, transfer or dispose of or create any mortgage, pledge, waiver or other encumbrance or a security interest on or in respect of the whole or any part of the MRI Assets;

(ii) issue, sell or agree to issue or sell any shares, rights, options, warrants or other securities of MRI, except for options granted to directors, officers, employees and consultants in the ordinary course of business pursuant to MRI's stock option plan (such options to be exchanged for Commerce Exchange Options pursuant to the terms of this Agreement);

(iii) change, amend or modify the charter documents or by-laws of MRI, except in connection with the removal of certain private company restrictions as agreed to in writing by the parties hereto;

(iv) initiate, propose, assist or participate in any activities in opposition to or in competition with this Agreement, and without limiting the generality of the foregoing, to undertake any transaction or negotiate any transaction which would be or potentially could be in conflict with the Amalgamation and not to take actions of any kind which may reduce the likelihood of success of the Amalgamation; or

(v) do anything that would cause any of the representations and warranties of MRI contained in this Agreement to be false or misleading.

(c) MRI shall provide to Commerce upon request such information as may be necessary for Commerce to include in the Filing Statement or to satisfy any other requirements of the Exchange or applicable securities laws.

Conduct of Business – Commerce

(a) Up to the Closing Date, Commerce shall (1) carry on its business in the normal and ordinary course; (2) preserve the ongoing goodwill of Commerce; and (3) ensure that key employees, if any, and key independent contractors continue their association with Commerce and Commerce undertakes to notify Commerce of any event or occurrence during such period which might reasonably be considered to have a materially adverse effect on the Commerce Assets or the Business.

(b) Unless otherwise contemplated herein or approved by MRI in writing, which approval shall not be unreasonably withheld, during the period from the date hereof until the earlier of the Closing Date or termination of the Acquisition Agreement, Commerce shall not:

(i) except in the ordinary course of business, sell, transfer or dispose of or create any mortgage, pledge, waiver or other encumbrance or a security interest on or in respect of the whole or any part of the Commerce Assets;

(ii) issue, sell or agree to issue or sell any shares, rights, options, warrants or other securities of Commerce

(iii) change, amend or modify the constating documents or articles of Commerce;

(iv) initiate, propose, assist or participate in any activities in opposition to or in competition with the Acquisition Agreement, and without limiting the generality of the foregoing, to undertake any transaction or negotiate any transaction which would be or potentially could be in conflict with the Amalgamation and not to take actions of any kind which may reduce the likelihood of success of the Amalgamation; or

(v) do anything that would cause any of the representations and warranties of Commerce contained in the Acquisition Agreement to be false or misleading.

Termination of the Acquisition Agreement

Commerce and MRI may terminate the Acquisition Agreement at any time prior to Closing upon the mutual written agreement of Commerce and MRI.

The Acquisition Agreement will terminate automatically with no further action from any party thereof if the Transaction is not closed by 5:00 pm (Toronto time) on May 31 2019, or such later date as Commerce and MRI may agree upon in writing.

If, at any time prior to Closing, any representation and warranty, covenant or condition (which by its terms must be complied with or fulfilled at such time), made or given by MRI in the Acquisition Agreement is not, in the case of a representation and warranty true and correct with the same force and effect as if given at and of such time, and, in the case of a covenant or condition, is not being complied with or fulfilled in all material respects and if such representation and warranty, covenant or condition is not made true and correct or complied with or fulfilled in all material respects by action of MRI within 20 days of MRI in receiving notice to that effect from Commerce, then Commerce, at the expiry of such period, by giving notice to MRI, may terminate the Acquisition Agreement and its obligations thereunder.

If, at any time prior to Closing, any representation and warranty, covenant or condition (which by its terms must be complied with or fulfilled at such time), made or given by Commerce in the Acquisition Agreement is not, in the case of a representation and warranty true and correct with the same force and effect as if given at and of such time, and, in the case of a covenant or condition, is not being complied with or fulfilled in all material respects and if such representation and warranty, covenant or condition is not made true and correct or complied with or fulfilled in all material respects by action of Commerce within 20 days of Commerce receiving notice to that effect from MRI, then MRI, at the expiry of such period, by giving notice to Commerce, may terminate the Acquisition Agreement and its obligations thereunder.

Reverse Takeover

The Transaction will constitute a Reverse Takeover of Commerce. Generally, a Reverse Takeover transaction involves an issuer issuing securities from its treasury to purchase another entity or Significant Assets, where the owners of the other entity or assets acquire control of the issuer.

The Transaction was negotiated on an arm's-length basis and involves arm's-length parties and therefore is not a Non-Arm's Length Qualifying Transaction under the Exchange Policies.

Resale of Shares

The Resulting Issuer Common Shares to be issued to MRI pursuant to the Transaction will be issued in reliance on exemptions from prospectus requirements of applicable securities laws of the various applicable provinces in Canada and will generally, subject to the discussion regarding applicable escrow and resale restrictions imposed by the Exchange (see "*Part III. Information Concerning the Resulting Issuer – Escrowed Securities*"), be "freely tradable" (and not subject to any "restricted period" or "hold period") if the following conditions are met: (i) the trade is not a control distribution (as defined in applicable securities legislation); (ii) no unusual effort is made to prepare the market or to create a demand for the securities that are the subject of the trade; (iii) no extraordinary commission or consideration is paid to a Person in respect of the trade; and (iv) if the selling security holder is an Insider or officer of the Resulting Issuer, the selling security holder has no reasonable grounds to believe that the Resulting Issuer is in default of securities legislation.

Fractional Shares

No fractional Resulting Issuer Common Shares will be issued to MRI and no rights to acquire fractional Resulting Issuer Common Shares will be granted to such holder. No cash will be paid in lieu of fractional shares. Any such fractional Resulting Issuer Common Shares will be rounded down to the nearest whole number.

Name Change

Concurrent with the completion of the Transaction, the Resulting Issuer will complete all necessary steps to change its name from "Commerce Acquisition Corp." to "Mimi's Rock Corp."

SELECTED CONSOLIDATED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Information

The following financial information is taken from and should be read in conjunction with the audited financial statements of the Corporation for the financial year ended December 31, 2018 and the period from incorporation (March 27, 2017) to December 31, 2017, which is together attached hereto as "*Appendix A – Financial Statements of Commerce*". Any additional financial information of the Corporation since inception can be found on SEDAR at www.sedar.com under Commerce's profile.

The Corporation incurred professional fees and filing fees expenses during the period from incorporation on March 27, 2017 to January 17, 2018 totaling $49,688. The Corporation incurred professional fees, filing fees, and stock-based compensation expenses during the financial year ended December 31, 2018 totaling $216,185. Costs were incurred in seeking, evaluating and negotiating potential Qualifying Transactions and in meeting the disclosure obligations required for a reporting issuer listed for trading on the Exchange. No amounts have been deferred in connection with the Transaction.

Management's Discussion and Analysis of Operating Results

Please see the Corporation's MD&A for the financial year ended December 31, 2018 and the period from incorporation (March 27, 2017) to December 31, 2017, which is attached hereto as "*Appendix B – Management's Discussion and Analysis of Commerce*". Any additional financial information of the Corporation since inception can be found on SEDAR at www.sedar.com under Commerce's profile.

DESCRIPTION OF THE SECURITIES

Commerce Common Shares

The Corporation is authorized to issue an unlimited number of Commerce Common Shares without nominal or par value. As at the date of this Filing Statement, 6,250,000 Commerce Common Shares are issued and outstanding as fully paid and non-assessable.

There are 625,000 Commerce Common Shares are reserved for issuance in connection with the options granted to certain directors and officers of Commerce pursuant to the Commerce Stock Option Plan, which entitle the holders thereof to purchase such reserved Commerce Common Shares at a purchase price of $0.20 per Commerce Common Share for a period of 5 years from the associated options' date of issuance. In addition, 500,000 Commerce Common Shares are reserved for issuance under the broker warrants granted to the agents on the IPO, which entitle the holders thereof to acquire the associated Commerce Common Shares at a purchase price of $0.20 per Commerce Common Share for a period of 24 months from the date of listing of the Commerce Common Shares on the Exchange (the "**Broker Warrants**"). Prior to the Transaction, the issued and outstanding Commerce Common Shares and Broker Warrants will be consolidated pursuant to the Consolidation.

Holders of Commerce Common Shares are entitled to receive notice of and to vote at every meeting of Commerce Shareholders and shall have one vote for each Commerce Common Share held. In the event of liquidation, dissolution, or winding-up of the Corporation or upon any distribution of the assets of the Corporation among Commerce Shareholders (other than by way of dividend), the Commerce Shareholders are entitled to share equally in such distribution. The holders of Commerce Common Shares are entitled to dividends if and when declared by the Commerce Board. To date, the Corporation has not paid any dividends on its outstanding Commerce Common Shares. The future payment of dividends will be dependent upon the financial requirements of the Corporation to fund further growth, financial condition of the Corporation and other factors which the board of directors of the Corporation may consider in the circumstances. It is not contemplated that any dividends will be paid in the immediate or foreseeable future.

STOCK OPTION PLAN

The Corporation has a "rolling" stock option plan dated March 27, 2017 (the "**Commerce Stock Option Plan**"). Pursuant to the Commerce Stock Option Plan, the Commerce Board may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants to the Corporation, non-assignable and non-transferable options to purchase Commerce Common Shares, provided that the number of Commerce Common Shares reserved for issuance do not exceed 10% of the Corporation's issued and outstanding share capital at any given time, with no mandatory vesting provisions. Such options will be exercisable for a period of up to 10 years from the date of grant.

Further details regarding the Commerce Stock Option Plan are set forth below:

(a) the number of Commerce Common Shares reserved for issue to any one director or officer under the Commerce Stock Option Plan may not exceed 5% of the issued and outstanding Commerce Common Shares at the time of grant;

(b) the number of Commerce Common Shares reserved for issue to any one Insider within any 12-month period under the Commerce Stock Option Plan may not exceed 10% of the issued and outstanding Commerce Common Shares at the time of grant;

(c) the number of Commerce Common Shares reserved for issue to any consultant (as defined in the applicable TSX-V Policy) in any 12-month period under the Commerce Stock Option Plan may not exceed 2% of the issued and outstanding Commerce Common Shares at the time of grant;

(d) options may be exercised within the greater of 12 months after the completion of a Qualifying Transaction and 90 days following cessation of an option-holder's position with the Corporation, provided that if the cessation of office, directorship or consulting arrangement was by reason of death, the option may be exercised within a maximum period of 12 months after such death, subject to the expiry date of such option; and

(e) any Commerce Common Shares acquired pursuant to the exercise of options prior to the completion of a Qualifying Transaction, must be deposited in escrow and will be subject to escrow until an associated final Exchange bulletin is issued.

As of the date of this Filing Statement, the Corporation has 625,000 options (the "**Commerce Options**") outstanding under to the Commerce Stock Option Plan. The Commerce Options were issued on the completion of the IPO to directors and officers of Commerce. The Commerce Options are exercisable at $0.20 per Commerce Option and expire 5 years from the date of issue.

A copy of the Commerce Stock Option Plan is available upon request from the Corporation and is also available under the Corporation's profile at www.sedar.com.

PRIOR SALES

As of the date of this Filing Statement, 6,250,000 Commerce Common Shares have been issued and remain outstanding. The table below sets out the dates and prices at which Commerce Common Shares have been sold since incorporation and the number of securities of the class sold at each price:

Date	Number of Commerce Common Shares	Issue Price Per Commerce Common Share	Aggregate Issue Price	Consideration Received
March 27, 2017	1,000,000[1]	$0.10	$100,000	Cash
October 10, 2017	250,000	$0.10	$25,000	Cash
May 7, 2018	5,000,000[2]	$0.20	$1,000,000	Cash
Total	**6,250,000**		**$1,125,000**	

Notes:

(1) These Commerce Common Shares were issued to a Non-Arm's Length Party to the Corporation prior to the completion of a Qualifying Transaction, thereby requiring that they be placed in escrow pursuant to an escrow agreement entered into by the Corporation, the Commerce Shareholders and the associated escrow agent.

(2) Commerce Common Shares issued in connection with IPO.

STOCK EXCHANGE PRICE

Commerce Common Shares are listed and posted for trading on the TSX-V under the symbol "CAQ.P". The Commerce Common Shares were first listed for trading on the Exchange on May 7, 2018. Trading of the Commerce Common shares was halted on August 9, 2018 as a result of the announcement of the Transaction. The last trading price of the Commerce Common Shares on August 8, 2018, the trading day immediately preceding the trading halt, was $0.20. The following table sets forth the high and low closing prices and volumes of the trading of the Commerce Common Shares for the periods indicated, as reported by the Exchange.

Month	High Trading Price ($)[3]	Low Trading Price ($)	Monthly Volume (#)
May 2018[1]	0.20	0.20	75,000
June 2018	0.25	0.20	60,000
July 2018	0.25	0.20	200,500
August 2018[2]	0.20	0.20	87,500

Notes:

(1) Trading of the Commerce Common Shares commenced on May 7, 2018.

(2) Trading of the Commerce Common Shares was voluntarily halted on August 9, 2018 pending announcement of the Transaction.

ARM'S LENGTH TRANSACTION

The proposed Transaction is a Qualifying Transaction and not a Non-Arm's Length Qualifying Transaction.

LEGAL PROCEEDINGS

There are no legal proceedings material to Commerce to which it is a party or of which any of its property is the subject matter. Commerce is not currently contemplating any material legal proceedings and Commerce is not aware of any legal proceedings contemplated against it.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The auditor of Commerce is MNP LLP, Chartered Professional Accountants, Licensed Public Accountants located at 111 Richmond Street West, Suite 300, Toronto, Ontario, M5H 2G4.

The transfer agent and registrar of the Commerce Common Shares is TSX Trust Company.

MATERIAL CONTRACTS

Except for the contracts made in the ordinary course of business, the following are the only material contracts entered into by the Corporation, as of the date of this Filing Statement, which are in effect and considered to be material:

(a) The Service Agreement between the Corporation and TSX Trust Company dated February 27, 2018 pursuant to which TSX Trust Company was engaged as transfer agent and registrar for the Commerce Common Shares;

(b) The CPC Escrow Agreement; and

(c) The Acquisition Agreement dated January 2, 2019 among Commerce, MRI and Newco.

Copies of the material contracts described above will be available for inspection at the registered office of the Corporation located at 77 King Street West, Suite 700, TD North Tower, P.O. Box 118, Toronto, Ontario M5K 1G8, during ordinary business hours until the Closing Date and for a period of 30 days thereafter.

PART II: INFORMATION CONCERNING MRI AND MRI SUBSIDIARIES

CORPORATE STRUCTURE

Name and Incorporation

MRI

The full name of MRI is "Mimi's Rock, Inc." MRI was incorporated under the OBCA on October 16, 2017, under the name "Mimi's Rock, Inc."

MRI's head and registered office is located at 610 Chartwell Road, Suite 202, Oakville, ON L6J 2X6.

MRG

The full name of MRG is "Mimi's Rock GmbH". MRG's head and registered office is located at Neur Wall 63, 20354 Hamburg, Germany.

MRG was incorporated on January 22, 2018, under the laws of Germany. MRG is a private company that is a wholly-owned subsidiary of MRI formed in connection with the DTI Acquisition (as defined below).

DTI

The full name of DTI is "DTI GmbH". DTI's head and registered office is located at Rathausplatz 22, 22926 Ahrensburg Germany.

DTI was incorporated as DTU UG on April 20, 2013 and reregistered as DTI GmbH on January 25, 2017, under the laws of Germany. DTI is a private company that is a wholly-owned subsidiary of MRG, which in turn is a wholly-owned subsidiary of MRI.

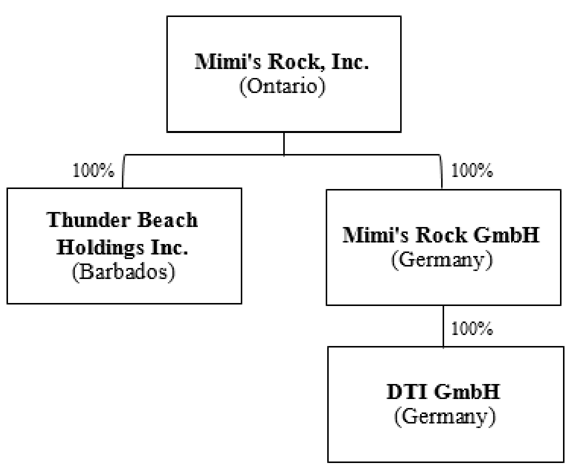
TBH

The full name of TBH is "Thunder Beach Holdings Inc." TBH's head and registered office is located at Suite 203, Building No. 8, Harbour Road, St. Michael, Barbados.

TBH was incorporated on April 20, 2018 under the laws of Barbados, being the *Barbados Companies Act, 1982*. TBH is a private company that is a wholly-owned subsidiary of MRI. TBH is also licensed as an International Barbados Company pursuant to the *International Business Companies Act* (Barbados).

Intercorporate Relationships

The material subsidiaries controlled by MRI the place of incorporation or continuance of those subsidiaries and the percentage of voting securities held, directly or indirectly, by MRI, are as follows:



GENERAL DEVELOPMENT OF THE BUSINESS

History

MRI was incorporated on October 16, 2017, with Telfer Hanson as Executive Chairman and director and David Kohler as CEO and director. The board of directors was later increased to 4 seats, and Norman Betts and David Grandin were elected as directors on August 15, 2018. Andrew Patient was appointed CFO and Secretary of MRI as of October 15, 2018 and Bryan Pearson was appointed as a director on November 20, 2018.

Debt Financing

On February 5, 2018, MRI engaged Bloom Burton Securities Inc. ("**Bloom Burton**") to, among other things, act as exclusive agent for MRI's proposal to raise up to US$17,000,000 in senior secured debt (the "**Debt Financing**").

On July 6, 2018, MRI, as borrower, together with MRG and TBH, as guarantors, entered into a commitment letter with the Bank of Nova Scotia (the "**Lender**"), pursuant to which the Lender agreed to grant credit facilities (the "**Credit Facilities**") to MRI in the aggregate amount of up to $16,230,000.

The Credit Facilities are secured by, in addition to others: (i) a security interest over all of the assets of MRI granted by MRI to and in favour of the Lender pursuant to a general security agreement; (ii) an assignment of material contracts granted by MRI to and in favour of the Lender and; (iii) a pledge of all of the common shares in the capital of the Corporation held by Telfer Hanson (2017) Family Trust and David Kohler (2017) Family Trust pursuant to a limited recourse guarantee and share pledge agreement granted by each of the Telfer Hanson (2017) Family Trust and the David Kohler (2017) Family Trust to and in favour of the Lender.

In connection with the Debt Financing, MRI agreed to pay Bloom Burton, from the gross proceeds therefrom upon closing of the Debt Financing, (i) a cash fee equal to 5.0% of the principal generated from the Debt Financing, and (ii) a non-cash fee equal 5.0% of the principal amount generated from the Equity Financing (defined below) payable in the form of common share purchase warrants. The common share purchase warrants were exercisable for one common share in the capital of MRI at a price equal to the implied valuation of DTI in MRI's intended acquisition of DTI for a period of 5 years from the date of closing of the Debt Financing. Additionally, MRI agreed to, upon the closing of the Debt Financing, issue Bloom Burton the number of MRI Common Shares equal to 2% of the fully diluted common shares issued and outstanding in the capital of MRI at the time of the closing of the Debt Financing and MRI's intended acquisition of DTI.

Private Placement

On April 16, 2018, MRI entered into an engagement letter with Bloom Burton whereby Bloom Burton agreed to, among other things, act as exclusive agent for MRI's proposal to complete a private placement financing of a maximum of 20,000,000 MRI Preferred Shares at a price of $1.00 per MRI Preferred Share for aggregate gross proceeds of up to $20,000,000 (the "**Private Placement**").

The MRI Preferred Shares were offered in all provinces of Canada and such other jurisdictions as MRI and Bloom Burton agreed where the Private Placement could be sold without the requirement to file a prospectus or similar document. The Private Placement was completed on a best efforts basis and the last distribution settled on July 13, 2018.

In connection with the Private Placement, MRI agreed to pay Bloom Burton from the gross proceeds therefrom upon closing of the Private Placement, (i) a cash fee equal to 8.0% of the proceeds generated from the Private Placement, and (ii) a non-cash fee equal 8.0% of the gross proceeds generated from the Private Placement payable in the form of common share purchase warrants. The common share purchase warrants were exercisable for one common share in the capital of MRI at a price equal to the common share conversion price of the non-voting convertible preferred shares issued in the Private Placement for a period of 2 years from the date of closing of the Private Placement (the "**Warrants**").

On July 10, 2018, MRI distributed an aggregate of 17,566,220 MRI Series A Preferred Shares at a subscription price of $1.00 per MRI Series A Preferred Share, for aggregate gross proceeds of $17,566,220.

On July 13, 2018, MRI distributed an aggregate of 2,633,200 MRI Series B Preferred Shares at a subscription price of $1.00 per MRI Series B Preferred Share, for aggregate gross proceeds of US$2,000,000.

The MRI Preferred Shares issued under the Private Placement are convertible into MRI Common Shares upon a liquidity event, which, for the purposes of the MRI Preferred Shares, includes the Qualifying Transaction.

DTI Acquisition

On July 13, 2018, MRI completed the acquisition of all of the issued and outstanding shares of DTI by way of a share purchase agreement entered into between MRI, MRG and Tobias Ihde, the former sole shareholder of DTI (the "**DTI Acquisition**"). Pursuant to the share purchase agreement, MRG acquired all of the issued and outstanding shares of DTI for total consideration of US$22,000,000, plus a working capital adjustment in the amount of US$320,317, plus 500,000 stock options in MRI exercisable at $1.00 per share for a period of 5 years. MRI used the funds raised from the Private Placement and Debt Financing to advance funds to MRG in order to complete the DTI Acquisition.

DESCRIPTION OF THE BUSINESS

General

MRG, DTI and TBH are wholly-owned subsidiaries of MRI. In turn, MRI indirectly operates its business through the MRI Subsidiaries. DTI is the consumer-facing operating entity and, since 2013, has been engaged in the business of selling nutraceutical products through online distribution channels. After giving effect to the Transaction, MRI, MRG, DTI and TBH will all be wholly-owned subsidiaries of Commerce. Consequently, Commerce will become engaged in the business of selling nutraceutical products through online distribution channels.

MRI via the MRI Subsidiaries has 31 nutraceutical products (also known as supplements), which are currently sold on www.amazon.com. MRI's products are manufactured by Vitalabs, Inc. in its FDA-regulated facility outside of Atlanta, Georgia (the "**Vitalabs Facility**"). The products are shipped from Vitalabs Facility to Amazon and sold to Amazon customers. MRI spends significant resources on marketing initiatives with Amazon and on social media. Management regards MRI as a marketing company. MRI is preparing to offer its products on other distribution platforms and in the process of developing other product lines in the supplement industry. MRI works with the manufacturers to bring products to the market. MRI does not own the formulas for Dr. Tobias. The manufacturers own the formulas. However, MRI has a detailed supply agreement, which requires consistency in the products and availability from the manufacturer. In addition, MRI has two professionally managed websites, www.dr.tobias.com and www.mimisrock.com. MRI markets the products through brand development with a professional agency, coordinates advertising and sales initiatives with the MRI's Amazon representatives, and focuses on social media marketing. MRI has more than 130,000 customers per month who find the product on Amazon through targeted keyword searches, Amazon related advertising and marketing initiatives, our brand landing page on Amazon and social media.

Principal Products or Services

MRI, DTI and Dr. Tobias

DTI is MRI's consumer-facing operating subsidiary and, since 2013, has been engaged in the business of selling nutraceutical products through online distribution channels. DTI's products are offered under a single established brand, "Dr. Tobias", which, at the date of this Filing Statement included 31 different nutraceutical products. DTI's products are exclusively manufactured by Vitalabs, Inc., a third-party, FDA-approved, GMP-compliant manufacturer of nutraceutical products based in Georgia, United States.

Established in 2017, Mimi's Rock, Inc. is the parent company of DTI, which sells nutritional products online in the United States under the "Dr. Tobias" brand. The Dr. Tobias brand features a number of products, including the #1 on-line Omega 3 Fish Oil product in the United States.

MRI offers e-commerce focused consumers a high quality, ultra-convenient, family of preferred, products which support their overall wellness objectives. MRI has over 30 products, ranging from Colon Cleanse to Probiotics.

MRI's business model is "asset-light" and partners with established custom manufacturing partners, who produce its products on a turn-key basis, allowing it to focus on marketing programs which drive higher margins. MRI seeks to participate in the growing consumer trend toward shifting sales away from traditional brick-and-mortar retail, to e-commerce platforms. This shift is compounded by a global dietary supplements market which is growing at a CAGR of 10%* (*via Businesswire.com).*

Development of Products

Shifting consumer trends, supported by the wealth of available information available on the internet, sees many wellness minded individuals taking independent control of their health. MRI's products and distribution strategies dovetail into these trends by making its products available on-line exclusively.

Our product development strategies are not tied to any one particular manufacturing technology. Rather, we source products in multiple formats and focus on consumer trends and preferences. We are also expanding our product families with complementary product lines such as companion-pet products and skin care. Our new product focus is trained on the needs and wants of our clientele, rather than being limited by manufacturing capabilities at any one site. Then, we leverage our current client bases trust in Dr. Tobias, to introduce new and complementary products.

Marketing

Our marketing efforts are focused on the development and consistent marketing of our brand. We participate in the daily marketing and advertising programs managed by our current distribution platform, Amazon.com. Our team also manage a comprehensive social media strategy, which focus is brand awareness and education. We will continue to focus our efforts principally in conjunction with our distribution platforms, as we expand our distribution and brands to include Amazon.ca, Walmart.com, Alibaba, E-bay and our E-Commerce platform.

Regulatory Environment

MRI is subject to the laws and regulations governing the vitamins, minerals, supplements and natural health product industry. In the United States, this includes FDA and NSF oversite. The requirements vary by country, but in general, the regulatory framework is a "light-touch" as compared to the pharmaceutical space. Regardless, we have taken an "as good as pharma" approach to partner selection. Currently, our manufacturing partners work in the continental United States, and are accordingly abiding by the state controlled labour and employment laws. Similarly, we abide by consumer protection regulations, environmental laws and all applicable regulations. We continuously monitor changes in these laws, regulations, treaties and agreements.

See *"Summary of Filing Statement – Risk Factors – Risks Relating to the Nutritional Supplements Industry – Changes in Laws, Regulations and Guidelines"*.

Dropshipping

MRI, through DTI, currently operates its business using a supply-chain management system known as "dropshipping" whereby DTI facilitates the delivery of the goods from a third-party manufacturer to a third-party distributor and then to the end-point consumer who places the associated order. DTI does not take physical possession of the goods in its inventory at any point during the ordering or delivery process. Due to this method of operation, MRI's material tangible assets consist primarily of cash, accounts receivable and inventory. Cash and accounts receivable levels vary and are primarily held in Germany via DTI. While MRI does not take possession of its inventory, it is aware of its inventory held at the Vitalabs Facility, in transit to Amazon and held at each Amazon depot at any given time. MRI's products are manufactured and shipped only within the United States.

Specialized Skills and Knowledge; Employees

Successfully applying MRI's supply-chain management system requires specialized skill. MRI has retained personnel with specialized knowledge and experience in such operations. MRI draws on the specialized knowledge and expertise of its personnel in its operations to effectively coordinate and track its intricate supply chain.

See "*Risk Factors – Risks Relating to the Resulting Issuer – Reliance on Management"*.

MRI had 10 employees as at February 15, 2019.

Operations

All sales of MRI products occur in the United States and all of MRI's senior management reside in Canada. Due to the strict restrictions Amazon has as to who may use and access its vendor services, DTI is currently used as the operating entity of the business as it is registered to use may use and access Amazon vendor services. There is currently no process by which this registration may be transferred.

Other Developments in the Business

Second Manufacturing Partner Secured

MRI has strengthened and de-risked its supply chain by having entered into a secondary supply agreement with an additional, leading, North American-based manufacturing partner. In addition to mitigating the risk of a potential supply disruption from our current primary manufacturing partner, this partnership will also enable our launch of the Dr. Tobias product line in Canada in late 2019 and for additional market launches.

Growing our Brand Portfolio and Diversifying Sales Channels

Since the acquisition of DTI, MRI has launched a new product line in partnership with Amazon. This new line is called Multiform Vitamins, which products are comprised of the top 10 products of the Dr. Tobias line. MRI has also signed a letter of intent to form a new company in partnership with Avivagen Inc. (TSX-V:VIV), which new venture will have an exclusive global license to sell a companion pet vitamin, which we expect to launch in late Q2. This product launch will be accompanied by the launch of a new companion pet supplement line of products. MRI is also working with a globally recognized sports personality to launch a supplement product line around the athlete's brand.

MRI plans to expand its brand portfolio, and has entered into a definitive agreement and are in late stage preparations to execute the launch of a new private label brand of our 20 top selling products with one of the largest e-commerce marketplaces in the world. Sales are expected to commence in Q2/19.

Expansion

MRI is in the process of assessing geographic expansion in the following:

- Canada – is expected to be launched before the end of Q3 2019. MRI has signed a supply agreement with Jamieson Wellness Inc. (TSX: JWEL), where JWEL will be MRI's contract manufacturer in Canada. JWEL will manufacture and deliver the MRI products to Amazon who will store and sell the products via www.amazon.ca.

- Germany – MRI plans to launch the Dr. Tobias brand in Germany by the end of Q3 2019.

- Japan – Discussion initiated by Amazon have commenced to launch Dr. Tobias brand in Japan by the end of 2019.

- China – MRI is currently researching the launch of one of grandits brand Tmall in China in late 2019 or early 2020.

In addition to the above, MRI is in discussion to execute an agreement with Walmart.com for the sale of the Dr. Tobias line through that channel in Q2 2019 and is substantially complete on the launch of its own e-commerce site, which will be a platform for direct sales of all its product lines in Q2 2019.

Market & Trends

On-line sales offer convenience and assortment which traditional brick-and-mortar retailers cannot touch. On-line consumers routinely rely heavily on customer reviews and ratings. These ratings can be informed by both product characteristics and customer experience – including after sale service from the company. This is the sweet spot for the Dr. Tobias brand. We have tens of thousands of positive customer reviews, and routinely have average ratings in the 4.5 stars (out of 5) on multiple products. Within the on-line community, consumers trust each other to identify (or warn) their fellow shoppers of great (or poor) products and services. Dr. Tobias products are top sellers. They are highly rated. We are not dependent on retailers awarding us shelf space in order to reach our clientele.

Dietary Supplements Market Size in the United States from 2016 to 2024 (in billion US$)

*Statistica

Consumer healthcare in the United States (and beyond) is subject to shifting trends, spending patterns and economic cycles. Our revenue and financial results are linked to these trends, though the "tail winds" for our business are significant. Dietary supplements are enjoying 10% CAGR's globally. Further, the drift from brick-and-mortar retail to e-commerce in the United States is trending at 9% per year. Together, these trends create a very favourable environment for our company. Clearly, these positive influences can be mitigated somewhat by conditions beyond our control. Consumer spending is easily influenced by prevailing economic conditions, unemployment levels, wage variances, fuel prices, consumer credit practices and consumer perceptions.

- Online shopping is growing globally at a CAGR of 9.6%.
- The United States is growing at 8.3%.
- Canada is growing at 7.9%.
- Historically, global e-commerce sales are growing at a rate of 23.3%.
- Global manufacturing continues to shift eastward, with India & China (on pace to be #1 globally), leading the way.
- Traditional brick and mortar retailers are struggling to compete with the convenience, price competitiveness, and product assortment available in the online world.
- E-commerce accounts for 8% of B2C transactions (by value) in the United States today. Even the most conservative estimates suggest this number will see a fourfold increase in the next decade.
- Online shopping is a thriving market. Retail e-commerce sales worldwide are forecasted to nearly double between 2016 & 2020.
- During an April 2017 survey, 40% of internet users in the United States stated that they purchased items online several times per month, and 20% said they bought items or services online on a weekly basis.

Marketing Plans and Strategies

Consumers globally are turning to e-commerce at record pace. They seek assortment, convenience and competitive prices. These preferences align favourably with our positioning, and disadvantage traditional bricks-and-mortar retailers. Our growth strategies are founded on seizing upon these favourable market conditions. We will launch in additional markets, utilizing the same business approach that has been so successful in the United States. By leveraging local custom manufacturers, we can enter new markets by absorbing the additional operating expenses involved in launching the new products via the new portals. We need not invest capital in manufacturing or distribution facilities.

Meantime, we are expanding into new portals in the United States as well, to further diversify our position. Our revenue growth far outpaces the industry averages and continues to drive EBITDA at enviable levels, in comparison to other industry players.

Competitive Conditions

The market for dietary supplements, vitamins and like items is highly fragmented and highly competitive. We compete with private-label offerings, national brands and both private and publicly owned companies. Many of the products with which we compete, are highly commoditized. Our strong brand is supported by digital marketing campaigns, Amazon driven advertising programs and direct to consumer campaigns. Our customer ratings and reviews are our most important asset in the marketing sphere. In this space, we have strong brand salience. Strong reviews and ratings inspire consumer confidence in a manner akin to the way traditional advertising relies on testimonials. As brick-and-mortar retailers struggle to retain their assortment and convenience seeking clientele, we stand as a trustworthy option for consumers. We are well-positioned to capitalize on favorable long-term trends in the vitamins, minerals and supplements segment.

Future Developments

Despite the short time Dr. Tobias has been owned by Mimi's Rock, Inc., we have been involved in myriad business development and acquisition opportunities. We leverage our relationships and industry contacts and advisors to identify acquisition opportunities. We are currently engaged in multiple JV, and acquisition discussions with a number of companies and small brands. We are uniquely positioned in Canada, as a potential consolidator of small e-commerce companies. Mindful of this, and in conjunction with our banking partners, we have a number of ongoing discussions in flight. We will pursue strategic acquisitions and alliances that enable us to further broaden and diversify our product offerings, always mindful of our asset-light strategy.

Proprietary Protection

Our formulations are not currently protected by patents, however our strength is in our brand. Recognition, supported by social media campaigns and very strong ratings and reviews, gives new (and existing) customers confidence in our brand.

Trademarks

MRI's has registered the trademark "Dr. Tobias" in the United States with registration dated September 23, 2014 and registration number 4608650. MRI has a number of other unregistered marks, including "Multiform Vitamins", a new brand that was launched in partnership with Amazon. MRI is working with counsel to register trademarks in the US and other jurisdictions.

SELECTED CONSOLIDATED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Information

<u>Selected Financial Information</u>

Revenues for the year ended December 31, 2018 were $17,754,166 compared to nil for the prior period due to the acquisition of the DTI business in 2018. Revenues represent sales of nutraceutical products in the U.S. market from the period since acquisition on July 13, 2018. Gross margin for the year ended December 31, 2018 was $11,963,253. MRI reported a net loss for the year ended December 31, 2018 of $945,101, primarily due to one-time costs related to the acquisition of DTI, the inclusion of less than six months operations of DTI, as well as non-cash share-based compensation expense. All reported revenue is generated from product sales in the United States.

The following table sets forth selected consolidated financial information for MRI for which financial statements are included in this Filing Statement.

The following financial information should be read in conjunction the audited consolidated financial statements of MRI for the year ended December 31, 2018, and from incorporation to December 31, 2017, which are together attached hereto as "*Appendix C – Consolidated Financial Statements of MRI and Financial Statements of DTI*".

Summary Financial Information

(in 000's)	**Year Ended December 31, 2018**	**Period from Incorporation to December 31, 2017**
Revenue	$17,754	$nil
Net Loss	$(945)	$nil
Total Assets	$39,613	$nil
Total Equity	$17,795	$nil

Management's Discussion and Analysis

The following financial information should be read in conjunction with the MD&A accompanying the audited consolidated financial statements of MRI for the year ended December 31, 2018, which are attached hereto as "*Appendix C – Consolidated Financial Statements of MRI and Financial Statements of DTI*".

DESCRIPTION OF SECURITIES

MRI Common Shares

The authorized capital of MRI consists of unlimited MRI Common Shares, of which at the date of this Filing Statement, 10,663,500 MRI Common Shares are issued and outstanding as fully paid and non-assessable.

The holders of MRI Common Shares are entitled to dividends, if and as when, declared by the MRI Board and to one vote per MRI Common Share at meetings of the shareholders of MRI and, upon liquidation, to share equally in such assets of MRI as are distributable to the holders of MRI Common Shares.

Series A Non-Voting Convertible Preferred Shares

The authorized share capital of MRI consists of unlimited MRI Series A Preferred Shares. The MRI Series A Preferred Shares have a value of $1.00 per MRI Series A Preferred Share and are convertible into MRI Common Shares. As at the date of this Filing Statement, 17,566,220 MRI Series A Preferred Shares are issued and outstanding as fully paid and non-assessable.

The holders of the MRI Series A Preferred Shares are entitled to receive a fixed, preferential, non-cumulative dividend equal to 0.06 additional Series A Preferred Shares (the "**Series A In-Kind Dividend**") per Series A Preferred Share each calendar year (such amount to be pro-rated for any calendar year that is less than a full calendar year based on the date of initial issue of the Series A Preferred Shares in 2018 and in subsequent years based on the number of days beginning January 1 of that year).

Upon completion of a public offering of shares of MRI, the sale for cash proceeds of all of the issued and outstanding shares of MRI, the sale for cash proceeds of all or substantially all assets of the Corporation, or the a corporate transaction pursuant to which the resulting issuer shares will be listed on a Canadian or United States of America stock exchange (each a "**Liquidity Event**") prior to July 20, 2019, the MRI Series A Preferred Shares shall automatically be converted into fully paid and non-assessable Common Shares effective immediately prior to the closing of the Liquidity Event. If a Liquidity Event is completed subsequent to July 20, 2019, each MRI Series A Preferred Shares shall automatically be converted 1:1 into MRI Common Shares.

The MRI Series A Preferred Shares have no voting rights, except as required by law. The MRI Series A Preferred Shares rank *pari passu* with the MRI Series B Preferred Shares.

The Transaction constitutes a Liquidity Event and so the MRI Series A Preferred Shares will be converted to MRI Common Shares immediately prior to the closing of the Transaction. At the discretion of the Board of MRI, the holders of the MRI Series A Preferred Shares will receive in MRI Common Shares a fractional amount of the Series A In-Kind Dividend payable for the time period elapsed since the issuance of the Series A Preferred Shares and the date hereof.

Series B Non-Voting Convertible Preferred Shares

The authorized share capital of MRI consists of unlimited MRI Series B Preferred Shares. The MRI Series B Preferred Shares have a value of $1.00 per MRI Series B Preferred Share and are convertible into MRI Common Shares. As at the date of this Filing Statement, 2,663,200 MRI Series B Preferred Shares are issued and outstanding as fully paid and non-assessable.

The holders of the MRI Series B Preferred Shares are entitled to receive a fixed, preferential, non-cumulative dividend equal to 0.06 additional Series B Preferred Shares (the "**Series B In-Kind Dividend**" and together with the Series A In-Kind Dividend, the "**In-Kind Dividend**") per Series B Preferred Share each calendar year (such amount to be pro-rated for any calendar year that is less than a full calendar year based on the date of initial issue of the Series B Preferred Shares in 2018 and in subsequent years based on the number of days beginning January 1 of that year).

Upon completion of Liquidity Event prior to July 20, 2019, the MRI Series B Preferred Shares shall automatically be converted into fully paid and non-assessable MRI Common Shares effective immediately prior to the closing of the Liquidity Event. If a Liquidity Event is completed subsequent to July 20, 2019, each Series B Preferred Shares shall automatically be converted 1:1 into MRI Common Shares.

The MRI Series B Preferred Shares have no voting rights, except as required by law. The MRI Series B Preferred Shares rank *pari passu* with the MRI Series A Preferred Shares.

The Transaction constitutes a Liquidity Event and so the MRI Series B Preferred Shares will be converted to MRI Common Shares immediately prior to the closing of the Transaction. At the discretion of the Board of MRI, the holder of the MRI Series B Preferred Shares will receive in MRI Common Shares a fractional amount of the Series B In-Kind Dividend payable for the time period elapsed since the issuance of the Series B Preferred Shares and the date hereof.

CONSOLIDATED CAPITALIZATION

The following table sets forth the capitalization of MRI before giving effect to the Transaction:

Designation of Security	Amount Authorized or to be Authorized	Amount Outstanding as of the Date of the Most Recent Balance Sheet Contained in the Filing Statement being December 31, 2018	Amount Outstanding as of a Date within 30 Days of the Filing Statement prior to giving effect to the Transaction being April 30, 2019
MRI Common Shares	Unlimited	10,663,500	10,663,500
MRI Series A Preferred Shares	Unlimited	17,556,220	17,556,220
MRI Series B Preferred Shares	Unlimited	2,663,200	2,663,200

PRIOR SALES

As of the date of this Filing Statement, 10,663,500 MRI Common Shares have been issued and remain outstanding. The table below sets out the dates and prices at which MRI Common Shares have been sold since incorporation.

Date	Number of MRI Common Shares	Issue Price Per MRI Common Share	Aggregate Issue Price	Consideration Received
October 16, 2017............................	5,000,000(1)	<$0.01	$1.00	Cash
October 16, 2017............................	5,000,000(1)	<$0.01	$1.00	Cash
July 10, 2018..................................	663,500(2)	$1.00	$663,500	–
Total	**10,663,500**		**$663,502**	

Notes:

(1) Shares issued on incorporation of MRI.

(2) Compensation securities issued to Bloom Burton pursuant to Debt Financing, whereby Bloom Burton was entitled to receive the number of MRI Common Shares equal to 2% of the fully diluted common shares in the capital of MRI expected to be issued and outstanding at the time of the closing of MRI's acquisition of DTI.

As of the date of this Filing Statement, 17,566,220 MRI Series A Preferred Shares have been issued and remain outstanding. The table below sets out the dates and prices at which MRI Shares have been sold since incorporation.

Date	Number of MRI Series A Preferred Shares	Issue Price Per MRI Series A Preferred Share	Aggregate Issue Price	Consideration Received
July 10, 2018..................................	17,566,220	$1.00	$17,566,220	Cash
Total	**17,566,220**		**$17,566,220**	

As of the date of this Filing Statement, 2,663,200 MRI Series B Preferred Shares have been issued and remain outstanding. The table below sets out the dates and prices at which MRI Shares have been sold since incorporation.

Date	Number of MRI Series B Preferred Shares	Issue Price Per MRI Series B Preferred Share	Aggregate Issue Price	Consideration Received
July 13, 2018..................................	2,663,200	$1.00	$2,663,200	Cash
Total	2,663,200		**$2,663,200**	

STOCK EXCHANGE PRICE

None of the MRI Shares are listed or traded on any exchange or quotation service.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Except as disclosed below, MRI does not directly compensate its executives for their services.

Compensation Governance

MRI has established a compensation committee that makes decisions on the suitability of the company's compensation policies and practices. MRI has not retained a compensation consultant or advisor at any time since its most recently completed financial year to assist its board of directors in determining compensation for any of the company's directors or executive officers.

Summary Compensation Table

The following table contains information about the compensation for Telfer Hanson, Executive Chairman and director of MRI and David Kohler, CEO and director of MRI, the Named Executive Officers of MRI relating to the most recently completed financial years ended December 31, 2018, and 2017:

Name and Principal Position	Year	Salary ($)	Share-Based Awards ($)	Option-Based Awards[(1)] ($)	Non-Equity Incentive Plan Compensation ($) Annual Incentive Plans	Long-term Incentive Plans	Pension Value ($)	All Other Compensation[(2)] ($)	Total Compensation ($)
Telfer Hanson, Executive Chairman and Director	2018	$268,339	nil	$244,091	nil	nil	nil	$9,000	$521,430
	2017	nil	nil	nil	nil	nil	nil	nil	nil
David Kohler, CEO and Director	2018	$337,488	nil	$244,091	nil	nil	nil	$9,000	$590,579
	2017	nil	nil	nil	nil	nil	nil	nil	nil

Notes:

(1) Represents the estimated value based on the Black-Scholes option-pricing model.

(2) Represents amounts paid in respect of car allowances.

Outstanding Option-Based and Share-Based Awards

MRI has reserved 3,600,000 common shares under its stock option plan of which 3,267,500 MRI Options are outstanding. Under the plan, MRI Options are exercisable for one common share and the exercise price of the option must equal the market price of the underlying share at the grant date. The MRI Options have vesting periods ranging from the date of grant up to two years. Once vested, options are exercisable at any time until expiry.

MRI has granted 2,722,500 MRI Options to management, staff and directors, with an exercise price of $1.00 per share. The options have a term of five years and vest over terms ranging from one to two years.

MRI has granted 30,000 MRI Options to management, staff and directors with an exercise price of $1.50 per share. The options have a term of five years and vest over terms ranging from one to two years.

In connection with the acquisition of DTI, MRI issued 500,000 MRI Options as partial consideration. The options have an exercise price of $1.00 per share, a term of five years and vest immediately. MRI has also issued 15,000 MRI Options to its investor relations firm the options have an exercise price of $1.50 per share, a term of five years and vest twelve months following the Closing Date.

It is the intention that immediately following the Closing of the Transaction, Telfer Hanson and David Kohler will each exercise 60,158 Resulting Issuer Options, being the equivalent of approximately 40,105 MRI Options prior to the Closing of the Transaction.

Incentive Plan Awards

MRI does not have an incentive plan as part of its executive compensation program.

Termination and Change of Control Benefits

Effective as of November 20, 2018, MRI entered into a consulting agreement with David Kohler Consulting Inc. (the "**Kohler Agreement**"), of which David Kohler is the sole director and officer. In the event that MRI terminates the Kohler Agreement at any time and for any reason prior to the expiry of the term of the Kohler Agreement, Mr. Kohler is entitled to a one-time lump sum payment equivalent to two times his base annual fee. In the event that the Kohler Agreement is terminated due to the death or disability of Mr. Kohler, all benefit related payments or programs under the Kohler Agreement shall continue for a period of 12 months from the date of death or disability.

Effective as of November 20, 2018, MRI entered into a consulting agreement with RKH Limited (the "**RKH Agreement**"), of which Telfer Hanson is the sole director and officer. In the event that MRI terminates the RKH Agreement at any time and for any reason prior to the expiry of the term of the RKH Agreement, RKH Limited is entitled to a one-time lump sum payment equivalent to two and a half times its base annual fee. In the event that the RKH Agreement is terminated due to the death or disability of Mr. Hanson, all benefit related payments or programs under the RKH Agreement shall continue for a period of 12 months from the date of death or disability.

DIRECTOR COMPENSATION

The board of MRI consists of Telfer Hanson, David Kohler, Norman Betts, David Grandin and Bryan Pearson. Messrs. Hanson, Kohler, Betts, Grandin and Pearson receive any compensation for serving in such capacity. Each independent director is entitled to receive US$60,000 per year, plus $1,500 per meeting excluding quarterly and annual general meetings. Non-independent directors do not receive additional compensation for role service as directors.

Outstanding Option-Based and Share-Based Awards

MRI allows directors to participate in its incentive stock option plan. MRI has issued a total of 450,000 MRI Options to independent directors. Each of Norman Betts, David Grandin and Bryan Pearson were awarded 150,000 MRI Options.

Additional Incentive Plan Awards

MRI does not have any additional incentive plans as part of its director compensation program.

NON-ARM'S LENGTH PARTY TRANSACTIONS

Except as disclosed herein, MRI has not entered into any transaction with any Non-Arm's Length Party within the 5 years before the date of this Filing Statement.

LEGAL PROCEEDINGS

There are no legal proceedings material to MRI or any of its subsidiaries to which MRI or any of its subsidiaries are party to or of which any of their respective property is the subject matter, and there are no such proceedings known to MRI to be contemplated.

MATERIAL CONTRACTS

Except for the contracts made in the ordinary course of business, the following are the only material contracts entered into by MRI or the MRI Subsidiaries, as of the date of this Filing Statement, which are in effect and considered to be material:

a) Vitalabs Supply Agreement dated September 18, 2018; and

b) The Acquisition Agreement dated January 2, 2019 among Commerce, MRI and Newco.

Copies of the material contracts described above will be available for inspection at the head office of MRI located at 610 Chartwell Road, Suite 202, Oakville, ON L6J 2X6 during ordinary business hours until the Closing Date and for a period of 30 days thereafter.

PART III: INFORMATION CONCERNING THE RESULTING ISSUER

CORPORATE STRUCTURE

Name and Incorporation

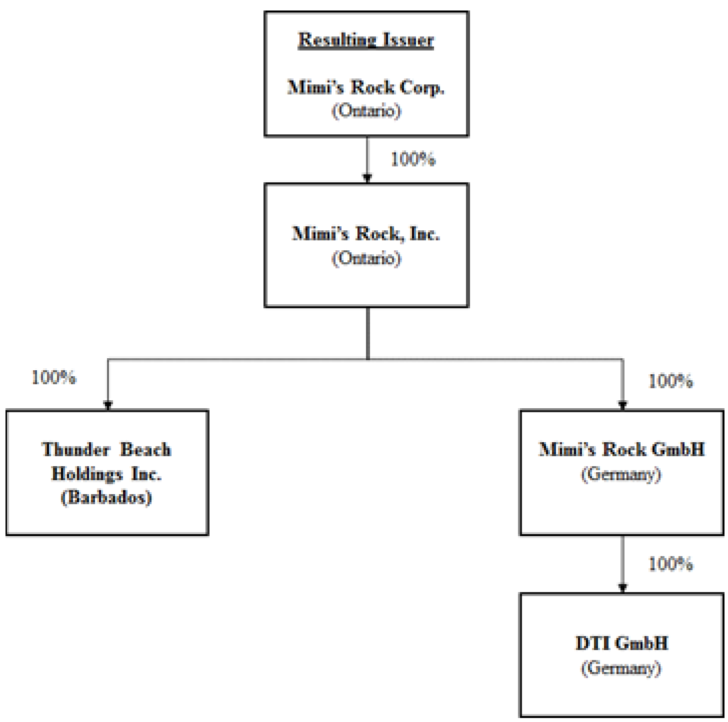
Following completion of the Transaction, the Resulting Issuer will be named "Mimi's Rock Corp." or such other name as the board of directors of the Resulting Issuer and the Exchange deem appropriate. It is anticipated that the Resulting Issuer will change its name from "Commerce Acquisition Corp." to "Mimi's Rock Corp." concurrently with the completion of the Transaction.

The Resulting Issuer will continue to be incorporated pursuant to the provisions of the OBCA. Upon completion of the Transaction, the head and registered office of the Resulting Issuer will be located at 610 Chartwell Road, Suite 202, Oakville, ON L6J 2X6.

Intercorporate Relationships

Upon completion of the Transaction, the Resulting Issuer or Mimi's Rock Corp. will have 3 wholly-owned subsidiaries: MRI, a corporation incorporated under the laws of Ontario; MRG, a corporation incorporated under the laws of Germany; DTI, a corporation incorporated under the laws of Germany; and TBH, a corporation incorporated under the laws of Barbados. TBH and MRG are not operating subsidiaries created in connection with the acquisition of DTI. MRI's operating subsidiary is DTI.

The material subsidiaries controlled by the Resulting Issuer, the place of incorporation or continuance of those subsidiaries and the percentage of voting securities held, directly or indirectly, by the Resulting Issuer, as applicable, are as follows:



NARRATIVE DESCRIPTION OF THE BUSINESS

The following disclosure contains forward-looking statements, including with respect to the Resulting Issuer's business objectives and milestones. Such statements involve known and unknown risks, uncertainties and other factors outside of management's control, including the risk factors set forth elsewhere in this Filing Statement that could cause results to differ materially from those described or anticipated in such forward-looking statements. See "*Cautionary Statements Regarding Forward-Looking Information*" and "*Risk Factors*".

Business Objectives and Milestones

Upon completion of the Transaction, the Resulting Issuer's business and stated business objectives will be the business and stated business objectives of MRI (indirectly through the operation of each of MRI and the MRI Subsidiaries). The Resulting Issuer will be listed as a Tier 1 Industrial or Life Sciences Issuer on the Exchange. See "*Part II. Information Concerning MRI and MRI Subsidiaries – General Development of the Business*".

The business objectives of the Resulting Issuer with respect to MRI for the 18-month period following the completion of the Transaction are as follows:

(a) Launch value brand.

(b) Launch veterinary line of vitamins and supplements.

(c) Launch Dr. Tobias products online in Canada.

DESCRIPTION OF SECURITIES

Resulting Issuer Common Shares

The description of the Resulting Issuer's Common Shares are the same as the description for Commerce Common Shares under the heading "*Part I. Information Concerning Commerce – Description of the Securities – Commerce Common Shares*".

PRO FORMA CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of Resulting Issuer after giving effect to the transactions described in the *pro forma* financial statement attached hereto as "*Appendix E – Pro Forma Financial Statements of Resulting Issuer*".

Designation of Security	Amount Authorized or to be Authorized	Amount Outstanding After Giving Effect to the Transaction
Resulting Issuer Common Shares held by Commerce Shareholders	Unlimited	1,562,500
Resulting Issuer Common Shares held by former holders of MRI Common Shares	Unlimited	15,995,250
Resulting Issuer Common Shares held by former holders of MRI Preferred Shares(1)	Unlimited	31,814,087
Total Resulting Issuer Common Shares	**Unlimited**	**49,371,837**
Resulting Issuer Warrants held by former holders of MRI Warrants pursuant to the Private Placement	Unlimited	2,732,940
Resulting Issuer Broker Warrants	125,000	125,000
Total Resulting Issuer Warrants	**Unlimited**	**2,857,940**
Resulting Issuer Options held by folder holders of Commerce Options	10% of issued and outstanding Resulting Issuer Common Shares(3)	156,250
Resulting Issuer Options held by folder holders of MRI Options(2)		4,901,250
Total Resulting Issuer Options		**5,057,500**

Notes:

(1) Inclusive of the In-Kind Dividend payable to the holders of the MRI Preferred Shares upon the conversion of such shares to MRI Shares prior to Closing.

(2) 10% of issued and outstanding Resulting Issuer Common Shares is equal to 4,937,184 Resulting Issuer Options.

(3) Immediately following the Closing of the Transaction, Telfer Hanson and David Kohler undertake to each exercise 60,158 Resulting Issuer Options, being the equivalent of approximately 40,105 MRI Options prior to the Closing of the Transaction.

PRO FORMA FULLY DILUTED SHARE CAPITAL

The following table sets out the fully diluted share capital of the Resulting Issuer after giving effect to the Transaction.

	Number and Percentage of Resulting Issuer Securities
Total Resulting Issuer Common Shares(1)	**49,371,837 (86.18%)**
Reserved for issuance pursuant to Resulting Issuer Warrants held by former holders of MRI Warrants pursuant to the Private Placement	2,732,940 (4.77%)
Reserved for issuance pursuant to Broker Warrants	125,000 (0.22%)
Reserved for issuance pursuant to Resulting Issuer Options(1)	5,057,500 (8.83%)
Total number of dilutive securities	**7,915,440 (13.82%)**
Total number of fully-diluted Resulting Issuer Common Shares	**57,287,277 (100%)**

Note:
(1) Immediately following the Closing of the Transaction, Telfer Hanson and David Kohler undertake to each exercise 60,158 Resulting Issuer Options, being the equivalent of approximately 40,105 MRI Options prior to the Closing of the Transaction.

ESTIMATED AVAILABLE FUNDS AND PRINCIPAL USES

Estimated Funds Available

The consolidated working capital of MRI as of April 30, 2019 is $2,519,587.

The table below shows the breakdown of the estimated funds available:

Estimated Funds Available	**Amount ($)**
Pro forma consolidated working capital	$2,519,587
Estimated fees and expenses of the Transaction	$(150,000)
Total estimated funds available	$2,369,587

Dividends

There will be no restrictions in the Resulting Issuer's articles and bylaws or elsewhere which could prevent the Resulting Issuer from paying dividends subsequent to the completion of the Transaction. It is not contemplated that any dividends will be paid on any shares of the Resulting Issuer in the immediate future following completion of the Transaction; however, as it is anticipated that all available funds will be invested to finance the growth of the Resulting Issuer's business. The directors of the Resulting Issuer will determine if, and when, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on the Resulting Issuer's financial position at the relevant time. All of the Resulting Issuer Common Shares will be entitled to an equal share in any dividends declared and paid.

Intended Use of Funds

Based on the information available as at the date of this Filing Statement, assuming the completion of the Transaction, the Resulting Issuer is expected to have approximately $2,519,587 in working capital as at April 30, 2019, of which approximately $800,000 is allocated to interest expense. The remaining amount of the funds are unallocated.

The Resulting Issuer's operating expenses, including sales and marketing expenses, are incurred in proportion its revenues. In 2018, the Resulting Issuer generated pro forma revenues of nearly $35 million with pro forma operating expenses of approximately $20.4 million. The Resulting Issuer expects to generate positive cash flow of approximately $2 million on a quarterly basis.

As the business is not capital intensive, the Resulting Issuer does not require additional funds through equity issuances and expects to be able to operate and grow the business from cash on hand and reinvestment of earnings. While the acquisition price of the DTI business was primarily intangible assets in the form of brand value and goodwill, the business has a history of strong earnings and substantial growth which management expects to continue into the foreseeable future.

Principal Securityholders

The following table sets forth the shareholdings of the Persons who are expected to own of record or beneficially, directly or indirectly, or exercise control or direction over, more than 10% of the issued and outstanding Resulting Issuer Common Shares after giving effect to the Transaction.

Name and Municipality of Residence	Number of Securities Beneficially Owned and of Record	% of Holdings(1)
Telfer Hanson Burlington, Ontario	8,067,000 Resulting Issuer Common Shares(2) 750,000 Resulting Issuer Options	15.39%
David Kohler Oakville, Ontario	7,893,750 Resulting Issuer Common Shares(2) 750,000 Resulting Issuer Options	15.09%

(1) On a fully-diluted basis.
(2) Immediately following the Closing of the Transaction, Telfer Hanson and David Kohler undertake to each exercise 60,158 Resulting Issuer Options**,** being the equivalent of approximately 40,105 MRI Options prior to the Closing of the Transaction**.**

See "*Risk Factors – Risks Relating to the Resulting Issuer – Principal Shareholder*".

DIRECTORS, OFFICERS AND PROMOTERS

Name, Address, Occupation and Security Holdings

The following table sets out the names of the proposed directors and officers of the Resulting Issuer, the municipality and province of residence, their position with the Resulting Issuer (and, where applicable, their current position with Commerce or MRI), their principal occupation during the past 5 years, and the number and percentage of Resulting Issuer Common Shares which will be beneficially owned, directly or indirectly, or over which control or direction is proposed to be exercised, by each of the Resulting Issuer's directors and officers following completion of the Transaction:

Name, Municipality of Residence and Proposed Position with the Resulting Issuer	Position and Period with Commerce or MRI	Principal Occupation During Last 5 Years	Anticipated Number and Percentage of Resulting Issuer Common Shares Owned or Controlled on Completion of the Transaction
Telfer Hanson Proposed Executive Chairman and Director (Burlington, Ontario)	Executive Chairman of MRI from October 16, 2017 to present	Executive Chairman of MRI from Oct 2017 to present; President of Medic Holdings from 2016 to 2017 and Investment Banker prior thereto	8,067,000 (16.34%)
David Kohler Proposed CEO and Director (Oakville, Ontario)	CEO and Director of MRI from October 16, 2017 to Present	CEO of MRI from October 2017 to present; General Manager of Apotex Consumer Products at Apotex Inc.	7,893,750 (15.99%)
Andrew Patient Proposed CFO (Oakville, Ontario)	CFO of MRI from October 15, 2018 to Present	CFO of Intellipharmaceutics International Inc. from September 2017 to November 2018, CFO of Merus Labs International Inc. from December 2011 to August 2016	Nil

Norman Betts Proposed Director (Fredericton, New Brunswick)	Director of MRI from August 15, 2018 to Present	University Professor at the University of New Brunswick	Nil
David Grandin Proposed Director (Madison, Wisconsin)	Director of MRI from October 15, 2018 to Present	President and CEO of Kiio Inc.	Nil
Bryan Pearson Proposed Lead Independent Director (Toronto, Ontario)	Director of MRI from November 20 to Present	CEO and president of LoyaltyOne	Nil

Upon completion of the Transaction, the directors and officers of the Resulting Issuer, as a group, are anticipated to beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of approximately 15,960,750 Resulting Issuer Common Shares representing 32.33% of the issued and outstanding Resulting Issuer Common Shares.

Following the completion of the Transaction, Messrs. Hanson, Kohler and Patient will be employees of the Resulting Issuer, and each of the officers and directors of the Resulting Issuer will devote such time to the affairs of the Resulting Issuer as is necessary for the proper performance of his or her duties. As of the date hereof, none of the officers or directors of the Resulting Issuer have entered into non-competition or non-disclosure agreements with the Resulting Issuer.

Management

The following is a brief description of the proposed directors and officers of the Resulting Issuer:

Telfer Hanson

Proposed Executive Chairman and Director of the Resulting Issuer (Age 55)

Mr. Hanson is an experienced capital markets professional having served 22 years in senior investment banking positions, including covering healthcare and medical technology companies. Most recently, Mr. Hanson was responsible for the sale of Medic Holdings Corp. to Agility Health Inc., a public healthcare services company. Prior to that Mr. Hanson held senior investment banking positions at several independent brokerage firms.

David Kohler

Proposed CEO and Director of the Resulting Issuer (Age 54)

Mr. Kohler has significant experience in the over-the counter consumer health business through his 22 years of industry experience. Mr. Kohler was the Vice President and General Manager of the Consumer Products Division of Apotex Inc. In that role, he established the new international division of the firm (in 2012), and assembled and lead a team which manufactured and sold private label over-the counter products. During his 6-year tenure, the division grew from start-up status to over $130 million in annual sales. Mr. Kohler has a Bachelor's degree from Wilfrid Laurier University and an MBA from Queen's University.

Andrew Patient

Proposed CFO of the Resulting Issuer (Age 49)

Mr. Patient is a Chartered Professional Accountant (CPA) with significant experience in senior leadership roles. Prior to joining Mimi's Rock, Mr. Patient was the CFO of Intellipharmaceutics International Inc. This was a dual-listed (TSX/Nasdaq) pharmaceutical company, which specialized in the research, development and manufacture of novel and generic controlled-release and targeted-release oral solid dosage drugs. During his tenure, Mr. Patient was responsible for all financial operations, including multiple capital raises, prospectus filings and public reporting. Prior to this, Mr. Patient was CFO of Merus Labs International Inc. Merus is also a Nasdaq/TSX listed specialty pharmaceutical company that owned, marketed and distributed prescription medications, primarily in Europe and Canada. Mr. Patient has also served as President and CFO for Envoy Capital Group, Inc., and Finance Director for Watt International, Inc. Mr. Patient has a Bachelor's degree from Brock University.

Norman Betts

Proposed Director of the Resulting Issuer (Age 64)

Mr. Betts has extensive experience in financing, accounting and audit in the public sector having served on the board of several public companies. Mr. Betts currently serves a Lead Independent Director and Chair of the Audit Committee of Tanzanian Royalty Exploration Inc., the Lead Indepndent Director and Chair of the Audit Committee of Adex Mining Inc. and as a Director and Chair of the Audit Committee of 49 North Resources Inc. Mr. Betts also previously served as a Director and Chair of the Audit Committee of Tembac Inc. and as the Chair of the Board of Directors, Chair of the Special Audit Committee, and Chair of the Special Committee of Minacs Worldwide Inc. Mr. Betts served as the Minister of Finance in New Brunswick from 1999 to 2001 and as and Minister of Business in New Brunswick from 2001 to 2003. He currently sits on the boards of New Brunswick Power Corp. and Bank of Canada. Mr. Betts has a Bachelor of Business Administration degree from the University of New Brunswick and a PhD in Accounting and Finance from Queen's University.

David Grandin

Proposed Director of the Resulting Issuer (Age 57)

Mr. Grandin has over 20 years of experience starting companies and building teams in the high tech sector. He combines a strong entrepreneurial skill set with an extensive background in software and integrated system development, digital media solutions and sports-related technology. Mr. Grandin has a Bachelor's of Science in Electrical Engineering and Computer Science from the University of Wisconsin and an MBA in High Technology from Northeastern University.

Bryan Pearson

Proposed Lead Independent Director of the Resulting Issuer (Age 55)

Mr. Pearson is a Canadian business executive, bestselling author and keynote speaker. Mr. Pearson currently serves as CEO and president of LoyaltyOne and also functions as the president of Alliance Data Loyalty Services, a global provider of loyalty marketing services and programs. Mr. Pearson has a Bachelor's degree in life sciences and an MBA in marketing from Queen's University.

Committees of the Board of Directors of the Resulting Issuer

It is anticipated that following the completion of the Transaction, the standing committees of the board of directors of the Resulting Issuer will include the:

(a) Audit & Risk Committee, to be comprised of Norman Betts, David Grandin, and Bryan Pearson. Norman Betts is anticipated to be Chair of the Audit Committee of the Resulting Issuer.

(b) Compensation Committee, to be comprised of Norman Betts, David Grandin, and Bryan Pearson. David Grandin is anticipated to be Chair of the Compensation Committee of the Resulting Issuer.

(c) Governance Committee, to be comprised of Norman Betts, Telfer Hanson, and Bryan Pearson. Norman Betts is anticipated to be Chair of the Governance Committee of the Resulting Issuer.

(d) Acquisitions Committee, to be comprised of Norman Betts, David Grandin, David Kohler, and Bryan Pearson. Bryan Pearson is anticipated to be Chair of the Acquisitions Committee of the Resulting Issuer.

Corporate Cease Trade Orders or Bankruptcies

To the Corporation's knowledge, no proposed director, officer or Promoter of the Resulting Issuer or a securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, within 10 years of the date of this Filing Statement, has been a director, officer or Promoter of any Person that, while that person was acting in that capacity,

(a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities law, for a period of more than 30 consecutive days; or

(b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

To the Corporation's knowledge, no proposed director, officer or Promoter of the Resulting Issuer, or a securityholder anticipated to hold sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has:

(a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body that would be likely to be considered important to a reasonable securityholder making a decision about the Transaction.

Personal Bankruptcies

To the Corporation's knowledge, no proposed director, officer or Promoter of the Resulting Issuer, or a securityholder anticipated to hold sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of such persons has, within the 10 years before the date of this Filing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to holder the assets of the director, officer or Promoter.

Conflicts of Interest

Some of the proposed directors and officers of the Resulting Issuer are also directors, officers and/or Promoters of other reporting and non-reporting issuers. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Resulting Issuer, notwithstanding that they are bound by the provisions of the OBCA to act at all times in good faith in the interest of the Resulting Issuer and to disclose such conflicts to the Resulting Issuer if and when they arise. To the best of their knowledge, the proposed management of the Resulting Issuer is not aware of the existence of any conflicts of interest between any of their directors and officers as of the date of this Filing Statement, other than as disclosed herein.

See "*Risk Factors", "Part I. Information Concerning Commerce – Description of the Business – History – Events Subsequent to 2016"* and *"Part III. Information Concerning the Resulting Issuer - Material Contracts*".

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and Promoters of the Resulting Issuer that are, or have been within the last 5 years, directors, officers or Promoters of other reporting issuers:

Name	Reporting Issuer	Position(s) Held	Market Traded On	From	To
Andrew Patient	Intellipharmaceutics International Inc.	CFO	TSX; Nasdaq	2017	2018
	Merus Labs International Inc.	CFO	TSX; Nasdaq	2011	2016
Norman Betts	Tanzanian Royalty Exploration Inc.	Lead Independent Director and Chair of Audit Committee	TSX; AMEX	2005	Present
	Adex Mining Inc.	Lead Independent Director and Chair of Audit Committee	TSX-V	2007	Present
	49 North Resources Inc.	Director and Chair of Audit Committee	TSX-V	2013	Present
	Tembac Inc.	Director and Chair of Audit Committee	TSX	2005	2016
Bryan Pearson	Alliance Data Systems Corporation	Executive Vice President	NYSE	1998	Present

Management Team

The MRI team has also been bolstered by several other key additions since inception.

Chirag Patel joined as the Vice President of Operations and Strategy. Mr. Patel spent his last 12 years at Apotex, including his last 6 years where he led product development, Marketing and Operations for the Consumer Products team.

Ryan Malfara is the Vice President of Customer Engagement. Mr. Malfara joined Mimi's Rock following a successful stint at WE Charity, where he led the National Business Development team. Mr. Malfara brings a wealth of digital marketing expertise, along with exceptional IT and digital security capabilities.

Other members of the MRI team include Alyssa Horne, as Director of Operations and Cassie Hanson, as Director of E-Commerce. Alyssa is also an Apotex veteran, whose prior experience in regulatory affairs and product management and launch made her an invaluable addition to the team. Cassie Hanson joined the team as the Director of E-Commerce, following success at Commerce Dynamics Inc., which is a leading builder and manager of enterprise-level dynamic auction marketplaces. Cassie leads the development and management of the Company's sites and e-commerce initiatives.

Monica Rzepecki, is the Digital Media content and advertising specialist. Terri Wylie and Lynn Moffatt collaborate to run the customer service department.

Outside of Canada, Mr. Florian Ihde leads MRG as the Managing Director. Mr. Ihde was employed as the Finance Head of DTI prior to the acquisition by the MRI, and brings a wealth of e-commerce and financial expertise, as well as a strong working knowledge of the organization, which has been extremely valuable during the ownership transition. Joining Mr. Ihde in Germany is Mr. Elias Sakkal who is the marketing manager, and Mr. Axel Linke who is a Chartered Accountant.

Since the acquisition of DTI, MRI's business relationship with Amazon has been significantly bolstered. The relationship has transformed from one of channel partner to strategic partner. Amazon has assigned an account manager to the MRI business, who is working to aid the firm in terms of growth and improvement strategies. He is also a collaborative partner who is encouraging and supporting efforts to expand internationally. Perhaps most importantly however, MRI and Amazon.com have now entered into a private label agreement under which the Company has launched a new brand 'Multiform Vitamins' in partnership with, and exclusive to Amazon.

EXECUTIVE COMPENSATION

Summary of Employment Contracts of each Resulting Issuer Named Executive Officer

None of the anticipated Named Executive Officers of the Resulting Issuer will have employment contracts on Closing. It is expected that, following completion of the Transaction, contracts will be entered for each of the executive officers of the Resulting Issuer.

Share-Based Awards, Option-based Awards and Non-Equity Incentive Plan Compensation

The board of directors of the Resulting Issuer will be tasked with establishing an executive compensation program, which will include any share-based awards, option-based awards or the establishment of any non-equity incentive plans.

DIRECTOR COMPENSATION

It is currently anticipated that the compensation for the directors of the Resulting Issuer who are not also officers of the Resulting Issuer (including any options to be granted) will be determined subsequent to the completion of the Transaction, subject to the approval of the board of directors of the Resulting Issuer.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No director or officer of Commerce, MRI or any of the MRI Subsidiaries, nor any proposed director or officer of the Resulting Issuer, is or has been indebted to Commerce, MRI or any of the MRI Subsidiaries at any time.

OPTIONS TO PURCHASE SECURITIES

Stock Option Plan

There will be no change to the stock option plan as a result of completion of the Transaction and all holders of MRI Options will receive Commerce Exchange Options on Closing. The Resulting Issuer will continue to abide by the stock Commerce Stock Option Plan (the "**Resulting Issuer Stock Option Plan**"). See "*Part I. Information Concerning Commerce – Stock Option Plan*".

Under the Resulting Issuer Stock Option Plan, the board of directors of the Resulting Issuer may in its discretion grant additional stock options in accordance with the terms of the Resulting Issuer Stock Option Plan for annual compensation, amongst other things. Subject to ratification by the board of directors of the Resulting Issuer and in accordance with the Resulting Issuer Stock Option Plan, 4,937,184 incentive stock options are authorized to be granted to certain directors, officers, employees and consultants of the Resulting Issuer.

Following completion of the Transaction and under the Resulting Issuer Stock Option Plan: (i) former holders of Commerce Options will hold 156,250 options to purchase Resulting Issuer Common Shares exercisable at $0.80; and (ii) former holders of MRI Options will hold 4,901,250[3] options to purchase Resulting Issuer Common Shares exercisable at a blended average exercise price of $0.67 per Resulting Issuer Common Share. A majority of the options are subject to vesting over the course of 24 months and expiry 5 years following the grant date. Immediately following the Closing of the Transaction, Telfer Hanson and David Kohler undertake to each exercise 60,158 Resulting Issuer Options, being the equivalent of approximately 40,105 MRI Options prior to the Closing of the Transaction**,** in order to ensure that such number of Resulting Issuer Options granted does not exceed the number of Resulting Issuer Options authorized under the Resulting Issuer Stock Option Plan.

The following table provides information as to options to purchase Resulting Issuer Common Shares that, as of the date of this Filing Statement, are expected to be outstanding immediately following the Closing:

[3] Excluding the 60,158 MRI Options to be exercised by each of Telfer Hanson and David Kohler immediately following the Closing of the Transaction.

Category of Optionholder	Number of Options to Acquire Common Shares Held as a Group
All proposed Officers of the Resulting Issuer	1,800,000
All proposed Directors of the Resulting Issuers who are not also proposed Officers	675,000
All other employees as a group	1,616,250
All consultants as a group and options issued as consideration for the DTI acquisition	810,000
All former holders of Commerce Options	156,250

ESCROWED SECURITIES

CPC Escrowed Securities

On February 27, 2018, Commerce, TSX Trust Company and certain shareholders entered into an escrow agreement, whereby 1,250,000 Commerce Common Shares are deposited with TSX Trust Company (the "**CPC Escrow Agreement**"). Following the Consolidation, 312,500 Commerce Common Shares will be in escrow pursuant to the CPC Escrow Agreement.

Where the Resulting Issuer Common Shares which are required to be held in escrow are held by a non-individual (a "**holding company**"), each holding company pursuant to the Escrow Agreement, has agreed not to carry out any transactions during the currency of the Escrow Agreement which would result in a change of control of the holding company, without the consent of the Exchange. Each holding company has signed an undertaking to the Exchange that, to the extent reasonably possible, it will not permit or authorize any issuance of securities or transfer of securities that could reasonably result in a change of control of the holding company.

Under the Escrow Agreement, 10% of the escrowed Resulting Issuer Common Shares were to be released from escrow on the issuance of the Final Exchange Bulletin and an additional 15% were to be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the issuance of the Final Exchange Bulletin.

If the Resulting Issuer meets the Exchange's Tier 1 minimum listing requirements either at the time the Final Exchange Bulletin is issued or subsequently, the release of the escrowed Resulting Issuer Common Shares will be accelerated. An accelerated escrow release will not commence until the Resulting Issuer has made application to the Exchange for listing as a Tier 1 issuer and the Exchange has issued a bulletin that announces the acceptance for listing of the Resulting Issuer on Tier 1 of the Exchange.

The Exchange's prior consent must be obtained before a transfer within escrow of escrowed Resulting Issuer Common Shares. Generally, the Exchange will only permit a transfer within escrow to be made to incoming Principals in connection with a proposed Qualifying Transaction.

If a Final Exchange Bulletin is not issued, the escrowed Resulting Issuer Common Shares will not be released. Under the Escrow Agreement, each Non-Arm's Length Party to the Resulting Issuer who holds escrowed Resulting Issuer Common Shares has irrevocably authorized and directed TSX Trust Company, the escrow agent, to immediately:

(a) cancel all of those escrowed Resulting Issuer Common Shares upon the issuance by the Exchange of a bulletin delisting the Resulting Issuer Common Shares; or

(b) if the Resulting Issuer lists on NEX, either:

   i. cancel all securities issued before the Resulting Issuer's initial public offering or by a private target company before a Reverse Takeover, change of business or Qualifying Transaction, regardless of whether the securities are subject to resale restrictions or are free trading (the "**Initial Shares**") purchased by Non-Arm's Length Parties to the Resulting Issuer at a discount from the initial public offering price of $0.20 per Resulting Issuer Common Share, in accordance with Section 11.2(a) of the CPC Policy; or

ii. subject to majority shareholder approval, cancel an amount of Initial Shares purchased by Non-Arm's Length Parties to the Resulting Issuer so that the average cost of the remaining Initial Shares is at least equal to the initial public offering price of $0.20 per Resulting Issuer Common Share.

Resulting Issuer Escrowed Securities

Upon completion of the Transaction, it is expected that there will be an aggregate of 15,960,750 Resulting Issuer Common Shares held pursuant to a will be subject to a surplus security escrow agreement (a "**Surplus Security Escrow Agreement**") for Tier 1 issuers to be entered into by the Resulting Issuer and the TSX Trust Company (being the escrow agent and transfer agent) and the holders of Resulting Issuer Common Shares subject to such escrow requirements.

Any Resulting Issuer Common Shares held by persons who will be considered a Principal of the Resulting Issuer upon completion of the Transaction will be subject to the Exchange's escrow requirements.

Generally, if the number of Surplus Securities issued exceeds 25% of the number of permitted Value Securities, then all Principal securities (including both Value Securities and Surplus Securities) will be subject to a Surplus Security Escrow Agreement

"**Value Securities**" are securities issued pursuant to a transaction, for which the deemed value of the securities at least equals the value ascribed to the asset, using a valuation method acceptable to the Exchange, or securities that are otherwise determined by the Exchange to be Value Securities and required to be placed in escrow under a Value Security Escrow Agreement.

"**Surplus Securities**" are all securities issued as consideration for an asset, business, property (or interest in property) services, debt settlement that do not constitute Value Securities.

If at least 75% of the Resulting Issuer Common Shares issued pursuant to the Transaction are "Value Securities", then all Resulting Issuer Securities issued to Principals of the Resulting Issuer pursuant to the Transaction will be deposited into escrow pursuant to a value security agreement ("**Value Security Escrow Agreement**").

The principal distinction between a Value Security Escrow Agreement and a Surplus Security Escrow Agreement is the time period for release of securities from escrow and the requirement for cancellation of any surplus escrow shares upon the loss or abandonment of the property or discontinuance of the operations for which such surplus escrow shares were issued.

In the case of a Resulting Issuer that is a Tier 1 issuer when the Final Exchange Bulletin is issued, the Value Security Escrow Agreement provides for an 18 month escrow release mechanism with 25% of the escrowed securities being releasable at the time of the Final Exchange Bulletin, with an additional 25% of the escrowed securities being releasable every 6 months thereafter. In the case of a Resulting Issuer that is a Tier 1 issuer when the Final Exchange Bulletin is issued, the Surplus Security Escrow Agreement also provides for an 18 month escrow release mechanism with:

(a) 10% of the escrowed securities being releasable upon the issuance of the Final Exchange Bulletin;

(b) 20% of the escrowed securities being releasable on the 6 month anniversary of the Final Exchange Bulletin;

(c) 30% of the escrowed securities being releasable on the 12 month anniversary of the Final Exchange Bulletin; and

(d) 40% of the escrowed securities being releasable on the 18 month anniversary of the Final Exchange Bulletin.

Summary of Escrowed Securities

The following is a summary of the Resulting Issuer Common Shares that are anticipated to be held in escrow or otherwise subject to escrow restrictions:

		Prior to Giving Effect to the Transaction		After Giving Effect to the Transaction	
Name and Municipality of Residence of Securityholder	**Designation of Class**	**Number of Resulting Issuer Securities Held in Escrow**	**Percentage of Class**	**Number of Resulting Issuer Securities Held in Escrow**	**Percentage of Class(1)**
Telfer Hanson(2) Burlington, Ontario	Resulting Issuer Securities	0	0%	8,067,000 Resulting Issuer Common Shares	15.39%
David Kohler(3) Oakville, Ontario	Resulting Issuer Securities	0	0%	7,893,750 Resulting Issuer Common Shares	15.09%
TOTAL		**0**	**0%**	**15,960,750**	**33.08%**

Notes:

(1) Presented on a fully-diluted basis.

(2) Inclusive of all Resulting Issuer Securities held by Telfer Hanson (2017) Family Trust, of which Mr. Hanson is a trustee, Telfer Hanson and RKH Limited, which Mr. Hanson controls.

(3) Inclusive of all Resulting Issuer Securities held by David Kohler or the David Kohler (2017) Family Trust, of which Mr. Kohler is a trustee.

Additionally, the following individuals will continue to be subject to escrow restrictions pursuant to the CPC Escrow Agreement:

		Prior to Giving Effect to the Transaction		After Giving Effect to the Transaction	
Name and Municipality of Residence of Securityholder	**Designation of Class**	**Number of Resulting Issuer Securities Held in Escrow**	**Percentage of Class**	**Number of Resulting Issuer Securities Held in Escrow**	**Percentage of Class**
David Mitchell Toronto, Ontario	Common Shares	250,000	4%	62,500	0.11%
Robert Howe Thornbury, Ontario	Common Shares	250,000	4%	62,500	0.11%
Joshua Arbuckle Toronto, Ontario	Common Shares	250,000	4%	62,500	0.11%
Keith Harris Collingwood, Ontario	Common Shares	250,000	4%	62,500	0.11%
Steven Hoffman Zurich, Switzerland	Common Shares	250,000	4%	62,500	0.11%
TOTAL:		**1,250,000**	**20%**	**312,500**	**0.55%**

AUDITOR, TRANSFER AGENT AND REGISTRAR

Following completion of the Transaction, it is expected that MNP LLP, Chartered Professional Accountants, Licensed Public Accountants located at 111 Richmond Street West, Suite 300, Toronto, Ontario, M5H 2G4 are to be appointed as auditors of the Resulting Issuer.

TSX Trust Company located at 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1 is the transfer agent and registrar of Commerce, is anticipated to be appointed as the transfer agent and registrar of the Resulting Issuer following the completion of the Transaction.

See "*Part I. Information Concerning Commerce – Auditor, Transfer Agent and Registrar*".

PART IV: GENERAL MATTERS

SPONSORSHIP AND AGENT RELATIONSHIP

Sponsor

Sponsorship for the Transaction is required by the CPC Policy unless an exemption from the sponsorship requirement is granted. Commerce was granted an exemption from sponsorship requirements pursuant to Section 3.4 of TSX-V Policy 2.2 – *Sponsorship and Sponsorship Requirements*.

Relationships

To the best of the knowledge of Commerce and MRI, except as set forth in this Filing Statement, neither the Resulting Issuer, Commerce, MRI nor any MRI Subsidiary has entered into any agreement with any other registrant to provide sponsorship or corporate finance services, either now or in the future.

INTERESTS OF EXPERTS

No Person, whose profession or business gives authority to a statement made by the Person and who is named has having prepared or certified a part of this Filing Statement or as having prepared or certified a report or valuation described or included in this Filing Statement, holds any beneficial interest, directly or indirectly, in any property of Commerce, MRI or any of their respective Associates or Affiliates, and no such Person is expected to be elected, appointed or employed as a director, senior officer or employee of the Resulting Issuer or of an Associate or Affiliate of the Resulting Issuer and no such Person is a Promoter of Commerce, MRI or any of their respective Associates or Affiliates.

MNP LLP, Chartered Accountants, located at 111 Richmond Street West, Suite 300, Toronto, Ontario, M5H 2G4, the auditor of Commerce, has advised that it is independent with respect to Commerce and MRI.

BOARD APPROVAL

The contents and sending of this Filing Statement have been approved by the Commerce Board. Where information contained in this Filing Statement rests particularly within the knowledge of a Person other than the Corporation, the Corporation has relied upon information furnished by such Person.

APPENDIX A

FINANCIAL STATEMENTS OF COMMERCE

Please see attached.

Commerce Acquisition Corp.

(A Capital Pool Corporation)

Consolidated Financial Statements

For the Year Ended December 31, 2018 and Period from Incorporation (March 27, 2017) to December 31, 2017

(In Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Commerce Acquisition Corp.:

Opinion

We have audited the consolidated financial statements of Commerce Acquisition Corp. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2018 and December 31, 2017, and the consolidated statements of loss and comprehensive loss, consolidated changes in shareholders' equity and cash flows for the year ended December 31, 2018 and the period from March 27, 2017 (date of incorporation) to December 31, 2017, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2018 and December 31, 2017 and its consolidated financial performance and its consolidated cash flows for year ended December 31, 2018 and the period from March 27, 2017 to December 31, 2017 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Pierrette Dosanjh.

MNP LLP

Toronto, Ontario
April 25, 2019

Chartered Professional Accountants
Licensed Public Accountants

Commerce Acquisition Corp.
Consolidated Statements of Financial Position
(in Canadian dollars)

As at		December 31, 2018	December 31, 2017
Current assets			
Cash held in trust	$	**804,649**	33,137
Deferred Offering Costs		**-**	34,963
Prepaid Expenses		**-**	10,000
Total current assets		**804,649**	78,100
Current Liabilities			
Accrued liabilities		**4,133**	5,119
Shareholders' equity			
Share Capital, net of issuance costs (note 3)		**919,646**	122,669
Contributed surplus		**146,743**	-
Accumulated deficit		**(265,873)**	(49,688)
Total Shareholders' equity		**800,516**	72,981
Total Liabilities and shareholders' equity	$	**804,649**	78,100

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

Subsequent Event (note 7)

Approved by the Board **David Mitchell** Director **(Signed)** **Joshua Arbuckle** Director **(Signed)**

Commerce Acquisition Corp.

Consolidated Statements of Loss and Comprehensive Loss
For the Year Ended December 31, 2018 and From the Period of Incorporation (March 27, 2017) to December 31, 2017

Expenses		**For the year ended December 31, 2018**		**From the Period of Incorporation (March 27, 2017) to December 31, 2017**
Professional fees	$	104,508	$	30,193
Listing fees		17,894		19,495
Stock-based compensation		93,783		
Net loss and comprehensive loss for the year/period	**$**	**(216,185)**	**$**	**(49,688)**
Net loss per share (Basic and Diluted)	**$**	**(0.07)**	**$**	**(0.00)**
Weighted average number of shares outstanding (Basic and Diluted)	**$**	**3,269,231**		**-**

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

Commerce Acquisition Corp.

Consolidated Statements of Changes in Shareholders' Equity
For the Year Ended December 31, 2018 and From the Period of Incorporation (March 27, 2017) to December 31, 2017

	Number of shares	Share capital	Contributed Surplus	Accumulated deficit	Total
Balance, March 27, 2017	**-**	**$ -**	**$ -**	**$ -**	**$ -**
Share Subscription	1,250,000	125,000	-	-	125,000
Cost of issuance	-	(2,331)	-	-	(2,331)
Net loss for the period	-	-	-	(49,688)	(49,688)
Balance, December 31, 2017	**1,250,000**	**$ 122,669**	**$ -**	**$ (49,688)**	**$72,981**
Balance at January 1, 2018	**1,250,000**	**$122,669**	**$ -**	**$(49,688)**	**$72,981**
Initial Public Offering	5,000,000	1,000,000	-	-	1,000,000
Cost of issuance	-	(150,063)	-	-	(150,063)
Issuance of agent warrants	-	(52,960)	52,960	-	-
Stock-based compensation	-	-	93,783	-	93,783
Net loss for the year	-	-	-	(216,185)	(216,185)
Balance, December 31, 2018	**6,250,000**	**$919,646**	**$146,743**	**$(265,873)**	**$800,516**

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

Commerce Acquisition Corp.

Consolidated Statements of Cash Flows

For the Year Ended December 31, 2018 and From the Period of Incorporation (March 27, 2017) to December 31, 2017

	Year ended December 31, 2018	From the date of incorporation (March 27, 2017) to December 31, 2017
Cash provided by (used in)		
Operating activities		
Net loss for the year/period	$ **(216,185)**	$(49,688)
Stock-based compensation	**93,783**	-
Change in prepaid expenses	**10,000**	(10,000)
Change in deferred offering costs	**34,963**	(34,963)
Change in accrued liabilities	**(986)**	5,119
Cash Used in Operating Activities	**(78,425)**	(89,532)
Financing		
Share subscription, net of cash issuance costs	**849,937**	122,669
Cash provided by financing activities	**849,937**	122,669
Net change in cash	**771,512**	33,137
Cash beginning of the year/ period	**33,137**	-
Cash end of the year/period	**$ 804,649**	$ 33,137

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

1. INCORPORATION AND NATURE OF OPERATIONS

Commerce Acquisition Corp. ("the Company"), was incorporated under the Ontario Business Corporations Act on March 27, 2017 and is a Capital Pool corporation, as defined in the Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of the Company is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Company has not commenced operations and has no assets other than cash held in trust. The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition, or business, or an interest therein. Such an acquisition will be subject to the approval of the regulatory authorities concerned and, in the case of a non-arm's length transaction, of the majority of the minority shareholders.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to the lesser of 30% of the gross proceeds realized by the Company, in respect of the sale of its securities, or $210,000, may be used for purposes other than evaluating businesses or assets. These restrictions apply until completion of a QT by the Company, as defined under the policies of the Exchange. The Company is required to complete its QT on or before two years from the date the Company receives regulatory approval.

The head office and the registered head office of the Company is located at 77 King Street, suite 700, Toronto, ON M5K 1G8.

On April 25, 2019 the Board of Directors approved the consolidated financial statements for the year ended December 31, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Use of Estimates and Judgments

The preparation of these financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

Basis of Presentation

The consolidated financial statements are presented in Canadian dollars ("CAD"), which is the Company's functional and presentation currency. The consolidated financial statements are prepared on a historical cost basis except for certain financial instruments classified as fair value through profit or loss ("FVPTL"), which are stated at their fair value. The accounting policies have been applied consistently throughout the entire period presented in these consolidated financial statements.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its wholly owned subsidiary, 266096 Ontario Inc.

2. SIGNIFICANT ACCOUNTING POLICIES – continued

Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

Basic and Diluted Loss per Share

Basic loss per share is computed by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding for the relevant period. Common shares escrowed pursuant to the requirements of the Exchange are excluded from the number of outstanding common shares.

Diluted loss per share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted.

Share-based Compensation

Equity-settled share based payments for directors, officers, employees, and consultants are measured at fair value at the date of grant and recorded as compensation expense in the consolidated financial statements. Share options are measured at the fair value of each tranche on the grant date and are recognized in their respective vesting period using the Company's expected forfeiture rate. Any consideration paid by directors, officers, employees and consultants on exercise of equity-settled share based payments is credited to share capital. Shares are issued from treasury upon the exercise of equity-settled share-based instruments.

Financial Instruments

Recognition

The Company recognizes financial assets and financial liabilities on the date the Company becomes a party to the contractual provisions of the instruments.

Classification

The Company classifies its financial assets and financial liabilities in the following measurement categories: i) those to be measured subsequently at fair value (either through other comprehensive loss or through profit or loss, and ii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive loss.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

The Company has implemented the following classifications:

2. SIGNIFICANT ACCOUNTING POLICIES – continued

Cash is classified as fair value through profit and loss any period change in fair value is recorded in profit or loss. Accounts payable and accrued liabilities are classified as other financial liabilities and measured at amortized cost using the effective interest rate method.

Measurement

All financial instruments are required to be measured at fair value on initial recognition, plus, in case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments or principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive loss (irrevocable election at the time of recognition).

Additional fair value measurement disclosure includes classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements which are as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and
Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

Cash held in trust is a level 1 financial instrument measured at fair value on the statements of financial position.

Income Taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the intention is to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences and deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to be recovered or settled. Deferred tax assets are recognized to the extent that realization of such benefits is probable.

2. SIGNIFICANT ACCOUNTING POLICIES – continued

New Accounting Standards issued

IFRS 9, Financial Instruments ("IFRS 9") was initially issued by the IASB on November 12, 2009 and issued in its completed version in July 2014, and will replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for financial years beginning on or after January 1, 2018. The company adopted this standard on January 1, 2018, which had no impact on the consolidated financial statements

3. SHARE CAPITAL

Authorized

Unlimited common shares

Issued	**#**	**$**
1,250,000 common shares (i)	1,250,000	$ 125,000
5,000,000 common shares (ii)	5,000,000	1,000,000
Cost of issuance-cash		(152,394)
Cost of issuance-share based payment		(52,960)
Balance, December 31, 2018	6,250,000	$ 916,646

Escrowed Shares

(i) During the period ended December 31, 2017, the Company issued 1,250,000 common shares at $0.10 per share for total proceeds of $125,000.

The 1,250,000 issued common shares will be held in escrow pursuant to the requirements of the Exchange.

All common shares acquired on exercise of stock options granted to directors and officers prior to the completion of a Qualifying Transaction, must also be deposited in escrow until the final exchange bulletin is issued. As a result, the escrow shares have not been contemplated in the weighted-average shares outstanding calculation.

All common shares of the Company acquired in the secondary market prior to the completion of a Qualifying Transaction by a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Company held by principals of the resulting issuer will also be subject to escrow.

3. SHARE CAPITAL (continued)

Initial Public Offering

(ii) On May 7, 2018, the Company completed an initial public offering (“IPO”) of 5,000,000 common shares at $0.20 per share ($1,000,000). The Company entered into an agreement with Industrial Alliance Securities Inc. (the “Agent”) to raise $1,000,000 in connection with the Company’s IPO. The Company paid a commission of 10% of gross proceeds to the Agent, and granted the Agent an option to acquire 10% of the common shares issued in the offering exercisable for a period ending twenty-four months from the date the Company’s Common Shares are listed on the TSX Venture Exchange, exercisable at $0.20 per share. The Company also paid the Agent a corporate finance fee upon the closing of the offering and reimbursed the Agent for legal fees and other reasonable expenses incurred pursuant to the Offering.

Options

The Company has established a stock option plan for its directors, officers and consultants under which the Company may grant options from time to time to acquire a maximum of 10% of the issued and outstanding common shares. The options shall not result at any time: (i) the number of shares reserved for issuance pursuant to options granted to Insiders exceeding 10% of the issued and outstanding shares ii) the grant to Insiders within a 12 month period, of a number of options exceeding 10% of outstanding shares or iii) the grant to any one (1) Optionee within a 12 month period, of a number of options exceeding 5% of the issued and outstanding shares. The exercise price of each option granted under the plan shall be determined by the Board of Directors.

Options may be granted for a maximum term of ten years from the date of the grant. They are non--transferable and expire within the later of 12 months or 90 days of termination of employment or holding office as director or officer of the Company and, in the case of death, expire the earlier of the expiry date of the option or one year after death.

The following table reflects the continuity of stock options and warrants:

	Number of Stock Options and warrants	Weighted Average Exercise Price ($)
January 1, 2018	-	-
Granted (i)	500,000	$0.20
Granted to directors and officers (ii)	625,000	$0.20
Balance, December 31, 2018	1,125,000	$0.20

i. On May 7, 2018, the Company granted 500,000 compensation warrants to the Agent, which are exercisable within two years from the date of grant at an exercise price of $0.20 per share. These warrants were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 1.91%, expected volatility of 100% and an expected life of two years. The value attributed to these warrants was $52,960.

ii. On May 7, 2018, the Company granted 625,000 options to directors and officers, which are exercisable within five years from the date of grant at an exercise price of $0.20 per share. These options were valued on the date of issue using the Black-Scholes option pricing model with the

ii. following assumptions: dividend yield 0%, risk-free interest rate of 2.14%, expected volatility of 100% and an expected life of five years. The value attributed to these options was $93,783.

3. SHARE CAPITAL (continued)

The following table reflects the actual options issued and outstanding as of December 31, 2018:

Expiry Date	Exercise Price	Weighted Average Remaining Contractual Life (years)	Number of Options and Warrants Outstanding	Number of Options Vested (Exercisable)
May 7, 2020	$0.20	1.35	500,000	500,000
May 7, 2023	$0.20	4.35	625,000	625,000
	$0.20	3.02	1,125,000	1,125,000

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Company's objective when managing capital is to maintain its ability to continue as a going concern, in order to provide returns for the shareholders and benefits for other stakeholders. The Company includes equity, comprised of share capital and deficit, in the definition of capital.

The Company's primary objective, with respect to its capital management, is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company as defined under the Exchange policy 2.4.

Risk Disclosures and Fair Values

The Company's financial instruments, consisting of cash held in trust and accrued liabilities, approximate fair value due to the relatively short term maturities of the instruments. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

5. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2018, the Company incurred legal fees of approximately $75,677 (2017-$7,594) for services provided by a law firm whose partner is a director of the Company. As at December 31, 2018, $4,133 (2017-$5,119) is included in accrued liabilities for these services. As at December 31, 2017, $21,334 has been included in deferred offering costs for these services. Additionally, the Company incurred stock-based compensated expenses related to directors and officers valued at $93,783.

There were no other transactions with related parties and no remuneration was paid to key management personnel during the year ended December 31, 2018.

6. INCOME TAXES

A reconciliation of combined federal and provincial corporate income taxes of statutory rates of 26.5% (2017 – 26.5%) and the Company's effective income tax expense is as follows:

	2018	2017
Net loss for the year/period	$ (216,185)	$(49,688)
Expected income tax recovery	(57,289)	(13,170)
Share-based compensation	24,852	-
Share issuance costs booked to equity	(39,767)	(620)
Deferred tax assets not recognized	72,204	13,790
Income tax recovery	$ -	$ -

Unrecognized deferred tax assets

Deferred taxes are provided as a result of temporary difference that arise due to the difference between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	2018	2017
Share issuance costs – 20(1) (e)	$ 121,558	$ 1,973
Non-capital losses carried forward – Canada	202,927	50,046

The Canadian non-capital loss carry-forwards expire as noted in the table below:

2037	$ 50,046
2038	152,881
	$ 202,927

7. SUBSEQUENT EVENT

Subsequent to year end, the Company announced that it entered into a definitive agreement with Mimi's Rock Inc. (MRI) and 2666096 Ontario Inc., a wholly owned subsidiary of the Company, which shall govern the Company's Qualifying Transaction. Pursuant to the Definitive Agreement, the parties will complete a three-cornered amalgamation whereby MRI will amalgamate with Subco and, pursuant thereto, each MRI share held by MRI shareholders (collectively, the "MRI Shares") shall be cancelled and Commerce shall issue 1.5 common shares in the capital of the Company (the "Commerce Shares") in consideration for each such MRI Share so cancelled (the "Exchange Ratio"). Completion of the Qualifying Transaction is subject to all requisite regulatory approvals.

APPENDIX B

MANAGEMENT'S DISCUSSION AND ANALYSIS OF COMMERCE

Please see attached.

Commerce Acquisition Corp.
Management Discussion and Analysis
For the Year Ended December 31, 2018

April 25, 2019

The following management discussion and analysis ("MD&A") of the results of the operations and financial position of Commerce Acquisition Corp. (the "Corporation" or "Commerce") for the year ended December 31, 2018 should be read in conjunction with the Corporation's audited consolidated financial statements for year ended December 31, 2018. All figures contained in this MD&A are presented in Canadian dollars.

Forward-Looking Statements

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Corporation's future performance. All statements, other than statements of historical fact, may be forward-looking statements.

Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. The Corporation's actual results could differ materially from those anticipated in these forward-looking statements as a result of various risk factors.

The Corporation

The Corporation was incorporated under the Ontario Business Corporations Act on March 27, 2017 and is classified as a Capital Pool corporation, as defined in the Policy 2.4 of the TSX Venture Exchange (the "Exchange").

The principal business of the Corporation will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Corporation has not commenced operations and has no assets other than cash held in trust. The Corporation's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition, or business, or an interest therein. Such an acquisition will be subject to the approval of the regulatory authorities concerned and, in the case of a non-arm's length transaction, of the majority of the minority shareholders.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to the lesser of 30% of the gross proceeds realized by the Corporation in respect of the sale of its securities or $210,000, may be used for purposes other than evaluating businesses or assets. These restrictions apply until completion of a QT by the Corporation as defined under the policies of the TSX Venture. The Corporation is required to complete its QT on or before two years from the date the Corporation receives regulatory approval.

During the period from incorporation (March 27, 2017) to December 31, 2017, the Corporation issued 1,250,000 common shares at $0.10 per share for total proceeds of $125,000. The Corporation incurred share issuance costs of $2,331 related to this issuance.

On May 7, 2018, the Corporation completed its initial public offering (the "Offering") of 5,000,000 common shares at a purchase price of $0.20 per common share for aggregate gross proceeds of $1,000,000.

Industrial Alliance Securities Inc. (the "Agent") acted as the agent for the initial public offering. In connection with the Offering, the Corporation granted to the Agent 500,000 compensation warrants (the "Agent's Warrants"). Each Agent's Warrants is exercisable to acquire one common share at a price of $0.20 for a period of 24 months from the date the Corporation's common shares are listed one the TSX Venture Exchange, exercisable at $0.10 per share. In connection with the Offering, the Agent also received a cash commission equal to 10% of the aggregate gross proceeds from the sale of the common shares. The Corporation also paid a corporate finance fee upon the closing of the Offering and reimbursed the Agent for legal fees and other reasonable expenses incurred pursuant to the Offering.

Upon closing of the Offering, the Corporation issued 625,000 stock options to directors and officers. Each stock option entitles the holder to acquire one common share of the Corporation at an exercise price of $0.20. The stock options expire 5 years from the date of grant.

On August 9, 2018, the Corporation announced that it had entered into a non-binding letter of intent with Mimi's Rock Inc." which outlines the general terms and conditions of a proposed transaction that will result in the Corporation acquiring all of the issued and outstanding shares of Mimi's Rock Inc. The proposed transaction would constitute the Corporation's qualifying transaction pursuant to policy 2.4-Capital Pool Companies of the Exchange.

On January 2, 2019 the Corporation announced that it entered into a definitive agreement with Mimi's Rock Inc. and 2666096 Ontario Inc., a wholly owned subsidiary of the Corporation, which shall govern the Corporation's Qualifying Transaction. The parties will complete a three-cornered amalgamation where by Mimi's Rock will amalgamate. Pursuant to the Definitive Agreement, the parties will complete a three-cornered amalgamation whereby MRI will amalgamate with Subco and, pursuant thereto, all of the common shares of MRI, series A preferred shares of MRI, and series B preferred shares of MRI (collectively, the "MRI Shares") shall be cancelled and Commerce shall issue 1.5 common shares in the capital of the Corporation (the "Commerce Shares") in consideration for each such MRI Share so cancelled (the "Exchange Ratio"). Each convertible security of MRI shall also be cancelled and Commerce shall issue an equivalent convertible security of Commerce at the Exchange Ratio. Completion of the Qualifying Transaction is subject to all requisite regulatory approvals.

The head office and the registered head office of the Corporation is located at 77 King Street West, Suite 700, Toronto, Ontario M5K 1G8.

On April 25, 2019 the Board of Directors approved the consolidated financial statements for the year ended December 31, 2018.

Summary of Quarterly Results

	December 31, 2018	**September 30, 2018**	**June 30, 2018**	**March 31, 2018**	**December 31, 2017**	**September 30, 2017**	**June 30, 2017**	**March 31, 2017**
Total Assets	$804,649	$850,369	$868,045	$46,292	$78,100	$55,671	$26,045	Nil
Total Revenues	nil	nil	nil	nil	nil	nil	nil	nil
Total Expenses	$44,222	$18,934	$113,484	$39,545	$7,690	$15,374	$26,624	nil
Net Loss	($44,222)	$(18,934)	$(113,484)	$(39,545)	($7,690)	$(15,374)	$(26,624)	nil
Basic and diluted net loss per share	$(0.01)	$(0.00)	$(0.04)	$0.00	$0.00	$0.00	$0.00	$0.00

Results of Operations

Three month period ended December 31, 2018

The Corporation recorded a net loss of $44,222 during the three month period ended December 31, 2018. The net loss for the three-month period ended December 31, 2018, is due mainly to costs in relation to its listing on the Exchange, and professional fees.

Year ended December 31, 2018

The Corporation recorded a net loss of $216,185 during the year ended December 31, 2018 The net loss for the year ended December 31, 2018, is due mainly to costs in relation to its listing on the Exchange, professional fees, and stock-based compensation.

Additional Disclosure for Venture Issuers without Significant Revenue

Since the Corporation has no revenue from operations, the following is a breakdown of the material costs incurred in from the period from incorporation (March 28, 2017) to December 31, 2018:

Material Costs	From incorporation (March 28, 2017) until December 31, 2018
Professional fees	$134,701
Filing fees	$37,389
Stock-based compensation	$93,783

Liquidity and Capital Resources

As at December 31, 2018, the Corporation had cash of $804,649. The Corporation had current liabilities of $4,133 and working capital of $800,516.

Negative cash flows of $78,425 were recorded from operating activities during the year ended December 31, 2018. This is primarily due to outflows relating to filing fees and professional fees.

Outstanding Share Data

As of the date of this MD&A, 6,250,000 common shares are issued and outstanding.

On May 7, 2018, the Corporation completed its initial public offering (the "Offering") of 5,000,000 common shares at a purchase price of $0.20 per common share for aggregate gross proceeds of $1,000,000.

The Corporation's common shares commenced trading on the TSX Venture Exchange under the trading symbol "CAQ.P" on May 7, 2018.

Off-Balance Sheet Arrangements

The Corporation has not had any off-balance sheet arrangements from the date of its incorporation to the date of this MD&A.

Related Party Transactions

During the year ended December 31, 2018, the Corporation incurred legal fees of approximately $75,677 (2017-$7,594) for services provided by a law firm whose partner is a director of the Corporation. As at December 31, 2018, $4,133 (2017-$5,119) is included in accrued liabilities for these services. As at December 31, 2017, $21,334 has been included in deferred offering costs for these services. Additionally, the Corporation incurred stock-based compensated expenses related to directors and officers valued at $93,783.

There were no other transactions with related parties and no remuneration was paid to key management personnel during the year ended December 31, 2018.

Capital Management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Corporation includes equity, comprised of share capital, contributed surplus and deficit, in the definition of capital.

The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Corporation. These restrictions apply until completion of a Qualifying Transaction by the Corporation as defined under the Exchange policy 2.4.

Risk Disclosures and Fair Values

The Corporation's financial instruments, consisting of cash held in trust and accrued liabilities approximate fair value due to the relatively short-term maturity of the instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Critical Accounting Estimates

The Corporation's significant accounting policies are summarized in its year ended December 31, 2018 audited consolidated financial statements.

Changes in Accounting Policies

- IFRS 9 – Financial Instruments

IFRS 9, Financial Instruments ("IFRS 9") was initially issued by the IASB on November 12, 2009 and issued in its completed version in July 2014, and will replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for financial years beginning on or after January 1, 2018. The Corporation adopted this standard on January 1, 2018, which had no impact on the consolidated financial statements.

Additional Information

For further detail, see the Corporation’s audited consolidated financial statements for the year ended December 31, 2018. Additional information about the Corporation can also be found on SEDAR.

APPENDIX C

CONSOLIDATED FINANCIAL STATEMENTS OF MRI AND FINANCIAL STATEMENTS OF DTI

Please see attached.

MIMI'S ROCK

Mimi's Rock Inc.

Consolidated Financial Statements

**For the Year Ended December 31, 2018 and from
October 16, 2017 (Incorporation) to December 31, 2017**

(Expressed in Canadian dollars)

Independent Auditor's Report

To the Shareholders and Board of Directors of Mimi's Rock Inc.:

Opinion

We have audited the consolidated financial statements of Mimi's Rock Inc. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2018 and December 31, 2017, and the consolidated statements of operations, comprehensive loss, changes in equity and cash flows for the year ended December 31, 2018 and for the period from October 16, 2017 (date of incorporation) to December 31, 2017, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2018 and December 31, 2017, and its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2018 and for the period from October 16, 2017 to December 31, 2017 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

MNP

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

MNP LLP

Toronto, Ontario
May 16, 2019

Chartered Professional Accountants
Licensed Public Accountants

MNP

Mimi's Rock Inc.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at:		**December 31 2018**	December 31 2017
Assets			
Current assets			
Cash and cash equivalents		**$ 2,646,151**	$ -
Short-term investments	*note 4*	**2,756,299**	-
Trade receivables	*note 5*	**617,016**	-
Inventories	*note 6*	**1,241,217**	-
Prepaid expenses		**78,558**	-
		7,339,241	-
Non-current assets			
Property and equipment	*note 7*	**56,856**	-
Intangible assets	*note 8*	**11,807,518**	-
Goodwill	*note 3, 9*	**20,408,899**	-
Total assets		**$ 39,612,514**	$ -
Liabilities and Equity			
Current liabilities			
Operating line	*note 10*	**$ 529,000**	$ -
Accounts payable and accrued liabilities		**2,875,589**	8,348
Income taxes payable	*note 18*	**333,655**	-
Provisions	*note 11*	**34,970**	-
Current portion of long term debt	*note 12*	**2,286,061**	-
		6,059,275	8,348
Non-current liabilities			
Long term debt	*note 12*	**9,965,510**	-
Preferred shares	*note 14*	**2,728,800**	-
Deferred income taxes	*note 18*	**3,064,185**	-
Total liabilities		**21,817,770**	8,348
Equity			
Share capital	*note 13*	**663,502**	2
Preferred shares	*note 14*	**15,819,863**	-
Contributed Surplus	*note 15*	**1,376,860**	-
Deficit		**(953,451)**	(8,350)
Accumulated other comprehensive income		**887,970**	-
Total equity		**17,794,744**	(8,348)
Total liabilities and equity		**$ 39,612,514**	$ -

Commitments and contingencies (note 16)
Subsequent events (note 22)

Approved on behalf of the Board:

(signed) (signed)

Telfer Hanson, Director — Norman Betts, Director

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

Mimi's Rock Inc.
Consolidated Statements of Operations
(Expressed in Canadian dollars)

			Year Ended December 31 2018		Incorporation to December 31 2017
Revenues	*note 2*	**$**	**17,754,166**	$	-
Cost of goods sold	*note 6*		**5,790,913**		-
Gross margin			**11,963,253**		-
Operating expenses:					
Selling and marketing	*note 19*		**7,314,329**		-
General and administrative	*note 19*		**1,912,831**		8,350
Share-based compensation	*note 13*		**549,744**		-
Acquisition costs			**1,267,590**		-
Depreciation			**3,065**		-
Foreign exchange losses			**48,379**		-
			11,095,938		8,350
Income (loss) before undernoted			**867,315**		(8,350)
Interest expense and financing costs			**919,142**		-
Investment income			**(26,662)**		-
Loss before income taxes			**(25,165)**		(8,350)
Income tax expense (recovery) - current	*note 18*		**1,483,567**		-
- deferred	*note 18*		**(563,631)**		-
Net loss for the period		**$**	**(945,101)**	$	(8,350)
Net loss per share					
Basic		**$**	**(0.09)**	$	-
Diluted		**$**	**(0.09)**	$	-
Weighted average number of common shares outstanding - basic			**10,318,116**		10,000,000
Weighted average number of common shares outstanding - diluted			**10,318,116**		10,000,000

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

Mimi's Rock Inc.
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars)

		Year ended December 31 2018		Incorporation to December 31 2017
Loss for the period	**$**	**(945,101)**	$	(8,350)
Other comprehensive income				
Items that may be reclassified to income:				
Currency translation differences		**987,277**		-
Deferred tax		**(99,307)**		
Other comprehensive income for the period		**887,970**		-
Total comprehensive loss	**$**	**(57,131)**	$	(8,350)

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

Mimi's Rock Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

		Year ended December 31 Date		Incorporation to December 31 2017
Operating activities				
Net loss for the period	**$**	**(945,101)**	$	(8,350)
Adjustments for the following items:				
Depreciation		**3,065**		
Interest expense		**919,142**		-
Income tax expense		**919,936**		-
Unrealized foreign exchange gains		**(34,090)**		-
Share-based compensation		**549,744**		-
Interest paid		**(564,387)**		-
Income taxes paid		**(586,281)**		-
Net change in non-cash working capital balances:				
Provisions		**(71)**		-
Trade and other receivables		**(184,865)**		-
Prepaid expenses		**(26,639)**		-
Inventories		**286,531**		-
Accounts payable and accrued liabilities		**2,519,538**		8,250
Income taxes payable		**(230,015)**		-
Deferred taxes		**(379,939)**		-
Net cash provided by operating activities		**2,246,568**		(100)
Financing activities				
Proceeds from issuance of common shares		**-**		100
Advances from operating line		**529,000**		
Proceeds from debt issuance, net of issuance costs		**14,071,156**		-
Repayment of long-term debt		**(1,265,000)**		-
Proceeds from issuance of preferred shares, net		**18,790,248**		-
Net cash provided by financing activities		**32,125,404**		100
Investing activities:				
Acquisition of business, net of cash acquired		**(29,017,080)**		-
Purchase of property and equipment		**(48,879)**		-
Short-term investments		**(2,659,862)**		-
Net cash used in investing activities		**(31,725,821)**		-
Net change in cash and cash equivalents	**$**	**2,646,151**		**-**
Cash and cash equivalents, beginning of period		**-**		-
Cash and cash equivalents, end of period	**$**	**2,646,151**	$	-

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

Mimi's Rock Inc.
Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)

	Share capital	Contributed Surplus	Preferred Shares	Accumulated deficit	Accumulated other comprehensive income (AOCI)	Total equity
Opening Balance	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Issuance of common shares on incorporation	2	-	-	-	-	**2**
Net loss for the period		-	-	(8,350)	-	**(8,350)**
Balance, December 31, 2017	**$ 2**	**$ -**	**$ -**	**$ (8,350)**	**$ -**	**$ (8,348)**
Common shares and warrants issued in connection with debt	663,500	245,840	-	-	-	**909,340**
Private placement, net		337,185	15,819,863	-	-	**16,157,048**
Share-based compensation	-	549,744	-	-	-	**549,744**
Stock options issued in connection with acquisition	-	244,091	-	-	-	**244,091**
Net loss for the period	-	-	-	(945,101)	-	**(945,101)**
Other comprehensive income	-	-	-	-	887,970	**887,970**
Balance, December 31, 2018	**$ 663,502**	**$ 1,376,860**	**$ 15,819,863**	**$ (953,451)**	**$ 887,970**	**$ 17,794,744**

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

(Expressed in Canadian dollars)

1. Presentation of Financial Statements

Nature of Business

Mimi's Rock Inc., incorporated October 16, 2017 under the Business Corporations Act (Ontario), and its subsidiaries (the "Company"), operate in Canada and Europe. The head office of the Company is 55 Village Centre Place, Mississauga, Ontario. The Company is a marketer and distributor of dietary supplements, vitamins and other wellness products through an online channel to its customers in the United States.

Basis of Preparation

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the International Financial Reporting Interpretations Committee ("IFRIC") as issued by the International Accounting Standards Board (IASB). The consolidated financial statements have been prepared on a historical cost basis, except for items that are required to be accounted for at fair value. The policies set out below have been consistently applied to all the periods presented.

The consolidated financial statements were authorized for issue by the Company's Board of Directors on May 16, 2019.

2. Significant Accounting Policies and Changes in Accounting Standards

(a) Principles of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries, collectively known as Mimi's Rock Inc. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions, and revenues and expenses are eliminated on consolidation. The consolidated financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

Material subsidiaries of the Company as at December 31, 2018 and 2017:

Company	December 31 2018 % ownership	December 31 2017 % ownership	Jurisdiction of incorporation
Mimi's Rock GmbH	100.0	n/a	Germany
DTI GmbH	100.0	n/a	Germany
Thunder Beach Holdings	100.0	n/a	Barbados

(b) Accounting judgments, estimates, and uncertainties

Critical judgements

The following are the critical judgements, apart from those involving estimations (see below), that have been made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

2. Significant Accounting Policies and Changes in Accounting Standards (continued)

(b) Accounting judgments, estimates, and uncertainties (continued)

Acquisition Accounting

Management exercised judgement in determining that the acquisition of DTI GmbH was a business acquisition. Management considered the guidance and definitions per IFRS 3 in making these determinations. These transactions have been recorded in the consolidated financial statements based on management's assessment of fair value for the acquired assets and liabilities.

Functional currency

Management has exercised judgement in selecting the functional currency of each of the entities that it consolidates based on the primary economic environment in which the entity operates and in reference to the various indicators as provided by IAS 21 – *The effects of changes in foreign exchange rates*. The consolidated financial statements of the Company are presented in Canadian dollars ("CAD"), which is the parent Company's functional and presentation currency.

Use of estimates

In preparation of the Company's consolidated financial statements in accordance with IFRS, management is required to make estimates and assumptions that affect the reported amount of assets, liabilities, and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates used in the Company's consolidated financial statements and such differences could be material. Significant estimates include:

- the allowance for inventory obsolescence;
- estimate for product returns;
- allocation of the purchase price and estimates of fair value for the acquired assets and liabilities;
- the estimated useful lives of property and equipment and intangible assets;
- impairment of financial and non-financial assets;
- the valuation of deferred tax assets and liabilities; and
- the valuation of share-based compensation expense

Significant estimates

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(i) Inventory obsolescence

The Company reviews the net realizable value of its inventory. The Company has determined that there are adequate sales to support the carrying amount for all inventories as at December 31, 2018. In addition, management reviews specific product and industry experience with returns in assessing if a write-down is required

2. Significant Accounting Policies and Changes in Accounting Standards (continued)

(b) Accounting judgments, estimates, and uncertainties (continued)

Significant estimates (continued)

(ii) Estimated product returns

Revenue from product sales is recognized net of estimated sales discounts, credits, returns, rebates and allowances. The Company's return policy allows for return of any unsatisfactory product. The return allowance is determined based on an analysis of the historical rate of returns, industry return data, and current market conditions, which is applied directly against sales.

(iii) Allocation of the purchase price and estimates of fair value for the acquired assets and liabilities

The Company as part of its business combinations and product acquisitions performs a preliminary assessment of the fair value of all assets and liabilities acquired based on all current available information. As part of the measurement period to finalize the purchase price allocation, management updates the estimated fair values as information becomes available, support from third party market data becomes available, and where necessary, third party independent valuations are obtained. Management is ultimately responsible for concluding on the allocation of purchase price and estimates of fair value for the acquired assets and liabilities.

(iv) Impairment of financial and non-financial assets

Financial Assets

The Company assesses at each statement of financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss has occurred on an unquoted or not actively traded equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset and is recognized in profit or loss for the period. Reversals of impairment losses on assets carried at cost are not permitted.

For financial assets carried at amortized cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition).

Objective evidence of impairment of financial assets carried at amortized cost exists if the counterparty is experiencing significant financial difficulty, there is a breach of contract, concessions are granted to the counterparty that would not normally be granted, or it is probable the counterparty will enter into bankruptcy or a financial reorganization.

2. Significant Accounting Policies and Changes in Accounting Standards (continued)

(b) Accounting judgments, estimates, and uncertainties (continued)

Non-Financial Assets

At the end of each reporting period, the Company reviews property, plant and equipment and intangible assets for indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the assets are then grouped together into a CGU and a recoverable amount is estimated for that CGU.

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash generating units (“CGUs”) or groups of CGUs to which goodwill has been allocated. The determination of recoverable amount requires the Company to estimate the future cash flows expected to arise from these CGUs and a suitable discount rate in order to calculate the recoverable amount of the CGUs. If the recoverable amount of the CGUs is less than its carrying amount, an impairment loss is recorded.
As at December 31, 2018, no indicators of impairment were identified.

(v) Useful lives of property, equipment and intangible assets

The Company reviews the estimated useful lives of property, equipment and intangible assets at the end of each year, with the effect of any changes in estimates being accounted for on a prospective basis.

Depreciation on property and equipment and amortization on intangible assets is calculated using the straight-line method using cost less residual values over their estimated useful lives, as follows:

- Computer equipment — 3 years
- Furniture and equipment — 3 years
- Brand and trademarks — Indefinite useful life

During the period ended December 31, 2018, the useful lives were considered reasonable.

(vi) Valuation of deferred tax assets and liabilities

The Company estimates the probability that taxable profits will be available against deductible temporary differences can be utilized and thus give rise to deferred tax assets. The Company has reviewed the expected profitability and determined the amount that should be recognized at this time. In addition, in connection with the acquisition of DTI, the Company determined that a deferred tax liability should be recognized based on the difference in accounting and tax basis of intangible assets acquired. The deferred tax assets have been offset against the deferred tax liabilities primarily related to the DTI acquisition.

(vii) Valuation of share-based compensation expense

The Company estimates the fair value of share options issued for employment services based on the Black Scholes option-pricing model for warrants and share options with a service condition. These methods of valuation, which require management to use certain assumptions regarding inputs used, were applied to the equity transactions during the year.

2. Significant Accounting Policies and Changes in Accounting Standards (continued)

(c) Financial instruments

The Company classifies all financial instruments as either subsequently measured at amortized cost, fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income "FVTOCI"). Financial instruments are required to be measured at fair value on initial recognition. Measurement in subsequent periods depends on the financial instruments' classification. Financial instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in the results of operations. FTVOCI instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Short term investments are classified as FVTPL, trade receivables and financial liabilities are measured at amortized cost. Transaction costs for FVTPL financial instruments are expensed as incurred, whereas transaction costs for financial instruments carried at amortized cost are capitalized upon initial recognition of the instrument.

At each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuations in the consolidated financial statements.

(i) Short-term investments:

Securities which are traded on a recognized securities exchange and for which no sales restrictions apply are recorded at fair values based on quoted market prices at the consolidated statement of financial position dates or the closing price on the last day the security traded if there were no trades at the consolidated statement of financial position dates.

(ii) Other financial liabilities

Other financial liabilities (including debt and trade and other payables) are initially recorded at fair value less transaction costs and subsequently measured at amortized costs using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction cost and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(d) Cash and cash equivalents

Cash includes demand deposits with financial institutions. Cash equivalents may consist of short-term, highly liquid investments purchased with original maturities of three months or less.

(e) Inventories

Inventories are comprised of finished goods of nutraceutical products and are recorded at the lower of cost and net realizable value on a first-in first-out basis. Costs are comprised primarily of finished goods for resale and associated packaging. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and applicable selling expenses. The Company writes down inventory to its estimated net realizable value based upon assumptions about future and market conditions when necessary.

2. Significant Accounting Policies and Changes in Accounting Standards (continued)

(f) Trade and other receivables

Trade and other receivables are stated at their amortized cost and are non-interest bearing and unsecured. Management conducts a periodic review of the collectability of trade receivables. The Company records an allowance for doubtful accounts if any uncertainty exists with respect to the recoverability of certain amounts based on historical experience or economic climate.

(g) Intangible assets

Intangible assets include all costs incurred to acquire brand rights, trademarks, licensing and distribution agreements. Intangible assets are established as a result of business combinations and measured on initial recognition at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses. Upon recognition of an intangible asset, the Company determines if the asset has a definite or indefinite life. In making this determination, the Company considers the expected use, expiry of agreements, the nature of the asset, and whether the value of the asset decreases over time. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The Company expects its trade names to generate economic benefit in perpetuity, and accordingly, has assigned the trade names as indefinite-life intangible assets. Indefinite-life intangibles are tested for impairment annually and any changes arising from this assessment are applied by the Company prospectively.

(h) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value. Acquisition costs incurred are expensed and included in acquisition costs.

Goodwill represents the price paid for acquisitions in excess of the fair market value of net tangible and identifiable intangible assets acquired. Goodwill is carried at cost, less impairment losses if any. Goodwill is tested for impairment at the end of each fiscal year or if events or changes in circumstances indicate a potential impairment. Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash generating units (“CGUs”) to which goodwill has been allocated.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

(i) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its property and equipment, intangible assets and goodwill to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. In addition, goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use, if any, are tested for impairment annually.

2. Significant Accounting Policies and Changes in Accounting Standards (continued)

(i) Impairment of non-financial assets (continued)

An impairment loss is recognized when the carrying amount of an asset, or its CGU, exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The recoverable amount is the greater of the asset's or CGU's fair value less costs to sell ("FVLCTS") and value in use ("VIU"). In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining FVLCTS, a post-tax discounted cash flow model is used. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. If the recoverable amount of the asset or CGU is less than its carrying amount, an impairment loss is recognized immediately in the statement of operations.

Other than goodwill, where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. Goodwill impairment losses are not reversed.

(j) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

(k) Income taxes

Provision for income taxes consists of current and deferred tax expense. Tax is recognized in the statement of operations, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end in the countries where the Company and its subsidiaries operate and generate taxable income, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized, using the liability method, on temporary differences between the carrying amounts of assets and liabilities on the consolidated statement of financial position and their corresponding tax values, using the enacted or substantively enacted, as applicable, income tax rates at each statement of financial position date.

2. Significant Accounting Policies and Changes in Accounting Standards (continued)

(k) Income taxes (continued)

Deferred tax assets also result from unused losses and other deductions carried forward. An assessment of the probability that a deferred tax asset will be recovered is made prior to any deferred tax asset being recognized. The valuation of deferred tax assets is reviewed on a quarterly basis and adjusted, if necessary, to reflect the estimated realizable amount.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(l) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements of the Company are presented in Canadian dollars ("CAD"), which is the parent Company's functional and presentation currency. The functional currency of Mimi's Rock GmbH, DTI GmbH and Thunder Beach Holdings is US dollars ("USD").

(ii) Transactions and balances

Foreign currency transactions are initiated by the Company's entities at their respective functional currency using the exchange rates prevailing at the date of the transaction. At each statement of financial position date, monetary assets and liabilities are translated using the period-end foreign exchange rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when acquired. All gains and losses on translation of these foreign currency transactions are included in the statement of operations.

(iii) Company's subsidiaries

On consolidation the assets and liabilities of foreign operations are translated into CAD at the rate of exchange prevailing at the reporting date and their statement of operations are translated at the average exchange rates prevailing during the period. The exchange differences arising on translation for consolidation are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in the consolidated statement of operations.

(m) Revenue recognition and estimated product returns

Revenue from product sales, including shipments to distributors, is recognized when the Company has transferred to the customer the significant risks and benefits of ownership or future obligations with respect to the product, it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue can be measured reliably. Revenue from product sales is recognized net of estimated sales discounts, credits, returns, rebates and allowances.

2. Significant Accounting Policies and Changes in Accounting Standards (continued)

(m) Revenue recognition and estimated product returns (continued)

The Company's return policy allows for return of any unsatisfactory product. The return allowance is determined based on analysis of the historical rate of returns and current market conditions, which is applied directly against sales.

(n) Share-based compensation

From time to time, the Company grants options to directors, officers, employees and non-employees to purchase common shares. The Company accounts for its stock options using the fair-value method. Share-based payments, equal to the fair value of the options on the date of grant, are recognized in the statement of operations, with an offsetting credit to contributed surplus, for stock options granted to employees, officers and directors over the period during which the related options vest. Share-based payments are recognized in the statement of operations, with an offsetting credit to contributed surplus, for options granted to non-employees based on the fair value of the services received. Consideration paid upon exercise of stock options, along with the applicable amount of contributed surplus, is credited to share capital.

(o) Comprehensive income or loss

Comprehensive income or loss is the change in net assets arising from transactions and other events and circumstances from non-owner sources and comprises net income or loss and other comprehensive income or loss. Financial assets that are classified as FVTOCI will have revaluation gains and losses included in other comprehensive income or loss until the asset is removed from the statement of financial position.

(p) Basic and diluted net loss per share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used to compute the dilutive effect of equity instruments. Stock options, share purchase warrants, and other equity instruments are dilutive when the average market price of the common shares during the period exceeds the exercise price of the options, warrants and other equity instruments. The diluted earnings per share is equal to the basic earnings per share if the effects of the outstanding options and warrants are anti-dilutive.

(q) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

2. Significant Accounting Policies and Changes in Accounting Standards (continued)

(r) Changes in accounting standards

During the period ended December 31, 2018 the following new or amended standards were issued and are effective for annual periods beginning on or after January 1, 2019, unless otherwise noted.

(i) Recently adopted accounting standards

The following accounting policy changes were adopted on January 1, 2018. The Company has also adopted other new standards which were effective from January 1, 2018 that did not have a material impact on the Company's financial statements.

IFRS 9 - *Financial Instruments*

IFRS 9 replaces the provisions of IAS 39, "Financial Instruments Recognition and Measurement" for annual periods beginning on or after January 1, 2018. IFRS 9 includes the recognition, classification and measurement of financial assets and financial liabilities; a forward looking "expected loss" impairment model; and a substantially-reformed approach to hedge accounting. IFRS 9 also amended IFRS 7, "Financial Instruments: Disclosures", which requires additional disclosures. The Company adopted IFRS 9 using the modified retrospective transition method and applied IFRS 9 retrospectively, with the initial application date of January 1, 2018. As permitted by the transitional provisions of IFRS 9, the Company elected not to restate comparative figures or note disclosures. Any adjustments to the carrying amounts of financial assets and liabilities at the transition date are to be recognized in the opening retained earnings of the current period. However, the Company assessed that no adjustments to the carrying amounts of financial assets and liabilities were required upon adoption of IFRS 9.

(Expressed in Canadian dollars)

2. Significant Accounting Policies and Changes in Accounting Standards (continued)

(s) Changes in accounting standards (continued)

As at January 1, 2018, the measurement category of the Company's financial instruments comparing IAS 39 to IFRS 9 are as follows, with no transitional adjustment required:

Financial Instrument	IAS 39 Measurement	IFRS 9 Measurement
Cash and cash equivalents	FVTPL	Amortized cost
Short term investments	FVTPL	Amortized cost
Trade receivables	Amortized cost (loans and receivables)	Amortized cost
Accounts payable and accrued liabilities	Amortized cost (other liabilities)	Amortized cost
Long term debt	Amortized cost (other liabilities)	Amortized cost
Preferred shares	Amortized cost (other liabilities)	Amortized cost
Provisions	Amortized cost (other liabilities)	Amortized cost

IFRS 15 - *Revenue from Contracts with Customers*

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue.

As of January 1, 2018, the Company has adopted IFRS 15 and has elected to apply the standard retrospectively. The adoption of IFRS 15 did not have an impact on the timing of revenue recognition.

(ii) Future changes in accounting standards:

IFRS 16 - *Leases*

In January 2016, the IASB issued IFRS 16, Leases, which will replace IAS 17, Leases and the related interpretations. This standard introduces a single lessee accounting model and requires all leases of more than twelve months to be reported on a company's statement of financial position as assets and liabilities, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have also been impacted, including the definition of a lease. Transitional provisions have been provided. The new standard is effective for annual periods beginning on or after January 1, 2019. The Company will adopt IFRS 16 using the modified retrospective transition method, with the cumulative effect of initially applying the standard recognized as an adjustment to opening retained earnings at date of initial adoption. The nature of expenses related to leases will now change because the Company will recognize a depreciation charge for right-of-use assets and interest expense on lease liabilities. Previously, the Company recognized operating lease expense on a straight-line basis over the term of the lease. The Company does not expect that the adoption of the standard will have a material effect on the consolidated financial statements, other than that its operating leases will need to be recognized in its consolidated statement of financial position on initial adoption of IFRS 16.

(Expressed in Canadian dollars)

3. Acquisitions

DTI GmbH

On July 13, 2018, the Company, through its subsidiary Mimi's Rock GmbH, acquired all outstanding shares of DTI GmbH ("DTI"), a German limited liability company engaged in the business of marketing and selling nutraceuticals and nutritional supplements.

Pursuant to the acquisition, the Company acquired all rights to the Dr. Tobias brand and product line including information and materials required to continue marketing and selling the products, as well as certain tangible assets including cash, trade receivables, prepaid expenses, equipment and inventory and certain liabilities including trade payables. Total consideration for the acquisition was $29,818,511 funded primarily from cash and including consideration in the form of stock options (Note 13(c)) in the Company.

The transaction was accounted for as an acquisition of a business with the Company as the acquirer, whereby all the DTI assets acquired and liabilities assumed were recorded at fair value.

The purchase price allocation is summarized as follows:

Purchase price consideration	
Cash	**$ 29,574,420**
Share options issued (Note 13(c))	**244,091**
Total purchase price consideration	**$ 29,818,511**

The Company stock options granted as part of the consideration were assigned a fair value based on the Black-Scholes option pricing model (Note 13(c)).

Costs incurred to complete the acquisition were approximately $1,267,590, which were expensed in the period. Goodwill recorded on acquisition, representing intangible assets with indefinite life which do not qualify for separate recognition, is not deductible for income tax purposes.

The fair value of the acquired identifiable net assets was allocated as follows:

Cash	**$ 557,340**
Trade and other receivables, net of allowance of $nil	**432,151**
Inventories	**1,527,749**
Prepaid expenses	**51,919**
Property, plant and equipment	**13,090**
Intangible assets	**11,466,550**
Goodwill	**19,826,596**
Accounts payable and accrued liabilities	**(347,703)**
Provisions	**(35,041)**
Income taxes payable	**(230,015)**
Deferred tax liability	**(3,444,124)**
Net assets acquired	**$ 29,818,511**

The determination of the fair value of assets acquired and liabilities assumed has been based upon management's estimates and certain assumptions with respect to the fair values of the net assets acquired and liabilities assumed except for deferred taxes, which are based on the full amount required under IAS 12, "Income Taxes".

(Expressed in Canadian dollars)

3. Acquisitions (continued)

DTI GmbH

The goodwill arising from the acquisition of $19,826,596 is attributable to expected future income and cash-flow projections and other intangible factors that do not qualify for separate recognition. Goodwill is not expected to be deductible for tax purposes.

For the year ended December 31, 2018, revenues of $17,754,166 and net income of $2,894,339 from the operations of DTI GmbH have been included in the consolidated statements of operations and comprehensive loss. Had the acquisition occurred at the beginning of the reporting period ended December 31, 2018, the revenue and net income for the Company on a consolidated basis would have been $36,669,354 and $1,949,238, respectively.

4. Short term investments

At December 31, 2018, short-term investments consist of a 30-day Guaranteed Investment Certificate ("GIC") with a maturity date of January 16, 2019, bearing interest at 2.32% and a face value of US$2,018,359 ($2,756,299). This amount represents the proceeds from the Series B Preferred Shares (Note 14) which are required by the Company's lenders to be maintained in a separate account until such time as the Series B Preferred Shares are converted to common shares.

5. Trade receivables

	December 31 2018	December 31 2017
Trade receivables	**$ 617,016**	$ -
Less: provision for doubtful accounts	**-**	-
Trade receivables - net	**$ 617,016**	$ -

The aging analysis of trade receivables is as follows:

	December 31 2018	December 31 2017
Current	**$ 617,016**	$ -
1 to 30 days overdue	**-**	-
31 to 90 days overdue	**-**	-
Greater than 90 days overdue	**-**	-
Total trade receivables	**$ 617,016**	$ -

(Expressed in Canadian dollars)

6. Inventories

	December 31 2018	December 31 2017
Finished goods	**$ 1,241,217**	$ -
Total inventories	**$ 1,241,217**	$ -

The amount of inventories expensed in cost of goods sold during the year ended December 31, 2018 amounted to $5,790,913 (2017: $nil).

7. Property and equipment

Continuity of property and equipment as at December 31, 2018 was as follows:

	Computer Equipment	**Furniture and Fixtures**	**Total**
Cost at incorporation and December 31, 2017	$ -	$ -	$ -
Additions	45,651	3,228	48,879
Assets acquired in acquisition	9,867	6,263	16,130
Foreign exchange differences	(1,916)	(802)	(2,718)
Cost at December 31, 2018	**$ 53,602**	**$ 8,689**	**$ 62,291**
Accumulated Depreciation at incorporation and December 31, 2017	$ -	$ -	$ -
Accumulated depreciation on acquired assets	1,928	1,113	3,041
Depreciation charge	1,668	1,397	3,065
Foreign exchange differences	(273)	(398)	(671)
Accumulated Depreciation at December 31, 2018	**$ 3,323**	**$ 2,112**	**$ 5,435**
Net book value amount at incorporation and December 31, 2017	$ -	$ -	$ -
Net book value at December 31, 2018	**$ 50,279**	**$ 6,577**	**$ 56,856**

(Expressed in Canadian dollars)

8. Intangible assets

Continuity of intangible assets as at December 31, 2018 was as follows:

		Brand and Trademarks
Balance at incorporation and December 31, 2017	$	-
Business acquisitions (Note 3)		11,466,550
Foreign exchange differences		340,968
Balance at December 31, 2018	**$**	**11,807,518**

The carrying amount of indefinite-life Brand and Trademarks comprises one CGU. The estimated recoverable amount was determined by the Company as its value in use using a discounted cashflow model and a discount rate of 20.71%. There have been no impairment losses recognized against intangible assets during the years ended December 31, 2018 and 2017.

9. Goodwill

The carrying amount of goodwill for the years ended December 31, 2018 and 2017 was as follows:

		Goodwill
Balance, at incorporation and December 31, 2017	$	-
Business acquisitions (Note 3)		19,826,596
Foreign exchange differences		581,903
Balance at December 31, 2018	**$**	**20,408,499**

Goodwill acquired through business combinations is considered to be allocated to a single CGU for the purposes of impairment testing. The estimated recoverable amount was determined by the Company as its value in use using a discounted cashflow model and a discount rate of 20.71%. There have been no impairment losses recognized against goodwill during the years ended December 31, 2018 and 2017.

10. Operating line

The Company maintains an operating line of credit with its lender allowing for revolving credit up to a maximum of $900,000. Advances against the operating line bear interest at the bank prime rate (currently 3.95%), with interest payable monthly and is secured by a general security interest in the assets of the Company as well as an assignment of trade receivables and inventory
.

(Expressed in Canadian dollars)

11. Provisions

	Year ended December 31, 2018	Year ended December 31, 2017
Balance at beginning of year	**$ -**	$ -
Business acquisitions (Note 3)	**35,041**	
Charges	**33,662**	-
Utilization	**(31,521)**	-
Foreign exchange	**(2,212)**	-
Balance at end of year	**$ 34,970**	$ -
Less: current portion of provisions	**(34,970)**	-
Non-current portion of provisions	**$ -**	$ -

The Company's provisions are comprised of the following product-related liabilities:

Product Returns Liability:

The Company accepts all product returns relating to online product sales. Management estimates the fair value of the product returns liability by taking into consideration the number of units previously sold, returns experience to date, expiry of product currently in inventory, forecast sales volumes, and changes in the marketplace. Due to the expected timeframe under which the returns are expected, the Company classifies all provisions as current liabilities.

12. Long-term debt

	December 31 2018	December 31 2017
Current		
Secured facility, net of unamortized transaction costs of $742,493	**$ 2,286,061**	$ -
Total	**$ 2,286,061**	$ -
Non-Current		
Secured facility, net of unamortized transaction costs of $887,140	**$ 9,965,510**	$ -
Total	**$ 9,965,510**	$ -

On July 6, 2018, the Company entered into a new secured debt facility with a commercial lender. The facility provided a portion of the funds for the purchase of DTI GmbH (Note 3). The secured facility matures on July 12, 2021 and provides for an $15,180,000 term loan, currently at the Canadian Bankers' Acceptance ("BA") rate plus 3.0%, or approximately 4.95% effective rate, with principal repayments of $253,000 per month plus accrued interest.

The facility is secured by all assets of the Company and contains affirmative and negative covenants including compliance with laws and restrictions on additional debt, as well as traditional financial covenants such as debt to earnings and other coverage ratios. The Company was in compliance with all covenants of the senior secured facility during the year and at December 31, 2018. Finance costs of $2,018,184, consisting of $1,108,844 in cash expenses, $663,500 in shares and $337,185 in warrants were capitalized to the loan balance and will be amortized over the term of the loan. 663,500 shares were issued in connection with the financing with an estimated fair value of $1 per share based on the concurrent equity financing. 1,062,960 warrants were issued with a fair value of $337,185, estimated using the Black-Scholes option pricing model.

(Expressed in Canadian dollars)

13. Share capital

(a) Authorized:

Unlimited common shares without par value. Unlimited preferred shares.

Issued:

	Year ended December 31, 2018			Year ended December 31, 2017		
	Number of shares		**Amount**	Number of shares		Amount
Balance, beginning of period	**10,000,000**	**$**	**2**	-	$	-
Common shares issued on incorporation	**-**		**-**	10,000,000		2
Shares issued pursuant to debt financing	**663,500**		**663,500**	-		-
Balance, end of period	**10,663,500**	**$**	**663,502**	10,000,000	$	2

(b) Stock option plan

The Company offers equity-based compensation under its stock option plan. Under the plan, the options are exercisable for one common share and the exercise price of the option must equal the market price of the underlying share at the grant date. The options have vesting periods ranging from the date of grant up to two years. Once vested, options are exercisable at any time until expiry.

In the year ended December 31, 2018, the Company granted 2,730,000 options (2017: nil) to management, staff and directors, with an exercise price of $1.00 per share). The options have a term of five years and vest over terms ranging from one to two years.

Share based compensation expense is based on the estimated number of awards that will eventually vest and adjustments are made for forfeitures as they occur. The estimated fair value of the options granted during the year ended December 31, 2018, using the Black-Scholes option pricing model, was $1,334,173 (2017: $nil). $549,744 was expensed in the financial statements during the year ended December 31, 2018 (2017: $nil) relating to current period grants and has been included in share based compensation in the statement of operations and in equity as contributed surplus. The remaining expense will be recognized over the balance of the vesting periods.

(c) Acquisition

In connection with the acquisition of DTI GmbH, the Company issued 500,000 options as partial consideration. The options have an exercise price of $1.00 per share, a term of five years and vest immediately. The estimated fair value of the options calculated using the Black-Scholes option pricing model was $244,091 which was accounted for as purchase price consideration under the acquisition method (Note 3).

(Expressed in Canadian dollars)

13. Share capital

(d) Stock option details

The fair value of each option granted was estimated on the date of the grant using the Black-Scholes fair value option pricing model with the following assumptions:

	December 31 2018	December 31 2017
Weighted-average fair value of options	**$0.49**	n/a
Risk-free interest rate	**1.79%**	n/a
Volatility of the Company's common shares	**55%**	n/a
Weighted average expected life of the options	**5 years**	n/a
Forfeiture rate	**0%**	n/a
Expected dividends	**Nil**	n/a

Volatility was determined based on daily observations of the historical stock price for comparable companies over a period consistent with the expected life of the options at the date of grant.

Details of the options are as follows:

	Number of options	Weighted average price per share
Options outstanding at incorporation and December 31, 2017	-	$ -
Options granted	3,230,000	1.00
Options outstanding, December 31, 2018	**3,230,000**	**$ 1.00**
Options exercisable, December 31, 2018	**976,000**	**$ 1.00**

(Expressed in Canadian dollars)

14. Preferred shares

Continuity of Preferred Shares at December 31, 2018 was as follows:

	Series A Preferred Shares		Series B Preferred Shares	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Balance, at incorporation and December 31, 2017	-	$ -	-	$ -
Shares issued pursuant to private placement	17,556,220	17,566,220	2,633,200	2,633,200
Foreign exchange	-	-	-	95,600
Balance, December 31, 2018	**17,556,220**	**$ 17,566,220**	**2,633,200**	**$ 2,728,800**

On July 11, 2018, the Company completed a private placement subscription agreement to issue $17,566,220 of Series A convertible preferred shares (the "Series A Preferred Shares") to a group of investors. In addition, the company issued $2,633,200 (US$2,000,000) of Series B Preferred Shares (the "Series B Preferred Shares").

The Series A Preferred Shares pay an in-kind dividend of 6% per annum, convert automatically into common shares on a 1:1 basis on the occurrence of a "liquidity event," and are subject to adjustment if the liquidity event does not occur within 12 months of issuance. The Series B Preferred Shares are redeemable at the option of the holder at any time after July 12, 2020 in the event the Company does not affect a liquidity event. The Series A Preferred Shares are also redeemable by the Company at any time in the event of a change of control subject to payment of a change of control premium. Costs associated with this transaction were approximately $1,409,173 and were recorded to the Series A Preferred Shares. In addition, the Company issued broker warrants in connection with the offering (Note 15).

Based on management's assessment of the various components of the Preferred Shares it was determined that the Series B Preferred Shares should be recorded as a liability while the Series A Preferred Shares should be classified as an equity instrument.

15. Warrants

In connection with its private placement of preferred shares in July 2018, in addition to cash commissions of 8%, the Company also agreed to pay a non-cash fee equal to 8% of the gross proceeds from the financing in the form of common share purchase warrants. The common share purchase warrants are exercisable for one common share at price equal to the conversion price of the non-voting preferred shares issued in the private placement. As such, the Company issued 1,062,960 warrants to agents. The warrants have an exercise price of $1.00 per share and an expiry date two years from the date of the financing, or July 11, 2020. The Company estimated the value of these warrants at $337,185, using the Black-Scholes option pricing model, calculated using a volatility of 55% and a risk-free rate of 1.79%. This amount was recorded to contributed surplus with an offsetting amount to share capital.

In connection with the debt financing, in addition to cash commission to its advisor, the Company also agreed to pay a non-cash fee equal to 5% of the principal amount of the debt financing in the form of broker warrants. Each broker warrant is exercisable for one common share at price equal to the price of

(Expressed in Canadian dollars)

15. Warrants (continued)

the shares issued in the related equity financing. As such, the Company issued 759,000 warrants to its advisor. The warrants have an exercise price of $1.00 per share and a term of two years from the date of the financing, or July 11, 2020. The Company estimated the value of these warrants at $245,840, using the Black-Scholes option pricing model, calculated using a volatility of 55% and a risk-free rate of 1.79%. This amount was recorded to contributed surplus with the offsetting amount recorded as loan costs and amortized over the term of the loan.

Details of oustanding warrants are as follows:

	Number of warrants	Exercise price per share
Warrants outstanding at incorporation and December 31, 2017	-	$ -
Warrants issued in connection with debt financing	759,000	1.00
Warrants issued in connection with private placement	1,062,960	1.00
Warrants outstanding, December 31, 2018	**1,821,960**	**$ 1.00**
Warrants exercisable, December 31, 2018	**1,821,960**	**$ 1.00**

16. Commitments and contingencies

(a) Operating lease commitments

The Company has entered into non-cancellable operating lease agreements for office premises and equipment with minimum annual lease payments to expiry as follows:

	December 31 2018	December 31 2017
Less than 1 year	**$ 119,010**	$ -
1 to 2 years	**126,001**	-
2 to 3 years	**126,505**	-
3 to 4 years	**129,242**	-
Thereafter	**290,031**	-
Total	**$ 790,789**	**$ -**

Lease expense recognized during the year ended December 31, 2018 was $16,028 (2017: $nil), which has been included in general and administrative expenses in the statements of operations.

(Expressed in Canadian dollars)

17. Related party transactions

At December 31, 2018 and 2017, there were no amounts owing to or from related parties. The remuneration of directors and other members of key management personnel recorded in the general and administrative line of operating expenses are as follows:

		December 31 2018		December 31 2017
Salaries	$	710,702	$	-
Share based compensation		311,955		-
	$	1,022,657	$	-

18. Income taxes

The major components of income tax (recovery) expense for the period ended December 31, 2018 and December 31, 2017 are:

Income tax recognized in profit or loss		**December 31 2018**		December 31 2017
Current tax				
Based on taxable income	$	1,483,567	$	-
Deferred tax:				
Origination and reversal of temporary differences		(563,631)		-
Provision for income taxes	$	919,936	$	-

A reconciliation between income tax expense and the product of accounting income multiplied by Canada's domestic tax rate (26.5%) for the period ended December 31, 2018 and 2017 is provided below:

		December 31 2018		December 31 2017
Loss before income taxes	$	(25,165)	$	(8,350)
Income tax expense (benefit) at the statutory income tax rate of 26.5% (2017: 26.5%)		(6,669)		(2,213)
Non-deductible expenses for tax purposes		480,084		-
Deductible temporary differences and unused tax losses not recognized, including impact of change in rate		991,714		2,213
Effect of income taxes recorded at rates different from the Canadian tax rate		(98,787)		-
Other differences		(446,406)		-
Income tax expense	$	919,936	$	-

(Expressed in Canadian dollars)

18. Income taxes (continued)

The following table summarizes the components of deferred tax:

	December 31 2018	December 31 2017
Non-capital losses carried forward	$ 362,158	$ -
Intangible assets	(3,438,940)	-
Other deductible temporary differences	12,597	-
	$ (3,064,185)	$ -

Classified in the consolidated financial statements as:

	December 31 2018	December 31 2017
Deferred Tax Assets	$ -	$ -
Deferred Tax Liabilities	3,064,185	-
Net deferred tax liability	$ 3,064,185	$ -

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

Movement in net deferred tax liabilities	December 31 2018	December 31 2017
Balance at the beginning of the year	$ -	$ -
Recognized on acquisition of business	3,444,124	-
Recognized in profit/loss	(563,631)	-
Recognized in other comprehensive income	99,307	-
Foreign exchange	84,385	-
Balance at end of the year	$ 3,064,185	$ -

Deferred taxes result from temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	December 31 2018	December 31 2017
Unrecognized temporary differences in relation to:		
Non-capital losses carried forward	$ 2,623,241	$ 8,350
Finance costs	1,119,077	-
	$ 3,742,318	$ 8,350

Non-capital losses begin to expire in 2037. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

(Expressed in Canadian dollars)

18. Income taxes (continued)

The Company has unused non-capital tax losses that may be applied against future taxable income for Canadian federal and provincial income tax purposes, which expire as follows:

Non-capital losses		**Federal and provincial**
Expires in		
2037	$	8,350
2038		2,614,891
Total	**$**	**2,623,241**

The Company also has non-capital tax losses of $1,245,902 that may be applied against future taxable income for German federal and local tax purposes which may be carried forward indefinitely.

19. Operating expenses

Details of selling and marketing expenses for the year ended December 31, 2018 and from incorporation to December 31, 2017 are as follows:

		December 31 2018		December 31 2017
Fulfillment	**$**	**5,368,709**	$	-
Advertising		**1,572,801**		-
Distribution		**192,244**		-
Marketing		**180,575**		-
	$	**7,314,329**	$	-

Details of general and administrative expenses for the year ended December 31, 2018 and from incorporation to December 31, 2017 are as follows:

		December 31 2018		December 31 2017
Salaries and benefits	**$**	**1,217,130**	$	-
Legal and professional fees		**378,996**		8,350
Office expenses		**129,575**		-
Insurance		**60,340**		-
Travel		**37,953**		-
Other		**88,837**		-
	$	**1,912,831**	$	8,350

(Expressed in Canadian dollars)

20. Management of capital

The Company includes the following in its definition of capital:

	December 31 2018	December 31 2017
Debt comprised of:		
Long term debt	**$ 12,251,571**	$ -
Preferred shares	**2,728,800**	-
Equity comprised of:		
Share capital	**663,502**	2
Preferred shares	**15,819,863**	-
Contributed surplus	**1,376,860**	-
Deficit and accumulated other comprehensive income	**(65,481)**	-
	$ 32,775,115	$ 2

The Company's objectives when managing capital are:

(a) to allow the Company to respond to changes in economic and/or marketplace conditions;

(b) to give shareholders sustained growth in shareholder value by increasing shareholders' equity;

(c) to ensure that the Company maintains the level of capital necessary to meet the requirements of its long-term debt;

(d) to comply with financial covenants required under its debt facilities; and

(e) to maintain a flexible capital structure which optimizes the cost of capital at acceptable levels of risk

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. The Company maintains or adjusts its capital level to enable it to meet its objectives by:

(a) raising capital through equity financings;

(b) utilizing leverage in the form of third party debt; and

(c) realizing proceeds from the disposition of its investments

The Company is not subject to any capital requirements imposed by a regulator. The Company is subject to certain capital requirements and negative covenants with respect to its long term debt (refer to Note 12). There were no changes in the Company's approach to capital management during the year. To date, the Company has not declared any cash dividends to its common or preferred shareholders as part of its capital management program. The Company's management is responsible for the management of capital and monitors the Company's use of various forms of leverage on a regular basis.

(Expressed in Canadian dollars)

21. Financial instruments and financial risk management

a) Fair Value Estimation

The Company's carrying value of cash and cash equivalents, short-term investments, trade and other receivables, loan receivable and accounts payable and accrued liabilities approximate their fair values due to the immediate or short term maturity of these instruments. The fair value of long-term liabilities is not materially different than its carrying value due to the recent issuance of these liabilities.

Carrying value and fair value of financial assets and liabilities are summarized as follows:

	December 31, 2018	
Classification	**Carrying value**	**Fair value**
Financial assets and liabilities at FVTPL	**$**	**$**
- Short-term investments	**2,756,299**	**2,756,299**
Loans and receivables		
- Cash and cash equivalents	**2,646,151**	**2,646,151**
- Trade and other receivables	**617,016**	**617,016**
Other financial liabilities		
- Operating line	**529,000**	**529,000**
- Accounts payable and accrued liabilities	**2,875,589**	**2,875,589**
- Income taxes payable	**333,655**	**333,655**
- Long term debt	**12,251,571**	**13,881,204**
- Preferred shares	**2,728,800**	**2,728,800**

The Company is required to present information about its financial assets and liabilities with respect to the hierarchy of the valuation techniques the Company utilized to determine fair value. The different levels have been defined as follows:

- Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves
- Level 3 inputs are unobservable data points for the asset or liability, and includes situations where there is little, if any, market activity for the asset or liability.

At December 31, 2018, the Company's financial assets and liabilities would be classified as follows:

	December 31, 2018	Significant Observable Inputs (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Short-term investments	**$ 2,756,299**	$ 2,756,299	$ -	$ -
	$ 2,756,299	$ 2,756,299	$ -	$ -
Liabilities:				
	$ -	$ -	$ -	$ -
	$ -	**$ -**	**$ -**	**$ -**

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(Expressed in Canadian dollars)

21. Financial instruments and financial risk management (continued)

a) Fair Value Estimation (continued)

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more significant inputs are not based on observable market data, the instrument is included in Level 3.

b) Financial Risk Factors

The use of financial instruments can expose the Company to several risks, including market, credit and liquidity risks. Apart from the risks listed below, management is of the opinion that they are not exposed to any other significant risks. A discussion of the Company's use of financial instruments and its risk management is provided below.

(i) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. In order to mitigate this risk, the Company maintains a sufficient cash balance in order to satisfy short-term liabilities as they come due and actively pursues raising capital through various public and private financing mechanisms to satisfy longer term needs.

The table below analyzes the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows and do not include capitalized transaction costs.

			Year ended December 31	
At December 31, 2018	**2019**	**2020**	**2021**	**Thereafter**
Debt	$ 3,036,000	$ 3,036,000	$ 7,809,204	$ -
Operating line	529,000			
Accounts payable and accrued liabilities	2,875,589	-	-	-
Income taxes payable	333,655	-	-	-
Preferred shares	-	2,728,800	-	-
Total	**$ 6,774,244**	**$ 5,764,800**	**$ 7,809,204**	**$ -**

(ii) Market risk:

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate because of changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is not exposed to significant market risk given the low value of its investments.

21. Financial instruments and financial risk management

b) Financial Risk Factors (continued)

(iii) Currency risk:

The Company is subject to currency risk through its sales of products denominated in foreign currencies, purchases of inventory in US dollars and product acquisitions denominated in foreign currencies. As such, changes in the exchange rate affect the operating results of the Company. Dependent on the nature, amount and timing of foreign currency receipts and payments, the Company may from time to time enter into foreign currency derivative contracts to reduce its exposure to foreign currency risks

The following financial assets and liabilities were denominated in foreign currencies at December 31, 2018 (U.S. dollar 1.3644, Euro 1.5631) and December 31, 2017 (U.S. dollar 1.2517, Euro 1.5050):

	December 31 2018	December 31 2017
Denominated in U.S. dollars		
Cash and cash equivalents	**2,458,619**	-
Short term investments	**2,756,299**	-
Trade and other receivables	**617,016**	-
Accounts payable and accrued liabilities	**(524,426)**	-
Income taxes payable	**(22,751)**	-
Preferred shares	**(2,728,800)**	-
Net assets denominated in U.S. dollars	**2,555,957**	-
Denominated in Euros		
Cash and cash equivalents	**248,634**	-
Accounts payable and accrued liabilities	**(195,822)**	-
Income taxes payable	**(310,904)**	-
Net assets denominated in Euros	**(258,092)**	-

The following table shows the estimated sensitivity of the Company's total comprehensive loss for the year ended December 31, 2018 from a change in foreign currencies with all other variables held constant as at December 31, 2018:

Percentage change in foreign currencies	Change in net pre-tax loss from % increase in foreign currencies	Change in net pre-tax loss from % decrease in foreign currencies
2%	$ 45,957	$ (45,957)
4%	91,915	(91,915)
6%	137,872	(137,872)
8%	183,829	(183,829)
10%	229,787	(229,787)

21. Financial instruments and financial risk management (continued)

b) Financial Risk Factors (continued)

(iv) Credit risk:

Certain of the Company's financial assets, including cash and cash equivalents and short-term investments, and accounts receivable are exposed to the risk of financial loss occurring as a result of default of a counterparty on its obligations to the Company. The Company is also exposed, in the normal course of business, to credit risk from customer receivables. These amounts are continually monitored by management for collectability, and, in general, are lower risk as they are typically due from large commercial partners with very limited credit risk.

(v) Interest rate risk:

Interest risk is the impact that changes in interest rates could have on the Company's earnings and liabilities. The Company is exposed to variable interest rates as a result of its senior secured debt, which currently bears interest at the Canadian BA rate plus 3.0%. The Company's exposure to interest rate movements is limited through the purchase of a rate cap instrument which limits the effective BA rate to 2.5%. At December 31, 2018, the Company had GIC investments totalling approximately US$2 million, which are short term in nature and have limited interest rate risk. It is management's opinion that the Company is not currently exposed to significant interest rate risk.

22. Subsequent events

On January 2, 2019, the Company entered into an acquisition agreement (the "Acquisition Agreement") and an associated amalgamation agreement (the "Amalgamation Agreement") with Commerce Acquisition Corp. ("Commerce"), a Capital Pool Company ("CPC") listed on the TSX Venture exchange. Pursuant to the Acquisition Agreement and subject to the fulfillment of certain conditions, Commerce agreed to acquire all of the issued and outstanding common shares in the capital of the Company in consideration for the issuance of 1.5 Commerce common shares (the "Share Exchange Ratio").

The series of transactions contemplated are proposed to constitute a Qualifying Transaction, as such term is defined in the CPC Policy. The Qualifying Transaction will be completed by way of a three-cornered amalgamation among the Company, Commerce, and a newly formed entity ("Newco").

As set out in more detail in the Acquisition Agreement and Amalgamation Agreement, the completion of the transaction will involve the following main elements:

(i) Commerce shall complete a share consolidation on the basis of 1 post-consolidation common share for every 4 pre-consolidation common shares issued and outstanding (the "Consolidation");

(ii) Following the Consolidation, Newco and the Company will amalgamate, the result of which shall be:

- Commerce shall issue one-and-one-half Commerce common shares for each share of the Company;
- All of the Company's stock options will be cancelled and, in consideration therefor, Commerce shall issue Commerce stock options to the Company option holders. The rate of exchange shall be equal to the Share Exchange Ratio.
- All of the Company's warrants will be cancelled and, in consideration therefor, Commerce shall issue Commerce warrants to the Company warrant holders. The rate of exchange of shall be equal to the Share Exchange Ratio.

22. Subsequent events

(iii) On or before the closing date, Commerce will change its name to "Mimi's Rock Corp".

The Acquisition Agreement contains a number of customary representations and warranties of each of the parties relating to, among other things, corporate status, the corporate authorization and enforceability of, and board approval of the Acquisition Agreement and the transaction, and the business and affairs of Commerce and the Company.

The Company and Commerce may terminate the Acquisition Agreement at any time prior to closing upon the mutual written agreement of both parties. The agreement and related listing application remains subject to review and approval by the TSX Venture Exchange.

DTI GmbH

Financial Statements

For the Six Months Ended June 30, 2018 and 2017 (Unaudited) and Years Ended December 31, 2017, 2016 and 2015

(Expressed in US dollars)

Independent Auditor's Report

To the Shareholders of DTI GmbH:

We have audited the accompanying financial statements of DTI GmbH, which comprise the statements of financial position as at December 31, 2017, December 31, 2016, and December 31, 2015, and the statements of operations and comprehensive income, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of DTI GmbH as at December 31, 2017, December 31, 2016, and December 31, 2015 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

MNP LLP

Toronto, Ontario
May 16, 2019

Chartered Professional Accountants
Licensed Public Accountants

MNP

DTI GmbH
Statements of Financial Position
(Expressed in US dollars)

As at:		June 30 2018	December 31 2017	December 31 2016	December 31 2015
Assets		**(Unaudited)**			
Current assets					
Cash and cash equivalents		**$ 7,126,970**	$ 6,691,550	$ 3,658,582	$ 1,681,515
Trade and other receivables	*note 3*	**375,974**	284,879	222,473	202,477
Inventories	*note 4*	**849,694**	867,164	373,531	285,873
Prepaid expenses		**25,393**	28,999	95,108	8,020
		8,378,031	7,872,592	4,349,694	2,177,885
Non-current assets					
Property and equipment	*note 5*	**10,227**	6,150	2,063	8,322
Deferred tax	*note 9*	**114,491**	91,516	2,797	2,719
Total assets		**$ 8,502,749**	$ 7,970,258	$ 4,354,554	$ 2,188,926
Liabilities and Equity					
Current liabilities					
Accounts payable and accrued liabilities		**$ 265,239**	$ 335,513	$ 105,495	$ 120,801
Income taxes payable	*note 9*	**656,200**	2,056,831	515,966	592,088
Provisions	*note 6*	**22,775**	19,624	11,228	10,245
Total liabilities		**944,214**	2,411,968	632,689	723,134
Equity					
Share capital	*note 7*	**26,661**	26,661	605	605
Equity reserve	*note 7*	**-**	-	948,363	373,011
Retained earnings		**7,531,874**	5,531,629	2,772,897	1,092,176
Total equity		**7,558,535**	5,558,290	3,721,865	1,465,792
Total liabilities and equity		**$ 8,502,749**	$ 7,970,258	$ 4,354,554	$ 2,188,926

Subsequent events (note 13)

Approved on behalf of the Board:

Telfer Hanson — Director

Norman Betts — Director

DTI GmbH
Statements of Operations and Comprehensive Income
(Expressed in US dollars)

		Six Months Ended June 30		Years Ended December 31		
		2018	2017	2017	2016	2015
		(unaudited)	(unaudited)			
Revenues	*note 2*	**$ 13,472,851**	$ 9,959,754	$ 21,036,857	$ 11,621,484	$ 6,530,146
Cost of goods sold		**4,004,265**	3,019,172	6,681,615	3,585,994	2,331,372
Gross margin		**9,468,586**	6,940,582	14,355,241	8,035,490	4,198,774
Operating expenses:						
Selling and marketing		**5,916,304**	3,473,789	7,952,141	4,017,266	2,103,286
General and administrative		**369,884**	489,417	888,905	679,116	568,105
Depreciation		**1,948**	999	2,536	3,450	2,133
Foreign exchange losses (gains)		**192,539**	(45,153)	(172,537)	128,865	60,500
		6,480,675	3,919,051	8,671,045	4,828,698	2,734,023
Operating income		**2,987,911**	3,021,531	5,684,197	3,206,792	1,464,751
Interest expense		**199**	278	278	182	-
Investment income		**-**	(124)	(124)	(2,028)	(1,244)
Income before income taxes		**2,987,712**	3,021,377	5,684,043	3,208,638	1,465,995
Income tax expense - current	*note 9*	**1,010,443**	836,660	1,832,351	952,643	428,766
- deferred	*note 9*	**(22,976)**	(1,189)	(88,719)	(78)	(1,922)
Net income and comprehensive income for the periods		**$ 2,000,245**	$ 2,185,906	$ 3,940,411	$ 2,256,073	$ 1,039,152

DTI GmbH
Statements of Cash Flows
(Expressed in US dollars)

	Six Months Ended June 30		Years Ended December 31		
	2018	2017	2017	2016	2015
	(unaudited)	(unaudited)			
Operating activities					
Net income for the period	**$ 2,000,245**	$ 2,185,906	$ 3,940,411	$ 2,256,073	$ 1,039,152
Adjustments for the following items:					
Depreciation	**1,948**	999	2,536	3,450	2,133
Interest expense	**199**	278	278	182	-
Income tax expense	**1,010,443**	836,660	1,832,351	952,643	428,766
Loss on disposal of equipment	-	-	-	2,951	-
Deferred tax liability	**(22,976)**	(1,189)	(88,719)	(78)	(1,922)
Interest paid	**(199)**	(278)	(278)	(182)	-
Income taxes paid	**(2,411,074)**	(137,148)	(291,486)	(1,028,765)	(21,196)
Net change in non-cash working capital balances:					
Provisions	**3,151**	4,230	8,396	983	7,135
Trade and other receivables	**(91,095)**	(532,850)	(62,406)	(19,996)	(97,375)
Prepaid expenses	**3,606**	56,927	66,109	(87,088)	(4,937)
Inventories	**17,470**	(284,085)	(493,633)	(87,658)	(259,515)
Accounts payable and accrued liabilities	**(70,273)**	67,899	230,018	(15,306)	16,009
Net cash provided by operating activities	**441,445**	2,197,349	5,143,577	1,977,209	1,108,248
Financing activities					
Issuance of common shares	-	26,056	26,056	-	-
Dividends paid	-	(2,130,042)	(2,130,042)	-	-
Net cash used in financing activities	-	(2,103,986)	(2,103,986)	-	-
Investing activities:					
Purchase of property and equipment	**(6,025)**	(5,321)	(6,623)	(142)	(6,508)
Net cash used in investing activities	**(6,025)**	(5,321)	(6,623)	(142)	(6,508)
Net change in cash and cash equivalents	**435,420**	88,042	3,032,968	1,977,067	1,101,740
Cash and cash equivalents, beginning of period	**6,691,550**	3,658,582	3,658,582	1,681,515	579,775
Cash and cash equivalents, end of period	**$ 7,126,970**	$ 3,746,624	$ 6,691,550	$ 3,658,582	$ 1,681,515

The accompanying notes are an integral part of these financial statements

DTI GmbH
Statements of Changes in Equity
(Expressed in US dollars)

	Share capital	Equity reserve	Retained earnings	Total equity
Opening Balance	**$ 605**	**$ 112,255**	**$ 313,780**	**$ 426,640**
Additions to legal reserve	-	260,756	(260,756)	-
Net income for the year	-	-	1,039,152	**1,039,152**
Balance, December 31, 2015	**$ 605**	**$ 373,011**	**$ 1,092,176**	**$ 1,465,792**
Additions to legal reserve	-	575,352	(575,352)	-
Net income for the year	-	-	2,256,073	**2,256,073**
Balance, December 31, 2016	**$ 605**	**$ 948,363**	**$ 2,772,897**	**$ 3,721,865**
Reductions to legal reserve	26,056	(948,363)	948,363	**26,056**
Net income for the year	-	-	3,940,411	**3,940,411**
Dividends paid	-	-	(2,130,042)	**(2,130,042)**
Balance, December 31, 2017	**$ 26,661**	**$ -**	**$ 5,531,629**	**$ 5,558,290**
Net income for the period (unaudited)	-	-	2,000,245	**2,000,245**
Balance, June 30, 2018 (unaudited)	**$ 26,661**	**$ -**	**$ 7,531,874**	**$ 7,558,535**

1. Presentation of Financial Statements

Nature of Business

DTI was founded on April 4, 2013 as DTI UG (haftungsbeschränkt) ("DTI" or "the Company"). On January 25, 2017 the Company changed its name and legal form to DTI GmbH, a German limited liability company. DTI GmbH is registered with the commercial register of the local court Lübeck, Germany, under no. HRB 12930 HL. The Company's address is Rathausplatz 22, 22926 Ahrensburg, Germany.

The business activities of DTI GmbH mainly include the online sale of health and business supplements. DTI primarily operates in the US market and sells products under the brand name "Dr. Tobias".

Basis of Preparation

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the International Financial Reporting Interpretations Committee ("IFRIC") as issued by the International Accounting Standards Board (IASB) for financial statements. The consolidated financial statements have been prepared on a historical cost basis, except for items that are required to be accounted for at fair value. The policies set out below have been consistently applied to all the periods presented.

The consolidated financial statements were authorized for issue by the Company's Board of Directors on May 16, 2019.

2. Significant Accounting Policies

The following are significant accounting policies applied by the Company in preparing its financial statements for the years ended December 31, 2017, 2016 and 2015 and six months ended June 30, 2018 and 2017, and those policies were consistently applied to all these periods.

(a) Accounting judgments, estimates, and uncertainties

Critical judgements

The following are the critical judgements, apart from those involving estimations (see below), that have been made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Functional currency

The financial statements have been prepared in accordance with the concept of functional currency. The functional currency is the primary currency of the economic environment in which the Company operates. The functional currency of the Company is the US Dollar ("USD"), since the Company generates its revenue in USD and its cost of materials are also incurred in USD.

A foreign currency transaction is recorded by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated using the closing rate, non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. The resulting exchange gains and losses are recognized in profit or loss.

2. Significant Accounting Policies (continued)

(a) Accounting judgments, estimates, and uncertainties (continued)

Use of Estimates

In preparation of the Company's consolidated financial statements in accordance with IFRS, management is required to make estimates and assumptions that affect the reported amount of assets, liabilities, and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates used in the Company's consolidated financial statements and such differences could be material. Significant estimates include:

- the allowance for inventory obsolescence;
- estimate for product returns;
- the estimated useful lives of property and equipment and intangible assets;
- impairment of financial and non-financial assets; and
- the valuation of deferred tax assets and liabilities

Significant estimates

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(i) Inventory obsolescence

The Company reviews the net realizable value of its inventory. The Company has determined that there are adequate sales to support the carrying amount for all inventories as at December 31, 2015, 2016, 2017 and June 30, 2018. In addition, management reviews specific product and industry experience with returns in assessing if a write-down is required.

(ii) Estimated product returns

Revenue from product sales is recognized net of estimated sales discounts, credits, returns, rebates and allowances. The Company's return policy allows for return of any unsatisfactory product. The return allowance is determined based on an analysis of the historical rate of returns, industry return data, and current market conditions, which is applied directly against sales.

(iii) Useful lives of property and equipment

The Company reviews the estimated useful lives of property, equipment and intangible assets at the end of each year, with the effect of any changes in estimates being accounted for on a prospective basis.

Depreciation on property and equipment and amortization on intangible assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- Furniture, fittings and equipment — 3 years
- Leasehold improvements — Over the term of the lease

During the years ended December 31, 2015, 2016, 2017 and the periods ended June 30, 2018 and 2017, the useful lives were considered reasonable.

2. Significant Accounting Policies (continued)

(a) Accounting judgments, estimates, and uncertainties (continued)

(iv) Valuation of deferred tax assets and liabilities

The Company estimates the probability that taxable profits will be available against deductible temporary differences can be utilized and thus give rise to deferred tax assets. The Company has reviewed the expected profitability and determined that there is appropriate basis to recognize deferred tax assets.

(c) Financial instruments

The Company classifies all financial instruments as either subsequently measured at amortized cost, fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVTOCI"). Financial instruments are required to be measured at fair value on initial recognition. Measurement in subsequent periods depends on the financial instruments' classification. Financial instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in the results of operations. FTVOCI instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Short term investments are classified as FVTPL, trade receivables and financial liabilities are measured at amortized cost. Transaction costs for FVTPL financial instruments are expensed as incurred, whereas transaction costs for financial instruments carried at amortized cost are capitalized upon initial recognition of the instrument.

Other financial liabilities

Other financial liabilities (including debt and trade and other payables) are initially recorded at fair value less transaction costs and subsequently measured at amortized costs using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction cost and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(d) Cash and cash equivalents

Cash includes demand deposits with financial institutions. Cash equivalents may consist of short-term, highly liquid investments purchased with original maturities of three months or less.

(e) Inventories

Inventories are comprised of finished goods of nutraceutical products and related packaging and are recorded at the lower of cost and net realizable value on a first-in first-out basis. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and applicable selling expenses. The Company writes down inventory to its estimated net realizable value based upon assumptions about future and market conditions when necessary.

(f) Trade and other receivables

Trade and other receivables are stated at their amortized cost and are non-interest bearing and unsecured. Management conducts a periodic review of the collectability of trade receivables. The Company records an allowance for doubtful accounts if any uncertainty exists with respect to the recoverability of certain amounts based on historical experience or economic climate.

2. Significant Accounting Policies (continued)

(g) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its property and equipment whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

(h) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

(i) Income taxes

Provision for income taxes consists of current and deferred tax expense. Tax is recognized in the statement of operations, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end in the countries where the Company and its subsidiaries operate and generate taxable income, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized, using the liability method, on temporary differences between the carrying amounts of assets and liabilities on the consolidated statement of financial position and their corresponding tax values, using the enacted or substantively enacted, as applicable, income tax rates at each statement of financial position date.

Deferred tax assets also result from unused losses and other deductions carried forward. An assessment of the probability that a deferred tax asset will be recovered is made prior to any deferred tax asset being recognized. The valuation of deferred tax assets is reviewed on a quarterly basis and adjusted, if necessary, to reflect the estimated realizable amount.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(j) Foreign currency translation

(i) Functional and presentation currency

The consolidated financial statements of the Company are presented in United States dollars (“USD”), which is the Company’s functional and presentation currency.

2. Significant Accounting Policies (continued)

(j) Foreign currency translation (continued)

Transactions and balances

Foreign currency transactions are initiated by the Company in its functional currency using the exchange rates prevailing at the date of the transaction. At each statement of financial position date, monetary assets and liabilities are translated using the period-end foreign exchange rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when acquired. All gains and losses on translation of these foreign currency transactions are included in the statement of operations.

(k) Revenue recognition and estimated product returns

The Company's revenue is derived from the sale of Dr. Tobias branded merchandise to retail and wholesale customers. The Company recognizes revenue from product sales at the fair value of the consideration received or receivable, net of estimated returns.

Revenue is recognized when the customer takes ownership of the product, title has transferred, all the risks and rewards of ownership have transferred to the customer, recovery of the consideration is probable, the Company has satisfied its performance obligations under the contractual arrangement, and has no ongoing involvement with the sold product. Revenue is recognized to the extent that it is probable that the future economic benefits will flow to the Company and the revenue can be reliably measured. A provision for returns is recognized at the time the product is sold and recognized as a reduction to revenue.

The Company's return policy allows for return of any unsatisfactory product. The return allowance is determined based on analysis of the historical rate of returns and current market conditions, which is applied directly against sales.

(l) Comprehensive income or loss

Comprehensive income or loss is the change in net assets arising from transactions and other events and circumstances from non-owner sources, and comprises net income or loss and other comprehensive income or loss. Financial assets that are classified as FVTOCI will have revaluation gains and losses included in other comprehensive income or loss until the asset is removed from the statement of financial position.

(m) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

(n) Changes in accounting standards

During the period ended June 30, 2018 the following new or amended standards were issued and are effective for annual periods beginning on or after January 1, 2019, unless otherwise noted.

(i) Recently adopted accounting standards

(Expressed in US dollars)

2. Significant Accounting Policies (continued)

(n) Changes in accounting standards (continued)

The following accounting policy changes were adopted on January 1, 2018. The Company has also adopted other new standards which were effective from January 1, 2018 that did not have a material impact on the Company's financial statements.

IFRS 9 - *Financial Instruments*

IFRS 9 replaces the provisions of IAS 39, "Financial Instruments Recognition and Measurement" for annual periods beginning on or after January 1, 2018. IFRS 9 includes the recognition, classification and measurement of financial assets and financial liabilities; a forward looking "expected loss" impairment model; and a substantially-reformed approach to hedge accounting. IFRS 9 also amended IFRS 7, "Financial Instruments: Disclosures", which requires additional disclosures. The Company adopted IFRS 9 using the modified retrospective transition method and applied IFRS 9 retrospectively, with the initial application date of January 1, 2018. As permitted by the transitional provisions of IFRS 9, the Company elected not to restate comparative figures or note disclosures. Any adjustments to the carrying amounts of financial assets and liabilities at the transition date are to be recognized in the opening retained earnings of the current period. However, the Company assessed that no adjustments to the carrying amounts of financial assets and liabilities were required upon adoption of IFRS 9.

As at January 1, 2018, the measurement category of the Company's financial instruments comparing IAS 39 to IFRS 9 are as follows, with no transitional adjustment required:

Financial Instrument	IAS 39 Measurement	IFRS 9 Measurement
Cash	FVTPL	Amortized cost
Trade and other receivables	Amortized cost (loans and receivables)	Amortized cost
Accounts payable and accrued liabilities	Amortized cost (other liabilities)	Amortized cost
Provisions	Amortized cost (other liabilities)	Amortized cost

IFRS 15 - *Revenue from Contracts with Customers*

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue.

As of January 1, 2018, the Company has adopted IFRS 15 and has elected to apply the standard retrospectively The adoption of IFRS 15 did not have an impact on the timing of revenue recognition.

(iii) Future changes in accounting standards:

IFRS 16 - *Leases*

In January 2016, the IASB issued IFRS 16, Leases, which will replace IAS 17, Leases and the related interpretations. This standard introduces a single lessee accounting model and requires all leases of more than twelve months to be reported on a company's statement of financial position as assets and liabilities, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have also been impacted, including the definition

(Expressed in US dollars)

2. Significant Accounting Policies (continued)

(n) Changes in accounting standards (continued)

of a lease. Transitional provisions have been provided. The new standard is effective for annual periods beginning on or after January 1, 2019. The Company will adopt IFRS 16 using the modified retrospective transition method, with the cumulative effect of initially applying the standard recognized as an adjustment to opening retained earnings at date of initial adoption. The nature of expenses related to leases will now change because the Company will recognize a depreciation charge for right-of-use assets and interest expense on lease liabilities. Previously, the Company recognized operating lease expense on a straight-line basis over the term of the lease. The Company does not expect that the adoption of the standard will have a material effect on the consolidated financial statements, other than that its operating leases will need to be recognized in its consolidated statement of financial position on initial adoption of IFRS 16.

3. Trade and other receivables

		June 30 2018 (unaudited)		December 31 2017		December 31 2016		December 31 2015
Trade receivables	**$**	**375,974**	$	284,879	$	222,473	$	132,824
Less: provision for doubtful accounts		**-**		-		-		-
Trade receivables – net		**375,974**		284,879		222,473		132,824
Other receivables		**-**		-		-		69,652
Trade and other receivables	**$**	**375,974**	$	284,879	$	222,473	$	202,477

The aging analysis of trade receivables is as follows:

		June 30 2018 (unaudited)		December 31 2017		December 31 2016		December 31 2015
Current	**$**	**375,974**	$	284,879	$	222,473	$	132,824
1 to 30 days overdue		**-**		-		-		-
31 to 90 days overdue		**-**		-		-		-
Greater than 90 days overdue		**-**		-		-		-
Total trade receivables	**$**	**375,974**	$	284,879	$	222,473	$	132,824

(Expressed in US dollars)

4. Inventories

	June 30 2018 (unaudited)	December 31 2017	December 31 2016	December 31 2015
Finished goods	**$ 849,694**	$ 867,164	$ 373,531	$ 285,873
Total inventories	**$ 849,694**	$ 867,164	$ 373,531	$ 285,873

The amount of inventories expensed in cost of goods sold during the six months ended June 30, 2018 amounted to $4,004,265 (unaudited) (six months ended June 30, 2017: $3,019,172 (unaudited), year ended 2017: $6,681,615, 2016: $3,585,994, 2015: $2,331,372).

(Expressed in US dollars)

5. Property and equipment

Continuity of property and equipment was as follows:

	Computer Equipment	Furniture and Fixtures	Total
Cost at December 31, 2017	$ 5,321	$ 8,766	$ 14,087
Additions (unaudited)	2,822	3,203	6,025
Cost at June 30, 2018 (unaudited)	**$ 8,143**	**$ 11,969**	**$ 20,112**
Accumulated Depreciation at December 31, 2017	$ 897	$ 7,040	$ 7,937
Depreciation charge (unaudited)	1,016	932	1,948
Accumulated Depreciation at June 30, 2018 (unaudited)	**$ 1,913**	**$ 7,972**	**$ 9,885**
Carrying amount at December 31, 2017	$ 4,424	$ 1,906	$ 6,150
Carrying amount at June 30, 2018 (unaudited)	**$ 6,230**	**$ 3,997**	**$ 10,227**

Continuity of property and equipment for the year ended December 31, 2017, 2016 and 2015 was as follows:

	Computer Equipment	Furniture and Fixtures	Total
Cost, January 1, 2015	$ -	$ 4,297	$ 4,297
Additions	1,452	5,056	6,508
Cost, December 31, 2015	**$ 1,452**	**$ 9,353**	**$ 10,805**
Additions	-	163	163
Disposals	(1,452)	(2,052)	(3,504)
Cost, December 31, 2016	**$ -**	**$ 7,464**	**$ 7,464**
Additions	5,321	1,302	6,623
Cost at December 31, 2017	**$ 5,321**	**$ 8,766**	**$ 14,087**
Accumulated Depreciation at January 1, 2015	$ -	$ -	$ 350
Depreciation charge	41	2,092	2,133
Accumulated Depreciation at December 31, 2015	**$ 41**	**$ 2,442**	**$ 2,483**
Disposals	(532)	-	(532)
Depreciation charge	491	2,959	3,450
Accumulated Depreciation at December 31, 2016	**$ -**	**$ 5,401**	**$ 5,401**
Depreciation charge	897	1,639	2,536
Accumulated Depreciation, December 31, 2017	**$ 897**	**$ 7,040**	**$ 7,937**
Carrying amount at December 31, 2015	$ 1,411	$ 6,911	$ 8,322
Carrying amount at December 31, 2016	$ -	$ 2,063	$ 2,063
Carrying amount at December 31, 2017	**$ 4,424**	**$ 1,906**	**$ 6,150**

(Expressed in US dollars)

6. Provisions

	Six months ended June 30, 2018 (unaudited)	Year ended December 31 2017	Year ended December 31 2016	Year ended December 31 2015
Balance at beginning of year	**$ 19,624**	$ 11,228	$ 10,245	$ 3,110
Charges	**3,151**	8,396	983	7,135
Balance at end of year	**$ 22,775**	$ 19,624	$ 11,228	$ 10,245
Less: current portion of provisions	**22,775**	19,624	11,228	10,245
Non-current portion of provisions	**$ -**	$ -	$ -	$ -

The Company's provisions are comprised of the following product-related liabilities:

Product Returns Liability:

The Company accepts all product returns relating to online product sales. Management estimates the fair value of the product returns liability by taking into consideration the amount of units previously sold, returns experience to date, expiry of product currently in inventory, forecast sales volumes, and changes in the marketplace.

7. Share capital

(a) Authorized:

Unlimited shares without par value.

For the six months ended June 30, 2018 and 2017 (unaudited), including the year ended December 31, 2017, the Company had share capital outstanding in the original principal amount of EUR 25,000. For the years ended December 31, 2016 and 2015, share capital outstanding was EUR 500.

(b) Legal reserve

For the years ended December 31, 2016 and 2015, the legal form of the Company required it to maintain an equity reserve equal to 25 % of net profits. In 2017, the Company changed its legal form to DTI GmbH and consequently the legal reserve was reduced to nil and reallocated to retained earnings.

(c) Dividends

In 2017 a dividend in the amount of EUR 2,000,000 was declared and paid.

(Expressed in US dollars)

8. Related party transactions

At June 30, 2018, December 31, 2017, December 31, 2016, and December 31, 2015, there were no amounts owing to or from related parties as follows:

	June 30 2018 (unaudited)	December 31 2017	December 31 2016	December 31 2015
Due to shareholder	**$ -**	$ -	$ -	$ 69,652
Due from shareholder	**-**	-	-	(17,267)
Total	**$ -**	$ -	$ -	$ 52,835

The remuneration of directors and other members of key management personnel recorded in the general and administrative line of operating expenses are as follows:

	June 30 2018 (unaudited)	June 30 2017 (unaudited)	December 31 2017	December 31 2016	December 31 2015
Salaries and benefits	**$ 145,233**	$ 130,062	$ 271,212	$ 288,197	$ 300,758

9. Income taxes

The major components of income tax (recovery) expense for the six month periods ended June 30, 2018 and 2017 and years ended December 31, 2017, 2016 and 2015 are:

Income tax recognized in profit or loss	**June 30 2018 (unaudited)**	June 30 2017 (unaudited)	December 31 2017	December 31 2016	December 31 2015
Current tax					
Current period tax expense	**$ 1,010,443**	$ 836,660	$ 1,832,351	$ 952,643	$ 428,766
Deferred tax:					
Deferred tax expense	**(22,976)**	(1,189)	(88,719)	(78)	(1,922)
Provision for income taxes	**$ 987,467**	$ 835,471	$ 1,743,632	$ 952,565	$ 426,844

The following table shows the reconciliation from the expected to the respective reported tax expense. The applicable tax rate of 29.125 % is based on the German corporation tax rate of 15.00 %, a solidarity surcharge of 5.50 % on corporation tax and the local trade tax rate of 13.30 %.

(Expressed in US dollars)

9. Income taxes (continued)

For the six month periods ended June 30, 2018 and 2017 and years ended December 31, 2017, 2016 and 2015 tax expense is as follows:

	June 30 2018 (unaudited)	June 30 2017 (unaudited)	December 31 2017	December 31 2016	December 31 2015
Income before income taxes	$ 2,987,712	$ 3,021,377	$ 5,684,043	$ 3,208,638	$ 1,465,995
Income tax expense (benefit) at the statutory income tax rate of 29.125%	870,171	879,976	1,655,478	934,516	426,971
Deductible temporary differences	117,296	(44,505)	88,154	18,049	(127)
Income tax (recovery) expense	**$ 987,467**	$ 835,471	$ 1,743,632	$ 952,565	$ 426,844

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. The following table summarizes the components of deferred tax:

	June 30 2018 (unaudited)	December 31 2017	December 31 2016	December 31 2015
Deferred tax assets				
State and local tax	$ 108,394	$ 86,348	$ -	$ -
Provisions	6,097	5,168	2,797	2,719
Deferred tax liabilities				
	-	-	-	-
Net deferred tax assets	**$ 114,491**	$ 91,516	$ 2,797	$ 2,719

10. Operating expenses

Details of selling and marketing expenses for the six month periods ended June 30, 2018 and 2017 and years ended December 31, 2017, 2016 and 2015 are as follows:

	June 30 2018 (unaudited)	June 30 2017 (unaudited)	December 31 2017	December 31 2016	December 31 2015
Fufillment	$ 4,188,919	$ 2,945,869	$ 6,203,339	$ 3,478,499	$ 1,812,231
Advertising	1,329,650	426,844	1,435,636	361,512	75,063
Distribution	162,777	85,852	223,274	72,469	20,276
Marketing	234,957	15,223	89,892	104,787	195,716
	$ 5,916,304	$ 3,473,789	$ 7,952,141	$ 4,017,266	$ 2,103,286

(Expressed in US dollars)

10. Operating expenses (continued)

Details of general and administrative expenses for the year ended December 31, 2018 and from incorporation to December 31, 2017 are as follows:

	June 30 2018 (unaudited)	June 30 2017 (unaudited)	December 31 2017	December 31 2016	December 31 2015
Salaries and benefits	$ 196,594	$ 162,665	$ 339,391	$ 321,522	$ 301,613
Legal and professional fees	32,365	224,611	327,222	222,427	160,934
Office expenses	73,310	69,153	144,353	112,780	63,893
Travel	8,099	5,709	9,914	1,276	5,890
Other	59,516	27,279	68,025	21,112	35,776
	$ 369,844	$ 489,417	$ 888,905	$ 679,116	$ 568,105

11. Management of capital

The Company includes the following in its definition of capital:

June 30	**June 30 2018 (unaudited)**	December 31 2017	December 31 2016	December 31 2015
Equity comprised of:				
Share capital	**$ 26,661**	$ 26,661	$ 605	$ 605
Equity reserve	**-**	-	948,363	373,011
Retained earnings	**7,531,874**	5,531,629	2,772,897	1,092,176
	$ 7,558,535	$ 5,558,290	$ 3,721,865	$ 1,465,792

The Company's objectives when managing capital are:

(a) to allow the Company to respond to changes in economic and/or marketplace conditions;

(b) to give shareholders sustained growth in shareholder value by increasing shareholders' equity; and

(c) to maintain a flexible capital structure which optimizes the cost of capital at acceptable levels of risk

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. The Company maintains or adjusts its capital level to enable it to meet its objectives by:

(a) raising capital through equity financings; and

(b) utilizing leverage in the form of third party debt

The Company is not subject to any capital requirements imposed by a regulator. There were no changes in the Company's approach to capital management during the year. In July 2017, the company paid a dividend of EUR 2,000,000. The Company has not declared or paid any other dividends. The Company's management is responsible for the management of capital and monitors the Company's use of any forms of leverage on a regular basis.

(Expressed in US dollars)

12. Financial instruments and financial risk management

a) Fair Value Estimation

The Company's carrying value of cash and cash equivalents, trade and other receivables, accounts payable and accrued liabilities approximate their fair values due to the immediate or short term maturity of these instruments..

Carrying value and fair value of financial assets and liabilities are summarized as follows:

		June 30, 2018 (unaudited)
Classification	**Carrying value**	**Fair value**
	$	**$**
Loans and receivables		
- Cash and cash equivalents	**7,126,970**	**7,126,970**
- Trade and other receivables	**375,974**	**375,974**
Other financial liabilities		
- Accounts payable and accrued liabilities	**265,239**	**265,239**

		December 31, 2017
Classification	Carrying value	Fair value
	$	$
Loans and receivables		
- Cash and cash equivalents	6,691,550	6,691,550
- Trade and other receivables	284,879	284,879
Other financial liabilities		
- Accounts payable and accrued liabilities	335,513	335,513

		December 31, 2016
Classification	Carrying value	Fair value
	$	$
Loans and receivables		
- Cash and cash equivalents	3,658,582	3,658,582
- Trade and other receivables	222,473	222,473
Other financial liabilities		
- Accounts payable and accrued liabilities	105,495	105,495

		December 31. 2015
Classification	Carrying value	Fair value
	$	$
Loans and receivables		
- Cash and cash equivalents	1,681,515	1,681,515
- Trade and other receivables	202,477	202,477
Other financial liabilities		
- Accounts payable and accrued liabilities	120,801	120,801

12. Financial instruments and financial risk management (continued)

b) Financial Risk Factors

The use of financial instruments can expose the Company to several risks, including market, credit and liquidity risks. Apart from the risks listed below, management is of the opinion that they are not exposed to any other significant risks. A discussion of the Company's use of financial instruments and its risk management is provided below.

(i) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. In order to mitigate this risk, the Company maintains a sufficient cash balance in order to satisfy short-term liabilities as they come due and actively pursues raising capital through various public and private financing mechanisms to satisfy longer term needs.

The table below analyzes the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows and do not include capitalized transaction costs.

At June 30, 2018 (unaudited)	**2018**	**2019**	**2020**	**Thereafter**
Accounts payable and accrued liabilities	$ 265,238	$ -	$ -	$ -
Income taxes payable	656,200	-	-	-
Total	**$ 921,438**	**$ -**	**$ -**	**$ -**

(ii) Market risk:

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate because of changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is not exposed to significant market risk given the low value of its investments.

(iii) Currency risk:

The Company is subject to currency risk through its sales of products denominated in foreign currencies, purchases of inventory in US dollars and product acquisitions denominated in foreign currencies. As such, changes in the exchange rate affect the operating results of the Company. Dependent on the nature, amount and timing of foreign currency receipts and payments, the Company may from time to time enter into foreign currency derivative contracts to reduce its exposure to foreign currency risks

12. Financial instruments and financial risk management (continued)

b) Financial Risk Factors

The following financial assets and liabilities were denominated in Euros at June 30, 2018 (Euro 1.1677), December 31, 2017 (Euro 1.2022), December 31, 2016 (Euro 1.0552) and December 31, 2015 (Euro 1.0859):

	June 30 2018 (unaudited)	December 31 2017	December 31 2016	December 31 2015
Denominated in Euros				
Cash and cash equivalents	**$ 6,020,774**	$ 5,628,972	$ 2,226,992	$ 1,035,435
Trade and other receivables	**-**	-	-	-
Accounts payable and accrued liabilities	**(115.787)**	(130,489)	(87,163)	(95,746)
Net assets denominated in Euros	**$ 5,904,987**	$ 5,498,483	$ 2,139,829	$ 939,689

(iv) Credit risk:

Certain of the Company’s financial assets, including cash and cash equivalents and short-term investments, and accounts receivable are exposed to the risk of financial loss occurring as a result of default of a counterparty on its obligations to the Company. The Company is also exposed, in the normal course of business, to credit risk from customer receivables. These amounts are continually monitored by management for collectability, and, in general, are lower risk as they are typically due from large commercial partners with very limited credit risk.

(v) Interest rate risk:

Interest risk is the impact that changes in interest rates could have on the Company’s earnings and liabilities. As the Company is currently not exposed to any variable interest ratesand as such it is management’s opinion that the Company is not currently exposed to significant interest rate risk.

13. Subsequent events

Effective July 13, 2018, Mimi’s Rock GmbH acquired 100 % of the shares in DTI GmbH.

APPENDIX D

MANAGEMENT'S DISCUSSION & ANALYSIS OF MRI AND DTI

Please see attached.

MIMI'S ROCK INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2018 and from October 16, 2017 (Incorporation) to December 31, 2017

The following section of our report sets forth Management's Discussion and Analysis of the financial performance and condition of Mimi's Rock Inc. ("the Company" or "Mimi", "we", "us" or "our") for the year ended December 31, 2018 compared to the period from incorporation on October 16, 2017 to December 31, 2017. The analysis should be read in conjunction with the accompanying annual audited consolidated financial statements (the "Financial Statements") for the year ended December 31, 2018 and October 16, 2017 to December 31, 2017 and the related notes thereto.

The date of this MD&A is May 16, 2019.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements or disclosures that may constitute forward-looking information or statements (collectively, "forward-looking information") under applicable securities laws. All statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that management of the Company, anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking information. In some cases, forward-looking information can be identified by terms such as "forecast", "future", "may", "will", "expect", "anticipate", "believe", "could", "potential", "enable", "plan, "continue", "contemplate", "pro forma" or other comparable terminology. Forward-looking information presented in such statements or disclosures may, among other things include:

- the Company's expectations regarding sales from its existing products, including its sales forecasts;
- the Company's ability to acquire new products;
- the Company's expectations regarding it ability to raise capital, including its ability to secure the financing necessary to enable us to acquire new products;
- the Company's expectations regarding sales from products that we develop, acquire or license;
- the Company's forecasts regarding its operating expenditures, including general and administrative expenses,
- the Company's expectations regarding the development of its target markets;
- the Company's expectations regarding government regulations of its products and any new products that we acquire;
- the Company's expectations regarding currency exchange rates;
- the Company's expectations regarding income taxes;
- the Company's plans, objectives and targets for future revenue growth and operating performance;

- the Company’s plans and objectives regarding new products that it may acquire; and
- the Company’s forecast business results and anticipated financial performance.

The forward-looking information in statements or disclosures in this MD&A is based (in whole or in part) upon factors which may cause actual results, performance or achievements of the Company to differ materially from those contemplated (whether expressly or by implication) in the forward-looking information. Those factors are based on information currently available to the Company, including information obtained from third-party industry analysts and other third party sources. Actual results or outcomes may differ materially from those predicted by such statements or disclosures. While the Company does not know what impact any of those differences may have, their business, results of operations, financial condition and credit stability may be materially adversely affected. Factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking information include, among other things:

- the Company’s ability to successfully market and sell its products;
- the Company’s ability to increase sales of its existing products;
- the Company's ability to service existing debt;
- the timing and unpredictability of regulatory actions;
- the health, legal, and commercial risks associated with potential adverse events or side effects resulting from the use of the Company’s products;
- the ability to source, develop and commercialize new products effectively;
- unanticipated cash requirements to support current operations to expand its business
- the inability to adequately protect its key intellectual property rights;
- the loss of key management personnel;
- the activities of its competitors and specifically the commercialization of products that compete in the same category as the Company’s products;
- regulatory, legal or other setbacks with respect to its operations or business;
- market conditions in the capital markets and the dietary supplements industry that make raising capital or consummating acquisitions difficult, expensive or both;
- enactment of new government laws, regulations, court decisions, regulatory interpretations or other initiatives that are adverse to the Company or its interests;
- the risk that the Company is not able to arrange sufficient, cost-effective financing to repay maturing debt and to fund expenditures, future operational activities and acquisitions, and other obligations; and

- the risks associated with legislative and regulatory developments that may affect costs, revenues, the speed and degree of competition entering the market, global capital markets activity and general economic conditions in geographic areas where the Company operates.

Investors should review the full discussions as to material risks and uncertainties, and factors and assumptions used to develop forward-looking statements included in the Company's filing statement.

Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the Company, including information obtained from third-party industry analysts and other third party sources. In some instances, material assumptions and factors are presented or discussed elsewhere in this MD&A in connection with the statements or disclosure containing the forward-looking information. You are cautioned that the following list of material factors and assumptions is not exhaustive. The factors and assumptions include, but are not limited to:

- no unforeseen changes in the legislative and operating framework for the business of the Company;

- a stable competitive environment; and

- no significant event occurring outside the ordinary course of business such as a natural disaster or other calamity.

The Company is not obligated to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable laws. Because of the risks, uncertainties and assumptions contained herein, security holders should not place undue reliance on forward-looking statements or disclosures. The foregoing statements expressly qualify any forward-looking information contained herein.

The Company cautions you that the above list of risk factors is not exhaustive. Other factors which could cause actual results, performance or achievements of the Company to differ materially from those contemplated (whether expressly or by implication) in the forward-looking statements or other forward-looking information are disclosed in the Company's publicly filed disclosure documents.

All historical financial information is prepared in accordance with IFRS and is expressed in Canadian dollars.

CORPORATE HISTORY

Mimi's Rock Inc. was incorporated under the Ontario Business Corporations Act ("OBCA") on October 16, 2017. Mimi is in the nutraceutical business, providing health supplement and wellness products as well as vitamins and nutritional supplements to customers across the United States.

The Company's head and registered office is located at 55 Village Centre Place, Mississauga, Ontario, Canada L4Z 1V9.

The Company operations include three subsidiaries. The place of incorporation or continuance of those subsidiaries and the percentage of voting securities held, directly or indirectly, by Mimi, are as follows:

Mimi's Rock GmbH ("MRG") was incorporated on January 22, 2018, under the laws of Germany. MRG is a private company that is a wholly-owned subsidiary formed in connection with the acquisitions of DTI GmbH, as described below.

DTI GmhH ("DTI") was incorporated as DTU UG on April 20, 2013 and reregistered as DTI GmbH on January 25, 2017, under the laws of Germany. DTI is a private company that is a wholly-owned subsidiary of MRG, which in turn is a wholly-owned subsidiary of Mimi.

Thunder Beach Holdings Inc. ("TBH") was incorporated on April 20, 2018 under the laws of Barbados, being the *Barbados Companies Act, 1982*. TBH is a private company that is a wholly-owned subsidiary of Mimi. TBH is also licensed as an International Barbados Company pursuant to the *International Business Companies Act* (Barbados).

Debt Financing

On February 5, 2018, the Company engaged a financial advisor ("Financial Advisor") to, among other things, act as exclusive agent for the Company's proposal to raise up to US$17,000,000 in senior secured debt (the "Debt Financing").

On July 6, 2018, the Company, as borrower, together with its subsidiaries as guarantors, entered into a commitment letter with the Bank of Nova Scotia (the "Lender"), pursuant to which the Lender agreed to grant credit facilities (the "Credit Facilities") to the Company in the aggregate amount of up to $16,230,000.

The Credit Facilities are secured by: (i) a security interest over all of the assets of the Company granted by the Company to and in favour of the Lender pursuant to a general security agreement; (ii) an assignment of material contracts granted by the Company to and in favour of the Lender and; (iii) a pledge of all of the common shares in the capital of the Corporation held by the founders.

In connection with the Debt Financing, the Company agreed to pay the Financial Advisor, from the gross proceeds therefrom upon closing of the Debt Financing, (i) a cash fee equal to 5.0% of the principal generated from the Debt Financing, and (ii) a non-cash fee equal 5.0% of the principal amount generated from the Private Placement (defined below) payable in the form of common share purchase warrants. The common share purchase warrants are exercisable for one common share in the capital of the Company at a price equal to the implied valuation of Mimi in the Company's intended acquisition of DTI for a period of two years from the date of closing of the Debt Financing. Additionally, the Company agreed to, upon the closing of the Debt Financing, issue the Financial Advisor the number of the Company common shares equal to 2% of the fully diluted common shares issued and outstanding in the capital of the Company at the time of the closing of the Debt Financing and the Company's intended acquisition of DTI. As such, Mimi issued 663,500 shares and 759,000 common share purchase warrants in connection with the Debt Financing.

Private Placement

On April 16, 2018, the Company entered into an engagement letter with the Financial Advisor whereby the Financial Advisor agreed to, among other things, act as exclusive agent for the Company's proposal to complete a private placement financing of a maximum of 20,000,000 of the Company's Preferred Shares at a price of $1.00 per Preferred Share for aggregate gross proceeds of up to $20,000,000 (the "Private Placement").

The Preferred Shares were offered in all provinces of Canada and such other jurisdictions as the Company and the Financial Advisor agreed where the Private Placement could be sold without the requirement to file a prospectus or similar document. The Private Placement was completed on a best efforts basis and the last distribution settled on July 13, 2018.

In connection with the Private Placement, the Company agreed to pay the Financial Advisor from the gross proceeds therefrom upon closing of the Private Placement, (i) a cash fee equal to 8.0% of the proceeds generated from the Private Placement, and (ii) a non-cash fee equal 8.0% of the gross proceeds generated from the Private Placement payable in the form of common share purchase warrants. The common share purchase warrants are exercisable for one common share in the capital of the Company at a price equal to the common share conversion price of the non-voting convertible preferred shares issued in the Private Placement for a period of two years from the date of closing of the Private Placement.

On July 10, 2018, the Company issued an aggregate of 17,566,220 the Series A Preferred Shares at a subscription price of $1.00 per Series A Preferred Share, for aggregate gross proceeds of $17,566,220.

On July 13, 2018, the Company issued an aggregate of 2,633,200 Series B Preferred Shares at a subscription price of $1.00 per Series B Preferred Share, for aggregate gross proceeds of US$2,000,000.

Upon closing of the Private Placement, the Company issued 1,062,960 common share purchase warrants.

The Preferred Shares issued under the Private Placement are convertible into common shares upon a liquidity event, which includes the Qualifying Transaction as discussed below (see "Proposed Transactions").

DTI GmbH

On July 13, 2018, the Company, through its subsidiary MRG, acquired all outstanding shares of DTI, a German limited liability company engaged in the business of marketing and selling nutraceuticals and nutritional supplements.

Pursuant to the acquisition, we acquired all rights to the Dr. Tobias brand and product line including information and materials required to continue marketing and selling the products, as well as certain tangible assets including cash, trade receivables, prepaid expenses, equipment and inventory and certain liabilities including trade payables. Total consideration for the acquisition was $29,818,511 funded primarily from cash and including consideration in the form of stock options in the Company.

The transaction was accounted for as an acquisition of a business with Mimi as the acquirer, whereby all the DTI assets acquired and liabilities assumed were recorded at fair value.

The purchase price allocation is summarized as follows:

Purchase price consideration	
Cash	**$ 29,574,420**
Share options issued	**244,091**
Total purchase price consideration	**$ 29,818,511**

The Company stock options granted as part of the consideration were assigned a fair value based on the Black-Scholes option pricing model using inputs of a volatility rate of 55% and a risk-free rate of 1.79% and an expected term of five years.

Costs incurred to complete the acquisition were approximately $1,267,590, which were expensed in the period. The fair value of the acquired identifiable net assets was allocated as follows:

Cash	**$ 557,340**
Trade and other receivables, net of allowance of $nil	**432,151**
Inventories	**1,527,749**
Prepaid expenses	**51,919**
Property, plant and equipment	**13,090**
Intangible assets	**11,466,550**
Goodwill	**19,826,596**
Accounts payable and accrued liabilities	**(347,703)**
Provisions	**(35,041)**
Income taxes payable	**(230,015)**
Deferred tax liability	**(3,444,124)**
Net assets acquired	**$ 29,818,511**

The determination of the fair value of assets acquired and liabilities assumed has been based upon management's estimates and certain assumptions with respect to the fair values of the net assets acquired and liabilities assumed except for deferred taxes, which are based on the full amount required under IAS 12, "Income Taxes."

The goodwill arising from the acquisition of $19,826,596 is attributable to expected future income and cash-flow projections and other intangible factors that do not qualify for separate recognition. Goodwill is not expected to be deductible for tax purposes.

CORPORATE STRATEGY

Principal Products or Services

DTI is the Company's consumer-facing operating subsidiary. DTI sells market leading nutritional products online in the United States under the "Dr. Tobias" brand. DTI's products are offered under a single established brand, which includes 31 different nutraceutical products. DTI's products are exclusively manufactured by a third-party, FDA-approved, GMP-compliant manufacturer of nutraceutical products based in Georgia, United States. The Dr. Tobias brand features a number of top-sellers, including the #1 on-line Omega 3 Fish Oil product in the United States.

DTI offers e-commerce focused consumers a high quality, ultra-convenient, family of preferred products which support their overall wellness objectives. Boasting over 30 products, ranging from Colon Cleanse to Probiotics, Dr. Tobias products routinely garner segment leading reviews and ratings from its customers.

Our business model is "asset-light" and enjoys favourable terms with established custom manufacturing partners, who produce our products on a turn-key basis, allowing us to focus on marketing programs which drive above-industry-normal margins. We are well positioned to participate in the growing consumer trend toward shifting sales away from traditional brick-and-mortar retail, to e-commerce platforms. This growth is compounded by a global dietary supplements market which is growing at a CAGR of 10% (*Businesswire.com).*

DTI has built its reputation by offering tested, trusted products, which meet the discerning needs of wellness focused consumers, all while appealing to their preference for home-delivered goods which carry the certifications, as well as the reviews which they expect. Our customers have come to depend on the Dr. Tobias brand for quality, consistency and excellent customer service.

Development of Products

Shifting consumer trends, supported by the wealth of available information available on the internet, sees many wellness minded individuals taking independent control of their health. Our products and distribution strategies dovetail into these trends as we produce high-quality products which are available almost exclusively on-line.

Our product development strategies are not tied to any one particular manufacturing technology. Rather, we source products in multiple formats and focus on consumer trends and preferences. We are also expanding our product families with complementary product lines such as companion-pet products and skin care. Our new product focus is trained on the needs and wants of our clientele, rather than being limited by manufacturing capabilities at any one site. Then, we leverage our current client bases trust in Dr. Tobias, to introduce new and complementary products.

Marketing

Our marketing efforts are focused on the development and consistent marketing of our brand. We participate in the daily marketing and advertising programs managed by our current e-commerce distribution platform. Our team also manages a comprehensive social media strategy, which focuses on brand awareness and education. We will continue to focus our efforts principally on expanding our distribution platforms and geographies, solidifying our brand awareness and strategically adding complementary product lines.

Regulatory Environment

We are subject to the laws and regulations governing the vitamins, minerals, supplements ("**VMS**") and natural health product industry. In the United States, this includes FDA and NSF oversite. The requirements vary by country, but in general, the US regulatory framework is a "light-touch" as compared to the pharmaceutical space. Regardless, we have taken an "as good as pharma" approach to partner selection. Currently, our manufacturing partners work in the continental United States, and are accordingly abiding by the state controlled labour and employment laws. Similarly, we abide by consumer protection regulations, environmental laws and all applicable regulations. We continuously monitor changes in these laws, regulations, treaties and agreements.

Dropshipping

We currently operate our business using a supply-chain management system known as "dropshipping" whereby we facilitate the delivery of goods from a third-party manufacturer to a third-party distributor and then to the end-point consumer who places the associated order. We do not take physical possession of the goods in our inventory at any point during the ordering or delivery process.

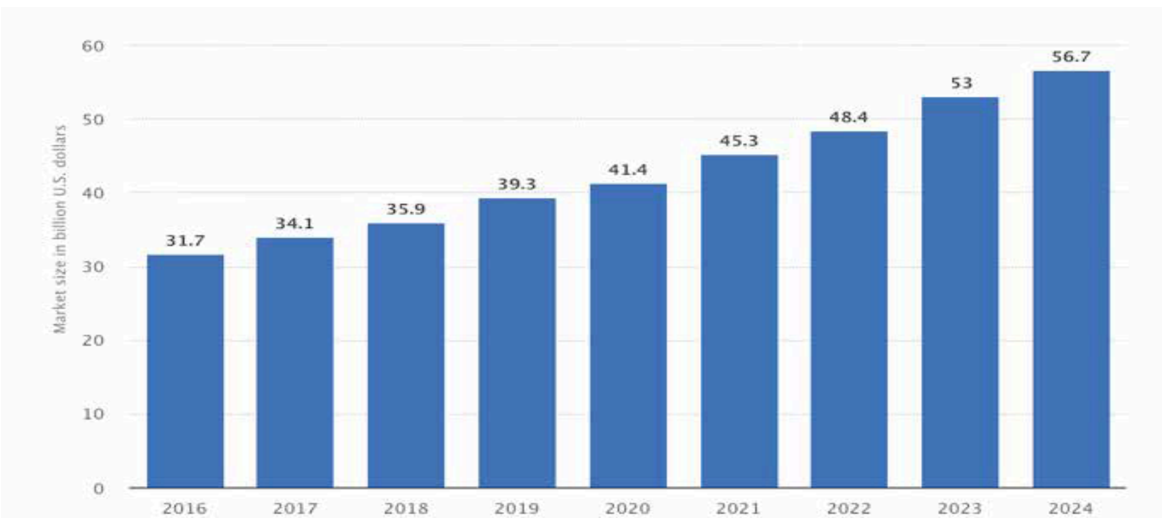
Specialized Skills and Knowledge; Employees

Successfully applying our supply-chain management system requires specialized skill. We have retained personnel with specialized knowledge and experience in such operations. In addition, we draw on the specialized knowledge and expertise of our personnel in our operations to effectively coordinate and track our intricate supply chain.

Market & Trends

On-line sales offer convenience and assortment which are superior to almost any traditional brick-and-mortar retailers. On-line consumers routinely rely heavily on customer reviews and ratings. These ratings can be informed by both product characteristics and customer experience – including our after sale service. This is the sweet spot for the Dr. Tobias brand. We have tens of thousands of positive customer reviews, and routinely have very high ratings on multiple products. Within the on-line community, consumers trust each other to identify (or warn) their fellow shoppers of great (or poor) products and services. Dr. Tobias products are top sellers. They are highly rated. We are not dependent on retailers awarding us shelf space in order to reach our clientele.

Dietary Supplements Market Size in the United States from 2016 to 2024 (in billion US$)



Consumer healthcare in the United States (and beyond) is subject to shifting trends, spending patterns and economic cycles. Our revenue and financial results are linked to these trends, though the "tail winds" for our business are significant. Dietary supplements are enjoying 10% CAGR's globally. Further, many reports show the drift from brick-and-mortar retail to e-commerce in the United States is trending at greater than 9% per year. Together, these trends create a very favourable environment for our company. Clearly, these positive influences can be mitigated somewhat by conditions beyond our control. Consumer spending is easily influenced by prevailing economic conditions, unemployment levels, wage variances, fuel prices, consumer credit practices and consumer perceptions.

- Online shopping is growing globally at a CAGR of 9.6%.
- The United States is growing at 8.3%.
- Canada is growing at 7.9%.
- Historically, global e-commerce sales are growing at a rate of 23.3%.

- Global manufacturing continues to shift eastward, with India & China (on pace to be #1 globally), leading the way.
- Traditional brick and mortar retailers are struggling to compete with the convenience, price competitiveness, and product assortment available in the online world.
- E-commerce accounts for 8% of business to consumer transactions (by value) in the United States today. Even the most conservative estimates suggest this number will see a fourfold increase in the next decade.
- Online shopping is a thriving market. Retail e-commerce sales worldwide are forecasted to nearly double between 2016 & 2020.
- During an April 2017 survey, 40% of internet users in the United States stated that they purchased items online several times per month, and 20% said they bought items or services online on a weekly basis.

Marketing Plans and Strategies

Consumers globally are turning to e-commerce at record pace. They seek assortment, convenience and competitive prices. These preferences align favourably with our positioning, and disadvantage traditional bricks-and-mortar retailers. Our growth strategies are founded on seizing upon these favourable market conditions. We will launch in additional markets, utilizing the same business approach that has been so successful in the United States. By leveraging local custom manufacturers, we can enter new markets by absorbing the additional operating expenses involved in launching the new products via the new portals. We need not invest capital in manufacturing or distribution facilities.

Meantime, we are expanding into new portals in the United States as well, to further diversify our position. Our revenue growth far outpaces the industry averages and continues to drive EBITDA at enviable levels, in comparison to other industry players.

Competitive Conditions

The market for dietary supplements, vitamins and like items is highly fragmented and highly competitive. We compete with private-label offerings, national brands and both private and publicly owned companies. Many of the products with which we compete, are highly commoditized. Our strong brand is supported by digital marketing campaigns, advertising programs and direct to consumer campaigns. Our customer ratings and reviews are our most important asset in the marketing sphere. In this space, we have strong brand salience. Strong reviews and ratings inspire consumer confidence in a manner akin to the way traditional advertising relies on testimonials. As brick-and-mortar retailers struggle to retain their assortment and convenience seeking clientele, we stand as a trustworthy option for consumers. We are well-positioned to capitalize on favorable long-term trends in the VMS segment.

Future Developments

Despite the short time Dr. Tobias has been owned by Mimi, the Company has been presented with and investigated various business development and acquisition opportunities. We leverage our relationships and industry contacts and advisors to identify acquisition opportunities. We are currently engaged in several joint-venture and acquisition discussions with a number of companies and small brands. We are uniquely positioned in Canada, as a potential consolidator of small e-commerce companies. Mindful of this, and in conjunction with our banking partners, we have a number of ongoing discussions underway. We will pursue strategic acquisitions and alliances that enable us to further broaden and diversify our product offerings, always mindful of our asset-light strategy. Opportunities currently being explored involve new product development, geographic expansion, new distribution channels and other potentially beneficial third party relationships.

Proprietary Protection

Our formulations are not currently protected by patents, however, our strength is in our brand. Recognition, supported by social media campaigns and very strong ratings and reviews, gives new (and existing) customers confidence in our brand. Mimi has registered the trademark "Dr. Tobias" in the United States with registration dated September 23, 2014 and registration number 4608650.

OVERALL PERFORMANCE

For the year ended December 31, 2018, the Company incurred a net loss of $945,101 compared to a net loss of $8,350 for the year ended December 31, 2017. For the year ended December 31, 2018, EBITDA[1] was $897,042, compared to negative EBITDA of $8,350 for the prior year. Adjusted EBITDA, which excludes non-cash share based compensation expense, investment income and acquisition costs, was $2,736,094, compared to negative Adjusted EBITDA of $8,350 for the prior year. As at December 31, 2018, the Company had an accumulated deficit of $953,451.

Cash provided by operating activities of the Company was $2,246,568 for the year ended December 31, 2018, compared to cash used by operations of $100, for the year ended December 31, 2017. Cash from financing activities was $32,125,404, primarily related to the debt and equity finances in connection with the acquisition of DTI.

Operating risks include but are not limited to: the Company's ability to attract and retain key personnel, effectively manage growth, and smoothly integrate newly acquired products and businesses; impact of new or existing innovative competing products, regulatory issues and risk that the Company may not be able to adequately protect the intellectual property surrounding its products, conflicts of interest among the Company's directors, officers, promoters and members of management; unanticipated expenses; changes in business strategy; impact of any negative publicity; general political and economic conditions; and acts of God and other unforeseeable events, natural or human-caused. Financial risks include but are not limited to the availability of capital to finance the Company's activities.

Our business' financial performance can be measured in the same way as any typical consumer health company, or similarly structured company of comparable form. Additionally, we look at certain key performance indicators which are more indicative of the health of an e-commerce business. These include: customer ratings, customer reviews, supply chain metrics (customer order fill rates, days of inventory on hand, inventory turns and replenishment metrics), as well as marketplace inventory score metrics.

The Company cannot anticipate or prevent all of the potential risks to its success, nor predict the impact of any such risk. To the extent possible, management implements strategies aimed at reducing or mitigating risks and uncertainties associated with its business.

[1]*EBITDA – Non-IFRS Financial Measures*

The term EBITDA does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies. The Company defines EBITDA as earnings before interest expense, taxes, depreciation and amortization (including impairment charges). Adjusted EBITDA is the same measure with additional adjustments for non-cash stock based compensation), investment income or expense, foreign exchange (gain) loss and acquisition costs. The Company believes EBITDA and Adjusted EBITDA to be important measurements that allow it to assess the operating performance of its ongoing business on a consistent basis without the impact of amortization and impairment expenses, debt service obligations and other non-operating items. We exclude amortization and impairment expenses because their level depends substantially on non-operating factors such as the historical cost of intangible assets. The Company's method for calculating EBITDA may differ from that used by other issuers and, accordingly, this measure may not be comparable to EBITDA used by other issuers.

	Year Ended December 31	
	2018	2017
Net loss for the period	**$ (945,101)**	$ (8,350)
Interest expense	**919,142**	-
Income tax expense	**919,936**	-
Depreciation	**3,065**	-
EBITDA	**$ 897,042**	$ (8,350)
Add/(deduct):		
Non-cash stock based compensation	**549,744**	-
Acquisition costs	**1,267,590**	-
Foreign exchange loss	**48,380**	
Investment income	**(26,662)**	-
Adjusted EBITDA	**$ 2,736,094**	$ (8,350)

SELECT ANNUAL INFORMATION

Seasonality

Our product lines are generally not susceptible to significant fluctuations as a result of seasonal variations, however, typically the early months of the year see somewhat stronger sales. Historic revenues have not indicated that any of the Company's products will have seasonal variations which would materially impact revenue.

Selected Financial Information

Revenues for the year ended December 31, 2018 were $17,754,166 compared to $nil for the period from incorporation (October 16, 2017) to December 31, 2017, due to the acquisition of the DTI business in mid-2018. Revenues represent sales of nutraceutical products in the U.S. market from the period since acquisition on July 13, 2018. Gross margin for the year ended December 31, 2018 was $11,963,253. The Company reported a net loss for the year ended December 31, 2018 of $945,101, primarily due to one-time costs related to the acquisition of DTI, the inclusion of less than six months operations of DTI, as well as non-cash share-based compensation expense.

The following table sets forth selected consolidated financial information for the Company for the year ended December 31, 2018 and from October 16, 2017 (Incorporation) to December 31, 2017:

Summary Financial Information

(in 000's)	Year Ended December 31, 2018	Period from Incorporation to December 31, 2017
Revenue	$17,754	$nil
EBITDA	$ 897	$(8)
Adjusted EBITDA	$ 2,736	$(8)
Net Loss	$ (945)	$(8)
Total Assets	$39,613	$nil
Total Equity	$17,794	$(8)

[1]*EBITDA – Non-IFRS Financial Measures - see definition under "Overall Performance"*

RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2018 AND FROM INCORPORATION TO DECEMBER 31, 2017

For the year ended December 31, 2018, the Company incurred a net loss of $945,101 ($0.09 per share), compared to a net loss of $8,350 ($0.00 per share) for the prior year period from October 16, 2017 (incorporation) to December 31, 2017. EBITDA for the year ended December 31, 2018 was $897,042, compared to negative EBITDA for the prior year period of $8,350. Adjusted EBITDA, which adds back (deducts) non-cash stock based compensation, investment income and acquisition costs, was $2,736,094 for the year ended December 31, 2018, compared to negative Adjusted EBITDA of $8,350 for the period in 2017.

Revenues and Gross Margin

Revenues were $17,754,166 for the year ended December 31, 2018 compared to revenues of $nil for the period from incorporation to December 31, 2017. Revenues reported in the current year represent less than six months revenues from the DTI business, which were recorded from July 13, 2018, the date of acquisition, to December 31, 2018. On a pro forma basis, assuming the Company owned the DTI business for the full year, revenues for the year ended December 31, 2018 would have been $36,669,354. Revenues have shown growth on a historical year-over-year basis with some seasonality.

Revenues are generated almost entirely through the Company's online sales channel in the United States. Fulfillment of sales has been outsourced to an e-commerce provider who is responsible for processing the sales transaction, delivering the product, collecting from the customer and processing any returns as required. Products are warehoused and stored by the e-commerce provider which allows for distribution anywhere in the U.S. within days of the order. The Company pays a fee for this service which consists of a flat fee per product shipped and a variable fee based on a percentage of the sales transaction. The e-commerce provider also offers various advertising and marketing services if desired, however, the Company is responsible for providing any customer service and handling of any questions or complaints. Costs of processing and fulfilling the transaction are deducted from gross proceeds of the sale and paid to the Company on a bi-weekly basis. The Company is provided with detailed reports of all sales transactions, inventory levels and returns which are analyzed by the Company and allows for appropriate inventory replenishment. As the e-commerce provider is a large, well established organization, collection risk is considered very low.

Gross margin for the year ended December 31, 2018 was $11,963,253 (67%) compared to $nil for the period ended December 31, 2017. On a pro forma basis, assuming the Company owned the DTI business for the full year, gross margin for the year ended December 31, 2018 would have been $25,154,617, or approximately 68.6%.

Selling and Marketing Expense

The Company incurred selling and marketing expenses of $7,314,329 for the year ended December 31, 2018, compared to $nil for the period ended December 31, 2017. Sales and marketing expenses for the period consist primarily of fulfillment costs related to delivering products to customers, direct online advertising placements, costs related to marketing the Dr. Tobias brand and other promotional and awareness initiatives. Advertising spend tends to have a direct effect on sales volumes such that additional advertising spend increases sales, while conversely, reducing spend tends to negatively impact sales volumes. The Company will continue to actively monitor its selling and marketing expenses, particularly those directly related to advertising and expects that these will increase in relation to sales revenues going forward.

General and Administrative Expense

General and administrative expenses for the year ended December 31, 2018 were $1,912,831, compared to $8,350 for the period from incorporation to December 31, 2017. General and administrative expenses consist primarily of salaries and benefits, professional fees, occupancy costs and insurance. General and administrative expenses in the current year were higher than typical primarily due to one-time costs associated with operational start-up and time and efforts spent engaged in understanding and integrating the DTI business.

Share based Compensation Expense

Share based compensation expense relates to awards under the Company's incentive stock option plan and is based on the estimated number of awards that will eventually vest using the Black-Scholes option pricing model. Share based compensation expense for the year ended December 31, 2018 was $549,744 compared to $nil for the period from incorporation to December 31, 2017.

Acquisition Costs

Acquisition related expenses for the year ended December 31, 2018 were $1,267,590, compared to $nil for the period from incorporation to December 31, 2017. Acquisition costs consist primarily of legal, accounting and other professional fees associated with the acquisition of DTI.

Foreign Exchange Gains and Losses

Foreign exchange losses of $48,380 were recorded in the year ended December 31, 2018, compared to $nil for the period from incorporation to December 31, 2017, primarily due to the movements in the value of the US dollar relative to the Euro between the time that expenses were incurred and the time that they were settled.

Interest Expense and Financing Costs

Interest and financing costs of $919,142 were incurred during the year ended December 31, 2018, compared to $nil for the period from incorporation to December 31, 2017. Interest and financing expenses include approximately $388,551 in non-cash charges related to amortization of expenses incurred in securing the Company's senior secured loan. These finance charges are being amortized over the term of the loan.

LIQUIDITY AND CAPITAL RESOURCES

The Company currently manages its capital structure and makes adjustments to it, based on cash resources expected to be available to the Company, in order to support its future business plans. As at December 31, 2018, excluding provisions and obligations related to long term debt, the Company had working capital of $3,600,997, compared to negative working capital of $8,348 at December 31, 2017. Working capital, including provisions and obligations related to long term debt was $1,279,966 at December 31, 2018. The increase in working capital in the current year was due primarily to the completion of a private placement offering and debt financing along with cash generated from operations, offset by the acquisition of the DTI business and scheduled debt repayments.

Cash provided by operations of the Company was $2,246,568 for the year ended December 31, 2018, compared to cash used in operations of $100 for the period from incorporation to December 31, 2017. The increase in cash flows from operations in the current year period was primarily a result of revenues earned from the DTI business.

Cash provided by financing activities for the year ended December 31, 2018 was $32,125,404, compared to cash provided by financing activities for the year ended December 31, 2017 of $100. The twelve-month period ended December 31, 2018 includes proceeds of the private placement of preferred shares and issuance of long term debt offset by scheduled debt repayments. The prior year comparative period consists only of the issuance of common shares to founders on incorporation.

Cash used by investing activities was $31,725,821 for the year ended December 31, 2018, compared to $nil for the period ended December 31, 2017. Cash used during year ended December 31, 2018 relates primarily to the acquisition of the DTI business as well as investments in short-term instruments as required under the Debt Financing agreement.

The Company's plan of operations in the next twelve months is to satisfy short-term debt obligations, while expanding its product line, sales channels and geographic markets. The Company's operations will be funded primarily from working capital and cash generated from operations. As a result of the acquisition of DTI in July 2018, the Company expects to generate positive cashflow on a quarterly basis. As the business is not capital intensive, operations will not require the Company to raise additional cash through equity or debt issuances. Additional capital may be required should the Company decide to pursue acquisitions, however, any such transactions are expected to increase cashflow and are not expected to impact operating cash requirements. Management reviews the capital management approach on an ongoing basis and believes that this approach is reasonable given the current state of financial markets. In the case of uncertainty over the ability to raise funds in current or future economic conditions, the Company would manage capital by minimizing ongoing expenses and has access to an operating line of credit for day-to-day requirements.

COMMITMENTS

(a) Operating lease commitments

The Company has entered into non-cancellable operating lease agreements for office premises and equipment with minimum annual lease payments to expiry as follows:

	December 31 2018	December 31 2017
Less than 1 year	**$ 119,010**	$ -
1 to 2 years	**126,001**	-
2 to 3 years	**126,505**	-
3 to 4 years	**129,242**	-
Thereafter	**290,031**	-
Total	**$ 790,789**	$ -

(b) Liability settlement

The table below analyzes the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows and do not include capitalized transaction costs.

				Fiscal year ended December 31	
At December 31, 2018	**Total**	**2019**	**2020**	**2021**	**Thereafter**
Long term debt	$13,881,204	$ 3,036,000	$ 3,036,000	$ 7,809,204	$ -
Operating line	529,000	529,000			
Accounts payable and accrued liabilities	2,875,589	2,875,589	-	-	-
Income taxes payable	333,655	333,655			
Preferred shares	2,728,800	-	2,728,800	-	-
Total	**$20,348,248**	**$ 6,774,244**	**$ 5,764,800**	**$ 7,809,204**	**$ -**

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off balance sheet arrangements.

RELATED PARTY TRANSACTIONS

At December 31, 2018, there were no amounts owing to or from related parties. The remuneration of directors and other members of key management personnel are as follows:

	Year ended December 31	
	2018	2017
Salaries	**$ 710,702**	$ -
Share based compensation	**311,955**	-
	$ 1,022,657	$ -

PROPOSED TRANSACTIONS

Acquisition and Amalgamation

The Qualifying Transaction

On August 9, 2018, the Company entered into a non-binding letter of intent with Commerce Acquisition Corp. ("Commerce"), a Capital Pool Company ("CPC") traded on the TSX Venture Exchange (the "Exchange") under the symbol CAQ.P, pursuant to which Commerce agreed, subject to certain conditions, to acquire all of the issued and outstanding securities of the Company by way of a three-cornered amalgamation among Commerce, a newly incorporated company formed for the purpose of completing the transaction ("Newco"), and the Company. The transaction is intended to constitute Commerce's "Qualifying Transaction" under the Exchange policies. Commerce was incorporated under the Ontario Business Corporations Act on March 27, 2017 and is a reporting issuer in the provinces of Ontario, Alberta and British Columbia.

As set out in more detail in the Acquisition Agreement and Amalgamation Agreement posted under Commerce's SEDAR profile, the completion of the Transaction will involve the following main elements:

(a) Commerce shall complete a share consolidation on the basis of 1 post-consolidation common share for every 4 pre-consolidation common shares issued and outstanding;

(b) Commerce and the Company will amalgamate pursuant to the terms of the Acquisition Agreement and the Amalgamation Agreement, the result of which shall be:

  (i) Commerce shall issue one-and-one-half Commerce common shares for each outstanding share of the Company held;

  (ii) All of the Company's stock options will be cancelled and, in consideration therefor, Commerce shall issue options to the Company optionholders. The rate of exchange of which will be equal to the share exchange ratio;

  (iii) All of the Company's warrants will be cancelled and, in consideration therefor, Commerce shall issue warrants to the Company warrantholders. The rate of exchange of which shall be equal to the share exchange ratio.

(c) On or before the Closing Date, Commerce will change its name to "Mimi's Rock Corp".

On January 2, 2019, Commerce, the Company and Newco entered into the Acquisition Agreement and the associated Amalgamation Agreement.

CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

Accounting policies

During the period ended December 31, 2018 the following new or amended standards were issued and are effective for annual periods beginning on or after January 1, 2019, unless otherwise noted.

(i) Recently adopted accounting standards

The following accounting policy changes were adopted on January 1, 2018. The Company has also adopted other new standards which were effective from January 1, 2018 that did not have a material impact on the Company's financial statements.

IFRS 9 - *Financial Instruments*

IFRS 9 replaces the provisions of IAS 39, "Financial Instruments Recognition and Measurement" for annual periods beginning on or after January 1, 2018. IFRS 9 includes the recognition, classification and measurement of financial assets and financial liabilities; a forward looking "expected loss" impairment model; and a substantially-reformed approach to hedge accounting. IFRS 9 also amended IFRS 7, "Financial Instruments: Disclosures", which requires additional disclosures. The Company adopted IFRS 9 using the modified retrospective transition method and applied IFRS 9 retrospectively, with the initial application date of January 1, 2018. As permitted by the transitional provisions of IFRS 9, the Company elected not to restate comparative figures or Note disclosures. Any adjustments to the carrying amounts of financial assets and liabilities at the transition date are to be recognized in the opening retained earnings of the current period. However, the Company assessed that no adjustments to the carrying amounts of financial assets and liabilities were required upon adoption of IFRS 9.

As at January 1, 2018, the measurement category of the Company's financial instruments comparing IAS 39 to IFRS 9 are as follows, with no transitional adjustment required:

Financial Instrument	IAS 39 Measurement	IFRS 9 Measurement
Cash and cash equivalents	FVTPL	Amortized cost
Short term investments	FVTPL	Amortized cost
Trade receivables	Amortized cost (loans and receivables)	Amortized cost
Accounts payable and accrued liabilities	Amortized cost (other liabilities)	Amortized cost
Long term debt	Amortized cost (other liabilities)	Amortized cost
Preferred shares	Amortized cost (other liabilities)	Amortized cost

IFRS 15 - *Revenue from Contracts with Customers*

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue.

As of January 1, 2018, the Company has adopted IFRS 15 and has elected to apply the standard retrospectively. The adoption of IFRS 15 did not have an impact on the timing of revenue recognition.

(ii) Future changes in accounting standards:

IFRS 16 - *Leases*

In January 2016, the IASB issued IFRS 16, Leases, which will replace IAS 17, Leases and the related interpretations. This standard introduces a single lessee accounting model and requires all leases of more than twelve months to be reported on a company's statement of financial position as assets and liabilities, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have also been impacted, including the definition of a lease. Transitional provisions have been provided. The new standard is effective for annual periods beginning on or after January 1, 2019. The Company will adopt IFRS 16 using the modified retrospective transition method, with the cumulative effect of initially applying the standard recognized as an adjustment to opening retained earnings at date of initial adoption. The nature of expenses related to leases will now change because the Company will recognize a depreciation charge for right-of-use assets and interest expense on lease liabilities. Previously, the Company recognized operating lease expense on a straight-line basis over the term of the lease. The Company does not expect that the adoption of the standard will have a material effect on the consolidated financial statements, other than that its operating leases will need to be recognized in its consolidated statement of financial position on initial adoption of IFRS 16.

FINANCIAL RISK MANAGEMENT

The use of financial instruments can expose the Company to several risks, including market, credit and liquidity risks. Apart from the risks listed below, management is of the opinion that they are not exposed to any other significant risks. A discussion of the Company's use of financial instruments and its risk management is provided below.

(i) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital markets is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Company. In order to mitigate this risk, the Company maintains a sufficient cash balance in order to satisfy short-term liabilities as they come due and actively pursues raising capital through various financing mechanisms to satisfy longer term needs.

(ii) Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate because of changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is not exposed to significant market risk given the low value of its investments.

(iii) Currency risk

The Company is subject to currency risk through its sales of products denominated in foreign currencies, purchases of inventory in US dollars and product acquisitions denominated in foreign currencies. As such, changes in the exchange rate affect the operating results of the Company. Dependent on the nature, amount and timing of foreign currency receipts and payments, the Company may from time to time enter into foreign currency derivative contracts to reduce its exposure to foreign currency risks

(iv) Credit risk

Certain of the Company's financial assets, including cash and cash equivalents and short-term investments, and accounts receivable are exposed to the risk of financial loss occurring as a result of default of a counterparty on its obligations to the Company. The Company is also exposed, in the normal course of business, to credit risk from customer receivables. These amounts are continually monitored by management for collectability, and, in general, are lower risk as they are typically due from large commercial partners with very limited credit risk.

(v) Interest rate risk

Interest risk is the impact that changes in interest rates could have on the Company's earnings and liabilities. The Company is exposed to variable interest rates as a result of its senior secured debt, which currently bears interest at the Canadian BA rate plus 3.0%. The Company's exposure to interest rate movements is limited through the purchase of a rate cap instrument which limits the effective BA rate to 2.5%. It is management's opinion that the Company is not currently exposed to significant interest rate risk.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures form a framework designed to provide reasonable assurance that information disclosed publicly fairly presents in all material respects the financial condition, results of operations and cash flows of the Company for the periods presented in this MD&A. The Company's disclosure controls and procedures framework includes processes designed to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to management by others within those entities to allow timely decisions regarding required disclosure.

The Company's management, with the participation of its CEO and CFO is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

As at December 31, 2018, management evaluated the design and operating effectiveness of the Company's internal controls over financial reporting and concluded as at December 31, 2018, the Company's internal controls over financial reporting were operating effectively.

There were no material changes made to the Company's internal controls over financial reporting during the year ended December 31, 2018 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. In addition, management assessed disclosure controls and procedures to be effective as of December 31, 2018.

DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

The Company's authorized share capital consists of an unlimited number of common shares without par value. As at May 16, 2019 the Company had 10,663,500 common shares issued and outstanding.

Preference Shares

The Company is authorized to issue an unlimited number of preferred shares without par value. The preferred shares may be issued in series on such terms as determined by the directors of the Company in accordance with the special rights and restrictions as set out in the Articles of the Company. As of May 16, 2019, the Company had 17,566,220 Series A Preferred Shares and 2,633,200 Series B Preferred Shares issued and outstanding, each with a redemption value equal to the issuance price of $1.00 per share plus any accrued but unpaid dividends. All issued and outstanding Preferred Shares shall immediately be converted into fully paid and non-assessable Common Shares upon a "Liquidity Event," defined as: (i) the completion of a public offering of Common Shares by the Corporation and listing of same on a Canadian or US stock exchange; (ii) the sale for cash proceeds of all of the issued and outstanding Common Shares of the Corporation; (iii) the sale for cash proceeds of all, or substantially all, of the assets of the Corporation; or (iv) the amalgamation or any other corporate transaction involving the Corporation with or into another entity pursuant to which the Common Shares of the resulting issuer from such transaction are listed on a Canadian or U.S. stock exchange The conversion is deemed to be effected immediately prior to the closing of the Liquidity Event.

Stock Options

The Company has 3,267,500 stock options outstanding as at May 16, 2019.

Share Purchase Warrants

The Company has 1,821,960 share purchase warrants outstanding as at May 16, 2019.

ADDITIONAL INFORMATION

Additional information about the Company is available on SEDAR at http://www.sedar.com.

DTI GmbH
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended December 31, 2017, 2016 and 2015 and Six Months Ended June 30, 2018 and 2017 (Unaudited)

The following section of our report sets forth Management's Discussion and Analysis of the financial performance and condition of DTI GmbH ("the Company" or "DTI", "we", "us" or "our") for the year ended December 31, 2018, 2017 and 2016 and six month periods ended June 20, 2018 and 2017. The analysis should be read in conjunction with the accompanying annual audited consolidated financial statements (the "Financial Statements") for the years ended December 31, 2018, 2017 and 2016 and six month periods ended June 30, 2018 and 2017 and the related notes thereto.

The date of this MD&A is May 16, 2019.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements or disclosures that may constitute forward-looking information or statements (collectively, "forward-looking information") under applicable securities laws. All statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that management of the Company, anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking information. In some cases, forward-looking information can be identified by terms such as "forecast", "future", "may", "will", "expect", "anticipate", "believe", "could", "potential", "enable", "plan, "continue", "contemplate", "pro forma" or other comparable terminology. Forward-looking information presented in such statements or disclosures may, among other things include:

- the Company's expectations regarding sales from its existing products, including its sales forecasts;
- the Company's ability to acquire new products;
- the Company's expectations regarding it ability to raise capital, including its ability to secure the financing necessary to enable us to acquire new products;
- the Company's expectations regarding sales from products that we develop, acquire or license;
- the Company's forecasts regarding its operating expenditures, including general and administrative expenses,
- the Company's expectations regarding the development of its target markets;
- the Company's expectations regarding government regulations of its products and any new products that we acquire;
- the Company's expectations regarding currency exchange rates;
- the Company's expectations regarding income taxes;
- the Company's plans, objectives and targets for future revenue growth and operating performance;

- the Company’s plans and objectives regarding new products that it may acquire; and
- the Company’s forecast business results and anticipated financial performance.

The forward-looking information in statements or disclosures in this MD&A is based (in whole or in part) upon factors which may cause actual results, performance or achievements of the Company to differ materially from those contemplated (whether expressly or by implication) in the forward-looking information. Those factors are based on information currently available to the Company, including information obtained from third-party industry analysts and other third party sources. Actual results or outcomes may differ materially from those predicted by such statements or disclosures. While the Company does not know what impact any of those differences may have, their business, results of operations, financial condition and credit stability may be materially adversely affected. Factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking information include, among other things:

- the Company’s ability to successfully market and sell its products;
- the Company’s ability to increase sales of its existing products;
- the timing and unpredictability of regulatory actions;
- the health, legal, and commercial risks associated with potential adverse events or side effects resulting from the use of the Company’s products;
- the ability to source, develop and commercialize new products effectively;
- unanticipated cash requirements to support current operations to expand its business
- the inability to adequately protect its key intellectual property rights;
- the loss of key management personnel;
- the activities of its competitors and specifically the commercialization of products that compete in the same category as the Company’s products;
- regulatory, legal or other setbacks with respect to its operations or business;
- market conditions in the dietary supplements industry that make raising capital or consummating acquisitions difficult, expensive or both;
- enactment of new government laws, regulations, court decisions, regulatory interpretations or other initiatives that are adverse to the Company or its interests; and
- the risks associated with legislative and regulatory developments that may affect costs, revenues, the speed and degree of competition entering the market, global capital markets activity and general economic conditions in geographic areas where the Company operates.

Investors should review the full discussions as to material risks and uncertainties, and factors and assumptions used to develop forward-looking statements included in the Company’s filing statement.

Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to the Company, including information obtained from third-party industry analysts and other third party sources. In some instances, material assumptions and factors are presented or discussed elsewhere in this MD&A in connection with the statements or disclosure containing the forward-looking information. You are cautioned that the following list of material factors and assumptions is not exhaustive. The factors and assumptions include, but are not limited to:

- no unforeseen changes in the legislative and operating framework for the business of the Company;
- a stable competitive environment; and
- no significant event occurring outside the ordinary course of business such as a natural disaster or other calamity.

The Company is not obligated to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable laws. Because of the risks, uncertainties and assumptions contained herein, security holders should not place undue reliance on forward-looking statements or disclosures. The foregoing statements expressly qualify any forward-looking information contained herein.

The Company cautions you that the above list of risk factors is not exhaustive. Other factors which could cause actual results, performance or achievements of the Company to differ materially from those contemplated (whether expressly or by implication) in the forward-looking statements or other forward-looking information are disclosed in the Company's publicly filed disclosure documents.

All historical financial information is prepared in accordance with IFRS and is expressed in United States dollars.

CORPORATE HISTORY

DTI GmhH ("DTI") was incorporated as DTU UG on April 20, 2013 and reregistered as DTI GmbH on January 25, 2017, under the laws of Germany.

CORPORATE STRATEGY

Principal Products or Services

DTI sells market leading nutritional products online in the United States under the "Dr. Tobias" brand. DTI's products are offered under a single established brand, which includes 31 different nutraceutical products. DTI's products are exclusively manufactured by a third-party, FDA-approved, GMP-compliant manufacturer of nutraceutical products based in Georgia, United States. The Dr. Tobias brand features a number of top-sellers, including the #1 on-line Omega 3 Fish Oil product in the United States.

DTI offers e-commerce focused consumers a high quality, ultra-convenient, family of preferred products which support their overall wellness objectives. Boasting over 30 products, ranging from Colon Cleanse to Probiotics, Dr. Tobias products routinely garner segment leading reviews and ratings from its customers.

Our business model is "asset-light" and enjoys favourable terms with established custom manufacturing partners, who produce our products on a turn-key basis, allowing us to focus on marketing programs which drive above-industry-normal margins. We are well positioned to participate in the growing consumer trend toward shifting sales away from traditional brick-and-mortar retail, to e-commerce platforms. This growth is compounded by a global dietary supplements market which is growing at a CAGR of 10% (*Businesswire.com).*

DTI has built its reputation by offering tested, trusted products, which meet the discerning needs of wellness focused consumers, all while appealing to their preference for home-delivered goods which carry the certifications, as well as the reviews which they expect. Our customers have come to depend on the Dr. Tobias brand for quality, consistency and excellent customer service.

Development of Products

Shifting consumer trends, supported by the wealth of available information available on the internet, sees many wellness minded individuals taking independent control of their health. Our products and distribution strategies dovetail into these trends as we produce high-quality products which are available almost exclusively on-line.

Our product development strategies are not tied to any one particular manufacturing technology. Rather, we source products in multiple formats and focus on consumer trends and preferences. Our new product focus is trained on the needs and wants of our clientele, rather than being limited by manufacturing capabilities at any one site. Then, we leverage our current client bases trust in Dr. Tobias, to introduce new and complementary products.

Marketing

Our marketing efforts are focused on the development and consistent marketing of our brand. We participate in the daily marketing and advertising programs managed by our current e-commerce distribution platform. We will continue to focus our efforts principally on expanding our distribution platforms and geographies, solidifying our brand awareness and strategically adding complementary product lines.

Regulatory Environment

We are subject to the laws and regulations governing the vitamins, minerals, supplements ("**VMS**") and natural health product industry. In the United States, this includes FDA and NSF oversite. The requirements vary by country, but in general, the US regulatory framework is a "light-touch" as compared to the pharmaceutical space. Currently, our manufacturing partners work in the continental United States, and are accordingly abiding by the state controlled labour and employment laws. Similarly, we abide by consumer protection regulations, environmental laws and all applicable regulations. We continuously monitor changes in these laws, regulations, treaties and agreements.

Dropshipping

We currently operate our business using a supply-chain management system known as "dropshipping" whereby we facilitate the delivery of goods from a third-party manufacturer to a third-party distributor and then to the end-point consumer who places the associated order. We do not take physical possession of the goods in our inventory at any point during the ordering or delivery process.

Specialized Skills and Knowledge; Employees

Successfully applying our supply-chain management system requires specialized skill. We have retained personnel with specialized knowledge and experience in such operations. In addition, we draw on the specialized knowledge and expertise of our personnel in our operations to effectively coordinate and track our intricate supply chain.

Market & Trends

On-line sales offer convenience and assortment which are superior to almost any traditional brick-and-mortar retailers. On-line consumers routinely rely heavily on customer reviews and ratings. These ratings can be informed by both product characteristics and customer experience – including our after sale service. This is the sweet spot for the Dr. Tobias brand. We have tens of thousands of positive customer reviews, and routinely have very high ratings on multiple products. Within the on-line community, consumers trust each other to identify (or warn) their fellow shoppers of great (or poor) products and services. Dr. Tobias products are top sellers. They are highly rated. We are not dependent on retailers awarding us shelf space in order to reach our clientele.

Consumer healthcare in the United States (and beyond) is subject to shifting trends, spending patterns and economic cycles. Our revenue and financial results are linked to these trends, though the "tail winds" for our business are significant. Dietary supplements are enjoying 10% CAGR's globally. Further, many reports show the drift from brick-and-mortar retail to e-commerce in the United States is trending at greater than 9% per year. Together, these trends create a very favourable environment for our company. Clearly, these positive influences can be mitigated somewhat by conditions beyond our control. Consumer spending is easily influenced by prevailing economic conditions, unemployment levels, wage variances, fuel prices, consumer credit practices and consumer perceptions.

- Online shopping is growing globally at a CAGR of 9.6%.
- Historically, global e-commerce sales are growing at a rate of 23.3%.
- Global manufacturing continues to shift eastward, with India & China (on pace to be #1 globally), leading the way.
- Traditional brick and mortar retailers are struggling to compete with the convenience, price competitiveness, and product assortment available in the online world.
- E-commerce accounts for 8% of business to consumer transactions (by value) in the United States today. Even the most conservative estimates suggest this number will see a fourfold increase in the next decade.
- Online shopping is a thriving market. Retail e-commerce sales worldwide are forecasted to nearly double between 2016 & 2020.
- During an April 2017 survey, 40% of internet users in the United States stated that they purchased items online several times per month, and 20% said they bought items or services online on a weekly basis.

Marketing Plans and Strategies

Consumers globally are turning to e-commerce at record pace. They seek assortment, convenience and competitive prices. These preferences align favourably with our positioning, and disadvantage traditional bricks-and-mortar retailers. Our growth strategies are founded on seizing upon these favourable market conditions. We will launch in additional markets, utilizing the same business approach that has been so successful in the United States. By leveraging local custom manufacturers, we can enter new markets by absorbing the additional operating expenses involved in launching the new products via the new portals. We need not invest capital in manufacturing or distribution facilities.

Competitive Conditions

The market for dietary supplements, vitamins and like items is highly fragmented and highly competitive. We compete with private-label offerings, national brands and both private and publicly owned companies. Many of the products with which we compete, are highly commoditized. Our strong brand is supported by digital marketing campaigns, advertising programs and direct to consumer campaigns. Our customer ratings and reviews are our most important asset in the marketing sphere. In this space, we have strong brand salience. Strong reviews and ratings inspire consumer confidence in a manner akin to the way traditional advertising relies on testimonials. As brick-and-mortar retailers struggle to retain their assortment and convenience seeking clientele, we stand as a trustworthy option for consumers. We are well-positioned to capitalize on favorable long-term trends in the VMS segment.

Proprietary Protection

Our formulations are not currently protected by patents, however, our strength is in our brand. Recognition, supported by social media campaigns and very strong ratings and reviews, gives new (and existing) customers confidence in our brand.

OVERALL PERFORMANCE

For the six months ended June 30, 2018 and 2017, the Company earned net income of $2,000,245 and $2,185,906, respectively. EBITDA[1] for the six months ended June 30, 2018 was $2,989,859, compared to $3,022,654 for the six months ended June 30, 2017.

For the years ended December 31, 2017, 2016 and 2015 the Company earned net income of $3,940,411, 2,256,073 and $1,039,152, respectively. EBITDA for the years ended December 31, 2017, 2016 and 2015 was $5,686,857, $3,212,270 and $1,468,128, respectively. As at June 30, 2018, the Company had retained earnings of $7,531,874.

Cash provided by operating activities of the Company were $441,445 and $2,197,349 for the six months ended June 30, 2018 and 2017, respectively, and $5,143,577, $1,977,209 and $1,108,248 for the years ended December 31, 2017, 2016 and 2015, respectively. Cash used by financing activities were $2,103,986 for the six months ended June 30, 2017 and year ended December 31, 2017, respectively, due primarily to dividends paid.

Operating risks include but are not limited to: the Company's ability to attract and retain key personnel, effectively manage growth, and smoothly integrate newly acquired products and businesses; impact of new or existing innovative competing products, regulatory issues and risk that the Company may not be able to adequately protect the intellectual property surrounding its products; unanticipated expenses; changes in business strategy; impact of any negative publicity; general political and economic conditions; and acts of God and other unforeseeable events, natural or human-caused.

Our business' financial performance can be measured in the same way as any typical consumer health company, or similarly structured company of comparable form. Additionally, we look at certain key performance indicators which are more indicative of the health of an e-commerce business. These include: customer ratings, customer reviews, supply chain metrics (customer order fill rates, days of inventory on hand, inventory turns and replenishment metrics), as well as marketplace inventory score metrics.

The Company cannot anticipate or prevent all of the potential risks to its success, nor predict the impact of any such risk. To the extent possible, management implements strategies aimed at reducing or mitigating risks and uncertainties associated with its business.

[1]*EBITDA – Non-IFRS Financial Measures*

The term EBITDA does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies. The Company defines EBITDA as earnings before interest expense, taxes, depreciation and amortization (including impairment charges). The Company believes EBITDA to be important measurements that allow it to assess the operating performance of its ongoing business on a consistent basis without the impact of amortization and impairment expenses, debt service obligations and other non-operating items. We exclude amortization and impairment expenses because their level depends substantially on non-operating factors such as the historical cost of intangible assets. The Company's method for calculating EBITDA may differ from that used by other companies and, accordingly, this measure may not be comparable to EBITDA used by other companies.

	Six Months Ended June 30			**Year Ended December 31**	
	2018	2017	2017	2016	2015
	(unaudited)	(unaudited)			
Net income for the period	**$ 2,000,245**	$ 2,185,906	$ 3,940,411	$ 2,256,073	$ 1,039,152
Interest expense	**199**	278	278	182	-
Income tax expense	**987,467**	835,471	1,743,632	952,565	426,843
Depreciation	**1,948**	999	2,536	3,450	2,133
EBITDA	**$ 2,989,859**	$ 3,022,654	$ 5,686,857	$ 3,212,270	$ 1,468,128

SELECT ANNUAL INFORMATION

Seasonality

Our product lines are generally not susceptible to significant fluctuations as a result of seasonal variations, however, typically the early months of the year see somewhat stronger sales. Historic revenues have not indicated that any of the Company's products will have seasonal variations which would materially impact revenue.

Selected Financial Information

Revenues for the six months ended June 30, 2018 and 2017 were $13,472,851 and $9,959,754, respectively. Revenues for the years ended December 31, 2017, 2016 and 2015 were $21,036,857, $11,621,484 and $6,530,146, respectively. Revenues represent sales of nutraceutical products in the U.S. market during the period. Gross margin for the six months ended June 30, 2018 was $9,468,586 compared to $6,940,582 for the six months ended June 30, 2017. Gross margins for the years ended December 31, 2017, 2016 and 2015 were $14,355,321, $8,035,490 and $4,198,774, respectively. The Company reported net income for the six months ended June 30, 2018 of $2,000,245, compared to $2,185,906 for the six months ended June 30, 2017.

The following table sets forth selected financial information for the Company for the six months ended June 30, 2018 and years ended December 31, 2017, 2016 and 2015.

Summary Financial Information

(in 000's)	Six Months Ended June 30, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015
Revenue	$13,473	$21,037	$11,621	$ 6,530
EBITDA	$ 2,990	$ 5,687	$ 3,212	$ 1,468
Net Income	$ 2,000	$ 3,940	$ 2,256	$ 1,039
Total Assets	$ 8,503	$ 7,970	$ 4,355	$ 2,189
Total Equity	$ 7,559	$ 5,558	$ 3,721	$ 1,466

[1]*EBITDA – Non-IFRS Financial Measures - see definition under "Overall Performance"*

RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2018 AND 2017

For the six months ended June 30, 2018, the Company earned net income of $2,000,245, compared to a net income of $2,185,906 for the six months ended June 30, 2017. EBITDA for the six months ended June 30, 2018 was $2,989,859, compared to $3,022,654 for the same period in 2017.

Revenues and Gross Margin

Revenues were $13,472,851 for the six months ended June 30, 2018 compared to $9,959,754 for the six months ended June 30, 2017. Higher sales are primarily a result of greater spend on advertising and marketing for the 2018 period compared to the 2017 period. Revenues have shown growth on a historical year-over-year basis with some seasonality.

Revenues are generated almost entirely through the Company's online sales channel in the United States. Fulfillment of sales has been outsourced to an e-commerce provider who is responsible for processing the sales transaction, delivering the product, collecting from the customer and processing any returns as required. Products are warehoused and stored by the e-commerce provider which allows for distribution anywhere in the U.S. within days of the order. The Company pays a fee for this service which consists of a flat fee per product shipped and a variable fee based on a percentage of the sales transaction. The e-commerce provider also offers various advertising and marketing services if desired, however, the Company is responsible for providing any customer service and handling of any questions or complaints. Costs of processing and fulfilling the transaction are deducted from gross proceeds of the sale and paid to the Company on a bi-weekly basis. The Company is provided with detailed reports of all sales transactions, inventory levels and returns which are analyzed by the Company and allows for appropriate inventory replenishment. As the e-commerce provider is a large, well established organization, collection risk is considered very low.

Gross margin for the six months ended June 30, 2018 was $9,468,586 (70%) compared to $6,940,582 (70%) for the six months ended June 30, 2017. Margins have improved slightly but remained relatively consistent over the past several years.

Selling and Marketing Expense

The Company incurred selling and marketing expenses of $5,916,304 for the six months ended June 30, 2018, compared to $3,473,789 for the six months ended June 30, 2017. Sales and marketing expenses for the period consist primarily of fulfillment costs related to delivering products to customers, direct online advertising placements, costs related to marketing the Dr. Tobias brand and other promotional and awareness initiatives. Advertising spend tends to have a direct effect on sales volumes such that additional advertising spend increases sales, while conversely, reducing spend tends to negatively impact sales volumes. While selling and marketing expenses increased 70% in the period, revenues rose approximately 35%; however, advertising spend is expected to have an impact beyond the current period as the Company continues to build brand awareness.

General and Administrative Expense

General and administrative expenses for the six months ended June 30, 2018 were $369,884, compared to $489,417 for the six months ended June 30, 2017. General and administrative expenses consist primarily of salaries and benefits, professional fees and insurance. General and administrative expenses in the 2018 period were lower than in the 2017 period primarily due to lower legal and consulting expenses.

Foreign Exchange Gains and Losses

Foreign exchange losses of $192,539 were recorded in the six months ended June 30, 2018, compared to foreign exchange gains of $45,153 for the six months ended June 30, 2017, primarily due to lower Euro rates relative to US dollars in the 2018 period, whereas Euro rates moved higher against the US dollar during the 2017 period.

RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2017 AND 2016

For the year ended December 31, 2017, the Company earned net income of $3,940,411, compared to a net income of $2,256,073 for the year ended December 31, 2016. EBITDA for the year ended December 31, 2017 was $5,686,857, compared to EBITDA of $3,212,270 for the year ended December 31, 2016.

Revenues and Gross Margin

Revenues for the year ended December 31, 2017 were $21,036,857 compared to revenues of $11,621,484 for the year ended December 31, 2016. Revenues increased over 80% from the prior year, primarily as a result of a significant increase in advertising and marketing activities. Advertising spend tends to have a direct effect on sales volumes and the increase in sales for the year ended December 31, 2017 over the prior year was almost directly proportional to the increase in advertising spend.

Gross margin for the year ended December 31, 2017 was $14,355,241 (68%) compared to $8,035,490 (69%) for the year ended December 31, 2016. Margins remained relatively consistent despite the considerable increase in sales volumes.

Selling and Marketing Expense

Selling and marketing expenses were $7,952,141 for the year ended December 31, 2017, a 98% increase over the year ended December 31, 2016, during which selling and marketing expenses totaled $4,017,266. The Company actively increased advertising spend during the period, leveraging information from its e-commerce provider with respect to programs with the greatest returns. The Company will continue to actively monitor its selling and marketing expenses, particularly those directly related to advertising and expects that these will continue to increase going forward.

General and Administrative Expense

General and administrative expenses for the year ended December 31, 2017 were $888,905, compared to $679,116 for the year ended December 31, 2016. General and administrative expenses in the 2017 year were higher than in 2016 mainly due to higher legal and consulting expenses.

Foreign Exchange Gains and Losses

Foreign exchange gains of $172,537 were recognized in the year ended December 31, 2017, compared to losses on foreign exchange of $128,865 in the year ended December 31, 2016. Foreign exchange gains or losses are mainly experienced on the movements between US dollar and Euro. Euro appreciation against the US dollar resulting in gains on Euros held during 2017. For the year ended 2016, losses were incurred as the Euro depreciated against the US dollar.

RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015

For the year ended December 31, 2016, the Company earned net income of $2,256,073, compared to a net income of $1,039,152 for the year ended December 31, 2015. EBITDA for the year ended December 31, 2016 was $3,212,270, compared to EBITDA of $1,468,128 for the year ended December 31, 2015.

Revenues and Gross Margin

Revenues for the year ended December 31, 2016 were $11,621,484 compared to revenues of $6,530,146 for the year ended December 31, 2015. Revenues increased approximately 78% from the prior year, primarily due to an increase in advertising and marketing activities. The Company's top five products continued to perform well and additional products were added to the portfolio during the period.

Gross margin for the year ended December 31, 2016 was $8,035,490 (69%) compared to $4,198,774 (64%) for the year ended December 31, 2015. Margins improved during the period mainly due to the fact that the Company is able to achieve certain efficiencies with higher volumes.

Selling and Marketing Expense

Selling and marketing expenses for the year ended December 31, 2016 were $4,017,266, a 91% increase over the year ended December 31, 2015 amount of $2,103,286. As the Company refined its advertising and marketing approach, additional investment in online advertising allowed the Company to continue to grow its topline revenue. Certain selling and marketing costs are fixed amount per unit while others vary based on the price of units sold. While these factors can vary overall costs somewhat, primary cost driver is direct advertising spend.

General and Administrative Expense

General and administrative expenses for the year ended December 31, 2016 were $679,116, compared to $568,105 for the year ended December 31, 2015. As most general and administrative expenses are relatively fixed in nature, variations from year to year are less significant than changes in revenue or margin. Additional headcount and third party support were primary drivers of increase in 2016 over 2015.

Foreign Exchange Gains and Losses

The Company incurred foreign exchange losses of $128,865 in the year ended December 31, 2016, compared to losses on foreign exchange of $60,500 in the year ended December 31, 2015. Foreign exchange gains or losses are mainly experienced on the movements between US dollar and Euro. For both the year ended December 31, 2016 and 2015, losses were primarily the result of Euro depreciation against the US dollar.

LIQUIDITY AND CAPITAL RESOURCES

The Company currently manages its capital structure and makes adjustments to it, based on cash resources expected to be available to the Company, in order to support its future business plans. As at June 30, 2018, the Company had working capital of $7,433,817, compared to working capital of $5,460,624 at December 31, 2017. The increase in working capital in the current period was due primarily to cash generated from operations.

Cash provided by operations of the Company was $441,445 for the six months ended June 30, 2018, compared to cash provided by operations of $2,197,349 for the six months ended June 30, 2017. The lower cashflow from operations in the current period is due primarily to significant payments against taxes owed for both 2017 and 2016 as well as installments for 2018.

Cash used by financing activities was $nil for the six months ended June 30, 2018, compared to cash used by financing activities of $2,103,986 for the six months ended June 30, 2017, primarily due to dividends paid in the early 2017.

Cash used by investing activities was $6,025 for the six months ended June 30, 2018, compared to $5,321 for the six months ended June 30, 2017. Cash used during both periods relates to purchases of equipment.

The Company's plan of operations in the next twelve months is to expand its product line, sales channels and geographic markets. The Company's operations will be funded primarily from working capital and cash generated from operations. As the business is not capital intensive, operations will not require the Company to raise additional cash through equity or debt issuances. Management reviews the capital management approach on an ongoing basis and believes that this approach is reasonable given the current state of financial markets. In the case of uncertainty over the ability to raise funds in current or future economic conditions, the Company would manage capital by minimizing ongoing expenses.

COMMITMENTS

The table below analyzes the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows and do not include capitalized transaction costs.

			Fiscal year ended December 31		
At June 30, 2018	**Total**	**2018**	**2019**	**2020**	**Thereafter**
Accounts payable and accrued liabilities	$ 265,239	$ 265,239	$ -	$ -	$ -
Income taxes payable	656,200	656,200	-	-	-
Provisions	22,725	22,725	-	-	-
Total	**$ 944,214**	**$ 944,214**	**$ -**	**$ -**	**$ -**

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off balance sheet arrangements.

RELATED PARTY TRANSACTIONS

At June 30, 2018, December 31, 2017, December 31, 2016, and December 31, 2015, there were no amounts owing to or from related parties as follows:

	June 30 2018 (unaudited)	December 31 2017	December 31 2016	December 31 2015
Due to shareholder	**$ -**	$ -	$ -	$ 69,652
Due from shareholder	**-**	-	-	(17,267)
Total	**$ -**	$ -	$ -	$ 52,835

The remuneration of directors and other members of key management personnel recorded in the general and administrative line of operating expenses are as follows:

	June 30 2018 (unaudited)	June 30 2017 (unaudited)	December 31 2017	December 31 2016	December 31 2015
Salaries and benefits	**$ 145,233**	$ 130,062	$ 271,212	$ 288,197	$ 300,758

CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

Accounting policies

(i) Recently adopted accounting standards

The following accounting policy changes were adopted on January 1, 2018. The Company has also adopted other new standards which were effective from January 1, 2018 that did not have a material impact on the Company's financial statements.

IFRS 9 - *Financial Instruments*

IFRS 9 replaces the provisions of IAS 39, "Financial Instruments Recognition and Measurement" for annual periods beginning on or after January 1, 2018. IFRS 9 includes the recognition, classification and measurement of financial assets and financial liabilities; a forward looking "expected loss" impairment model; and a substantially-reformed approach to hedge accounting. IFRS 9 also amended IFRS 7, "Financial Instruments: Disclosures", which requires additional disclosures. The Company adopted IFRS 9 using the modified retrospective transition method and applied IFRS 9 retrospectively, with the initial application date of January 1, 2018. As permitted by the transitional provisions of IFRS 9, the Company elected not to restate comparative figures or Note disclosures. Any adjustments to the carrying amounts of financial assets and liabilities at the transition date are to be recognized in the opening retained earnings of the current period. However, the Company assessed that no adjustments to the carrying amounts of financial assets and liabilities were required upon adoption of IFRS 9.

As at January 1, 2018, the measurement category of the Company's financial instruments comparing IAS 39 to IFRS 9 are as follows, with no transitional adjustment required:

Financial Instrument	IAS 39 Measurement	IFRS 9 Measurement
Cash and cash equivalents	FVTPL	Amortized cost
Trade receivables	Amortized cost (loans and receivables)	Amortized cost
Accounts payable and accrued liabilities	Amortized cost (other liabilities)	Amortized cost
Provisions	Amortized cost (other liabilities)	Amortized cost

IFRS 15 - *Revenue from Contracts with Customers*

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue.

As of January 1, 2018, the Company has adopted IFRS 15 and has elected to apply the standard retrospectively. The adoption of IFRS 15 did not have an impact on the timing of revenue recognition.

(ii) Future changes in accounting standards:

IFRS 16 - *Leases*

In January 2016, the IASB issued IFRS 16, Leases, which will replace IAS 17, Leases and the related interpretations. This standard introduces a single lessee accounting model and requires all leases of more than twelve months to be reported on a company's statement of financial position as assets and liabilities, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have also been impacted, including the definition of a lease. Transitional provisions have been provided. The new standard is effective for annual periods beginning on or after January 1, 2019. The Company will adopt IFRS 16 using the modified retrospective transition method, with the cumulative effect of initially applying the standard recognized as an adjustment to opening retained earnings at date of initial adoption. The nature of expenses related to leases will now change because the Company will recognize a depreciation charge for right-of-use assets and interest expense on lease liabilities. Previously, the Company recognized operating lease expense on a straight-line basis over the term of the lease. The Company does not expect that the adoption of the standard will have a material effect on the consolidated financial statements, other than that its operating leases will need to be recognized in its consolidated statement of financial position on initial adoption of IFRS 16.

FINANCIAL RISK MANAGEMENT

The use of financial instruments can expose the Company to several risks, including market, credit and liquidity risks. Apart from the risks listed below, management is of the opinion that they are not exposed to any other significant risks. A discussion of the Company's use of financial instruments and its risk management is provided below.

(i) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected as a result of market conditions generally or related to matters specific to the Company. In order to mitigate this risk, the Company maintains a sufficient cash balance in order to satisfy short-term liabilities as they come due.

(ii) Market risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate because of changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is not exposed to significant market risk.

(iii) Currency risk

The Company is subject to currency risk through its sales of products denominated in foreign currencies, purchases of inventory in US dollars and product acquisitions denominated in foreign currencies. As such, changes in the exchange rate affect the operating results of the Company.

(iv) Credit risk

Certain of the Company’s financial assets, including cash and cash equivalents and accounts receivable are exposed to the risk of financial loss occurring as a result of default of a counterparty on its obligations to the Company. The Company is also exposed, in the normal course of business, to credit risk from customer receivables. These amounts are continually monitored by management for collectability, and, in general, are lower risk as they are typically due from large commercial partners with very limited credit risk.

(v) Interest rate risk

Interest risk is the impact that changes in interest rates could have on the Company’s earnings and liabilities. The Company's exposure to interest rate movements is limited and it is management’s opinion that the Company is not currently exposed to significant interest rate risk.

APPENDIX E

PRO FORMA FINANCIAL STATEMENTS OF RESULTING ISSUER

Please see attached.

Mimi's Rock Corp.
(formerly Commerce Acquisition Corp.)

Pro Forma Consolidated Financial Statements

December 31, 2018

(Unaudited)

(Expressed in Canadian dollars)

Mimi's Rock Corp. (formerly Commerce Acquisition Corp.)
Pro Forma Consolidated Statement of Financial Position
(Unaudited)
(Expressed in Canadian dollars)

	Commerce Acquisition Corp.	Mimi's Rock Inc.	Proforma Adjustments	Notes	Pro Forma Consolidated
As at:	December 31 2018	December 31 2018			**December 31 2018**
Assets					
Current assets					
Cash and cash equivalents	$ 804,649	$ 2,646,151	(150,000)	4f	**$ 3,300,800**
Short-term investments	-	2,756,299			**2,756,299**
Trade and other receivables	-	617,016			**617,016**
Inventories	-	1,241,217			**1,241,217**
Prepaid expenses	-	78,558			**78,558**
	804,649	7,339,241	(150,000)		**7,993,890**
Non-current assets					
Property and equipment	-	56,856			**56,856**
Intangible assets	-	11,807,518			**11,807,518**
Goodwill	-	20,408,899			**20,408,899**
Total assets	$ 804,649	$ 39,612,514	$ (150,000)		**$ 40,267,163**
Liabilities and Equity					
Current liabilities					
Operating line	$ -	$ 529,000			**$ 529,000**
Accounts payable and accrued liabilities	4,133	2,875,589			**2,879,722**
Income taxes payable	-	333,655			**333,655**
Provisions	-	34,970			**34,970**
Long term debt due within one year	-	2,286,061			**2,286,061**
	4,133	6,059,275	-		**6,063,408**
Non-current liabilities					
Long term debt	-	9,965,510			**9,965,510**
Preferred shares	-	2,728,800	(2,817,012)	4e	
			88,212	4e	**-**
Deferred income taxes	-	3,064,185			**3,064,185**
Total liabilities	4,133	21,817,770	(2,728,800)		**19,093,103**
Equity					
Share capital	919,646	663,502	(919,646)	4b	
			2,817,012	4e	
			16,408,331	4e	
			1,046,875	4c	**20,935,721**
Preferred shares	-	15,819,863	(16,408,331)	4e	
			588,468	4e	**-**
Contributed Surplus	146,743	1,376,860	(146,743)	4b	
			46,318	4c	
			21,586	4c	**1,444,764**
Deficit	(265,873)	(953,451)	265,873	4b	
			(588,468)	4e	
			(314,263)	4d	
			(88,212)	4e	
			(150,000)	4f	**(2,094,395)**
Accumulated other comprehensive income	-	887,970	-		**887,970**
Total equity	800,516	17,794,744	2,578,800		**21,174,060**
Total liabilities and equity	$ 804,649	$ 39,612,514	$ (150,000)		**$ 40,267,163**

The accompanying notes are an integral part of these pro forma consolidated financial statements

Mimi's Rock Corp. (formerly Commerce Acquisition Corp.)
Pro Forma Consolidated Statement of Operations
(Unaudited)
(Expressed in Canadian dollars)

	Commerce Acquisition Corp.	Mimi's Rock Inc.	DTI GmbH	DTI GmbH	Pro Forma Adjustments	Notes	Pro Forma Consolidated
	Year Ended December 31 2018	Year Ended December 31 2018	Six Months Ended June 30 2018	Six Months Ended June 30 2018 (Note 4a)			**Year Ended December 31 2018**
	CAD	CAD	USD	CAD			CAD
Revenues	$ -	$ 17,754,166	$ 13,472,851	$ 17,223,693	$ -		**$ 34,977,859**
Cost of goods sold	-	5,790,913	4,004,265	5,119,052	-		**10,909,965**
Gross margin	-	11,963,253	9,468,586	12,104,640	-		**24,067,893**
Operating expenses:							
Selling and marketing	-	7,314,329	5,916,304	7,563,403	-		**14,877,732**
General and administrative	104,508	1,912,831	369,884	472,860	-		**2,490,199**
Share-based compensation	93,783	549,744	-	-	-		**643,527**
Acquisition costs	-	1,267,590	-	-	-		**1,267,590**
Depreciation	-	3,065	1,948	2,490	-		**5,555**
Foreign exchange losses	-	48,379	192,539	246,142	-		**294,521**
Listing expense	17,894	-	-	-	314,263	4d	
					150,000	4f	**482,157**
	216,185	11,095,938	6,480,675	8,284,895	464,263		**20,061,281**
Income (loss) before undernoted	(216,185)	867,315	2,987,911	3,819,745	(464,263)		**4,006,612**
Interest expense and financing costs	-	919,142	199	254	88,212	4e	**1,007,609**
Investment income	-	(26,662)	-	-	-		**(26,662)**
Earnings (loss) before income taxes	(216,185)	(25,165)	2,987,712	3,819,491	(552,475)		**3,025,666**
Income tax expense (recovery) - current	-	1,483,567	1,010,443	1,291,750	-		**2,775,317**
- deferred	-	(563,631)	(22,976)	(29,373)	-		**(593,004)**
Net income (loss)	$ (216,185)	$ (945,101)	$ 2,000,245	$ 2,557,113	$ (552,475)		**$ 843,352**

1. Basis of Presentation

The accompanying unaudited pro forma consolidated statement of financial position and statement of operations of Mimi's Rock Corp. (formerly Commerce Acquisition Corp.) (the "Company") has been prepared by management to reflect the acquisition of Mimi's Rock Inc. ("MRI") after giving effect to the proposed transactions as described in Note 3.

On July 13, 2018, MRI, through its subsidiary MRI's Rock GmbH, acquired all outstanding shares of DTI GmbH ("DTI"), a German limited liability company engaged in the business of marketing and selling nutraceuticals and nutritional supplements.

Pursuant to the acquisition, MRI acquired all rights to the Dr. Tobias brand and product line including information and materials required to continue marketing and selling the products, as well as certain tangible assets including cash, trade receivables, prepaid expenses, equipment and inventory and certain liabilities including trade payables. The transaction was accounted for as an acquisition of a business with MRI as the acquirer, whereby all the DTI assets acquired and liabilities assumed were recorded at fair value. As the acquisition of DTI occurred during the year ended December 31, 2018, MRI statements of operations include DTI results from the date of acquisition. Accordingly, results of operations for DTI for the six months ended June 30, 2018 date have been separately presented in the pro forma consolidated statement of operations.

The unaudited pro forma consolidated statement of financial position has been compiled from and includes:

i) the audited statement of financial position of the Company as at December 31, 2018;
ii) the audited statement of financial position of MRI as at December 31, 2018;

The unaudited pro forma consolidated statement of operations has been compiled from and includes:

i) the audited statement of operations of the Company for year ended December 31, 2018;
ii) the audited consolidated statement of operations of MRI for the year ended December 31, 2018; and
iii) the unaudited statement of operations of DTI for the six months ended June 30, 2018.

The assets and liabilities of the Company and of MRI are included in the pro forma consolidated statement of financial position at their historical carrying values, which approximate their fair values.

The Qualifying Transaction will constitute a reverse take-over ("RTO") for accounting purposes, as certain MRI shareholders will hold a large majority of outstanding shares, the Board of Directors will comprise of MRI Board members and the management of MRI will become senior management of the Company. Although the Company will be regarded as the legal parent and continuing company, MRI will be the acquirer for accounting purposes. Consequently, MRI will be deemed to be a continuation of the reporting entity, and control of the assets and operations of the Company will be deemed to have been acquired in consideration for the issuance of the Company's shares to the former shareholders of MRI. At the time of this transaction, the Company did not constitute a business as defined under IFRS 3 Business Combinations; therefore, the transaction is accounted for under IFRS 2 Share-Based Payment, where the difference between the consideration given to acquire the Company and the net asset value of the Company is recorded as a listing expense. MRI is deemed to be the acquirer and the Company is deemed to be the acquired for accounting purposes.

The unaudited pro forma consolidated financial statements should be read in conjunction with the audited financial statements of the Company as at and for the years ended December 31, 2018 and 2017, and notes included therein; the audited consolidated financial statements of MRI as at and for the years ended December 31, 2018 and 2017, and notes included therein; and the unaudited interim financial statements of DTI as at and for the period ended June 30, 2018 and 2017.

The unaudited pro forma statement of financial position has been prepared for inclusion in the Filing Statement of the Company in relation to its acquisition of 100% of the issued and outstanding common shares of MRI. Completion of the acquisition is subject to customary closing conditions, including all necessary approvals and consents and all applicable TSX Venture Exchange approvals. In the opinion of the Company's management, the unaudited pro forma consolidated financial statement includes all adjustments necessary for fair presentation of the transactions contemplated in the Filing Statement.

2. Pro Forma Assumptions

The unaudited pro forma consolidated financial statement is prepared as if the transaction described below occurred on December 31, 2018. The acquisition is subject to the satisfaction of closing conditions and receipt of regulatory and shareholder approvals.

For presentation purposes, the acquisition is assumed to have occurred at December 31, 2018. The unaudited pro forma consolidated statement of financial position is not intended to reflect the financial position of the Company which would have actually resulted had the proposed transactions been effected on the date indicated. Actual amounts recorded upon consummation of the agreement will differ from those recorded in the unaudited pro forma consolidated statement of financial position and statement of operations.

3. Terms of Qualifying Transaction

On January 2, 2019, the Company entered into a definitive agreement to purchase 100% interest in MRI.

The series of transactions contemplated are proposed to constitute a Qualifying Transaction, as such term is defined in the CPC Policy. The Qualifying Transaction will be completed by way of a three-cornered amalgamation among the Company, MRI, and a newly formed entity ("Newco").

As set out in more detail in the Acquisition Agreement and Amalgamation Agreement, the completion of the transaction will involve the following main elements:

(i) The Company shall complete a share consolidation on the basis of 1 post-consolidation common share for every 4 pre-consolidation common shares issued and outstanding (the "Consolidation");

(ii) Following the Consolidation, Newco and the Company will amalgamate, the result of which shall be:

- The Company shall issue one-and-one-half common shares for each share of MRI (the "Share Exchange Ratio");
- All of the MRI's stock options will be cancelled and, in consideration therefor, the Company shall issue stock options to the MRI optionholders. The rate of exchange shall be equal to the Share Exchange Ratio.

- All of the MRI's warrants will be cancelled and, in consideration therefor, the Company shall issue warrants to the MRI warrantholders. The rate of exchange of shall be equal to the Share Exchange Ratio.

(iii) On or before the closing date, the Company will change its name to "Mimi's Rock Corp".

The Acquisition Agreement contains a number of customary representations and warranties of each of the parties relating to, among other things, corporate status, the corporate authorization and enforceability of, and board approval of the Acquisition Agreement and the transaction, and the business and affairs of MRI and the Company.

The fair value of the acquired identifiable net assets was allocated as follows:

Cash	$ 804,649
Accounts payable and accrued liabilities	(4,133)
Net assets acquired	800,516
Listing fee	314,263
Total	**$ 1,114,779**

Purchase consideration:	
Issuance of 1,562,500 common shares	$ 1,046,875
Issuance of 156,250 options	46,318
Issuance of 125,000 warrants	21,586
Total purchase consideration	**$ 1,114,779**

The fair value of shares issued was determined to be $0.67 per share based on the most recent financing transaction for MRI.

4. Pro Forma Adjustments

The following are the pro forma assumptions and adjustments relating to the Qualifying Transaction:

a) The DTI results were prepared in US dollars. They have been converted to Canadian dollars at the average exchange rate for the period of USD $1.0000 to CAD $1.2784.

b) The pre-acquisition equity of the Company will be eliminated upon consolidation. This includes its share capital of $919,646, contributed surplus of $146,743 and accumulated deficit of $265,873.

(c) The purchase price is recorded as the cost to acquire the share capital at fair value at the time of the transaction. The excess of the amount paid over the fair value of the assets is charged to listing expense. Accordingly, share capital is increased as follows:

(i) $1,046,875, being the fair value of common shares issued to Commerce shareholders. The fair value of MRI shares are estimated to be $0.67 per share based on the Company's last equity financing;

(ii) $46,318, being the fair value of 156,250 stock options issued to Commerce optionholders.

(Expressed in Canadian dollars)

Options were valued using the Black Scholes option pricing model using a share price of \$0.67, exercise price of \$0.80, volatility rate of 55% and risk free rate of 1.92%; and

(iii) \$21,586, being the fair value of 125,000 warrants issued to Commerce warrantholders. Warrants were valued using the Black Scholes option pricing model using a share price of \$0.67, exercise price of \$0.80, volatility rate of 55% and risk free rate of 1.92%.

(d) Listing expenses are \$314,263, being the excess of total consideration over the fair value of the Company of \$800,516 at December 31, 2018, as described in Note 3.

(e) In connection with the transaction, a dividend-in-kind of 5% will be issued to MRI preferred shareholders, resulting in an issuance of 878,311 preferred shares to MRI Series A holders and 131,160 preferred shares to MRI Series B holders. Dividends paid to MRI Series A preferred shares have been adjusted from deficit to preferred shares in the amount of \$588,468 based on the fair value of shares issued. Dividends paid to MRI Series B preferred shares classified as a liability have been charged to financing costs in the amount of \$88,212 based on the fair value of shares issued. All MRI preferred shares will subsequently be converted to MRI common shares on a one-for-one basis. Prior to the amalgamation, there will be 18,444,531 Series A and 2,764,860 Series B MRI preferred shares outstanding, respectively.

(f) Expenses associated with the Qualifying Transaction are estimated to be \$150,000 consisting primarily of legal and other professional fees.

5. Pro Forma Share Capital

Authorized:

Unlimited common shares without par value.

Issued:

	Number of shares	Amount
Balance, December 31, 2018	**6,250,000**	**\$ 919,646**
Share consolidation – 1 for 4	(4,687,500)	-
Shares issued on acquisition of MRI common shares	15,995,250	663,502
Shares issued on acquisition of MRI Series A preferred shares	27,666,797	16,408,331
Shares issued on acquisition of MRI Series B preferred shares	4,147,290	2,817,012
Elimination of pre-acquisition share capital	-	(919,646)
Newco shares issued to former Commerce shareholders	-	1,046,875
Balance, post transaction	**49,371,837**	**\$ 20,935,721**

6. Income Taxes

The pro forma effective tax rate applicable to the consolidated operations will be 27%.

APPENDIX F

CERTIFICATE OF ISSUER

COMMERCE ACQUISITION CORP.

DATED May 17, 2019

The foregoing document constitutes full, true and plain disclosure of all material facts relating to the securities of Commerce Acquisition Corp. assuming completion of the Transaction.

(signed) "David Mitchell"	*(signed) "Keith Raymond Harris"*
David Mitchell	Keith Raymond Harris
Chief Executive Officer	Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "Robert Howe"	*(signed) "Joshua Arbuckle"*
Robert Howe	Joshua Arbuckle
Director	Director

APPENDIX G

CERTIFICATE OF TARGET COMPANY

MIMI'S ROCK, INC.

DATED May 17, 2019

The foregoing document as it relates to Mimi's Rock, Inc. constitutes full, true and plain disclosure of all material facts relating to the securities of Mimi's Rock, Inc.

(signed) "Telfer Hanson"	*(signed) "David Kohler"*
Telfer Hanson	David Kohler
Executive Chairman	Chief Executive Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "Norman Betts"	*(signed) "David Grandin"*
Norman Betts	David Grandin
Director	Director

APPENDIX H

ACKNOWLEDGEMENT OF PERSONAL INFORMATION

"Personal Information" means any information about an identifiable individual, and includes information contained in any Items in the attached filing statement that are analogous to Items 4.2, 11, 12.1, 15, 17.2, 18.2, 23, 24, 26, 31.3, 32, 33, 34, 35, 36, 37, 38, 40 and 41 of Exchange Form 3B2, as applicable.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

(a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to Exchange Form 3B2; and

(b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or otherwise identified by the Exchange, from time to time.

Dated May 17, 2019.

COMMERCE ACQUISITION CORP.

By: *(signed) "David Mitchell"*
Name: David Mitchell
Title: Chief Executive Officer and Director