

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

FORM 10-Q/A
Amendment No. 1

(Mark One)

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

For the quarterly period ended June 30, 2020

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

For the transition period from to

Commission File No. 001-38105

180 LIFE SCIENCES CORP.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

81-3832378

(I.R.S. Employer
Identification No.)

**830 Menlo Avenue, Suite 100
Menlo Park, CA**

(Address of Principal Executive Offices)

94025

(Zip Code)

(650) 854-4400

(Registrant's telephone number, including area code)

**KBL Merger Corp. IV
30 Park Place, Suite 45E
New York, N.Y. 10007**

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	ATNF	The NASDAQ Stock Market LLC
Warrants to purchase shares of Common Stock	ATNFW	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

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

- | | |
|---|---|
| <input type="checkbox"/> Large accelerated filer | <input type="checkbox"/> Accelerated filer |
| <input checked="" type="checkbox"/> Non-accelerated filer | <input checked="" type="checkbox"/> Smaller reporting company |
| | <input checked="" type="checkbox"/> Emerging growth company |

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

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

As of August 19, 2020, there were 5,474,102 shares of the Company's common stock issued and outstanding.

EXPLANATORY NOTE

As previously reported in the Registrant's Current Report on Form 8-K, filed with the Securities and Exchange Commission (the "SEC" or the "Commission") on February 3, 2021, on January 28, 2021, the Board of Directors of the Registrant concluded, after discussion with the Registrant's management and the independent registered public accounting firm for KBL (defined below), that the consolidated financial statements of the Registrant, which were prepared by the former KBL management for the interim period ended June 30, 2020, should no longer be relied upon due to errors in the consolidated financial statements and should be restated.

The purpose of this Amended Quarterly Report on Form 10-Q/A for the quarterly period ended June 30, 2020 ("Form 10-Q/A"), is to amend the Form 10-Q filed with the Securities and Exchange Commission on August 20, 2020 (the "Form 10-Q") to include additional disclosures related to contingent liabilities and to restate the financial

statements to record certain previously unrecorded liabilities and other transactions. See Note 13 to the restated consolidated financial statements included herein for additional details.

Business Combination

On November 6, 2020, subsequent to the fiscal quarter ended June 30, 2020, the fiscal quarter to which this Amended Quarterly Report on Form 10-Q/A (this “Report”) relates, KBL Merger Corp. IV (the “Company” or, prior to the closing of the Business Combination, sometimes referred to herein as “KBL”) consummated the previously announced business combination (the “Business Combination”) following a special meeting of stockholders, where the stockholders of the Company considered and approved, among other matters, a proposal to adopt that certain Business Combination Agreement (as amended, the “Business Combination Agreement”), dated as of July 25, 2019, entered into by and among the Company, KBL Merger Sub, Inc. (“Merger Sub”), 180 Life Corp. (f/k/a 180 Life Sciences Corp.) (“180”), Katexco Pharmaceuticals Corp. (“Katexco”), CannBioRex Pharmaceuticals Corp. (“CBR Pharma”), 180 Therapeutics L.P. (“180 LP” and together with Katexco and CBR Pharma, the “180 Subsidiaries” and together with 180, the “180 Parties”), and Lawrence Pemble, in his capacity as representative of the stockholders of the 180 Parties (the “Stockholder Representative”). Pursuant to the Business Combination Agreement, among other things, Merger Sub merged with and into 180, with 180 continuing as the surviving entity and a wholly-owned subsidiary of the Company (the “Merger”). The Merger became effective on November 6, 2020 (the closing of the Merger being referred to herein as the “Closing”). In connection with, and prior to, the Closing, 180 filed a Certificate of Amendment of its Certificate of Incorporation in Delaware to change its name to 180 Life Corp., and KBL Merger Corp. IV changed its name to 180 Life Sciences Corp.

Unless stated otherwise, this report contains information about KBL before the Closing of the Business Combination. This report covers a period prior to the Closing of the Business Combination. References to the “Company,” “our,” “us” or “we” in this report refer to KBL before the Closing of the Business Combination, unless the context suggests otherwise.

Except as otherwise expressly provided herein, the information in this Report does not reflect the consummation of the Business Combination, which, as discussed above, occurred subsequent to the period covered hereunder.

Additionally, other than as specifically set forth herein, this Form 10-Q/A continues to speak as of the date of the original Form 10-Q and we have not updated or amended the disclosures contained therein to reflect events that have occurred since the date of the original Form 10-Q. Information not affected by this Form 10-Q/A remains unchanged and reflects the disclosures made at the time of the original Form 10-Q. Accordingly, this Form 10-Q/A should be read in conjunction with our filings made with the Commission after the date of the original Form 10-Q.

180 LIFE SCIENCES CORP.
(formerly known as KBL MERGER CORP. IV)

Amended Quarterly Report on Form 10-Q/A

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

180 LIFE SCIENCES CORP.
(formerly known as KBL MERGER CORP. IV)
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2020 (unaudited) (as restated)	December 31, 2019
Assets		
Current Assets		
Cash	\$ 257,601	\$ 546,636
Restricted cash	787,865	-
Prepaid income taxes	21,806	25,633
Prepaid expenses	118,645	51,790
Total current assets	1,185,917	624,059
Other assets	163,797	-
Marketable securities held in Trust Account	11,276,350	11,877,654
Total Assets	\$ 12,626,064	\$ 12,501,713
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable and accrued expenses	\$ 995,052	\$ 268,423
Accrued issuable equity	96,011	-
March promissory note – related party	337,301	366,346
Due to related party	795,003	795,003
Advances due - 180	1,379,815	1,699,825
Convertible promissory notes, net of debt discount	324,264	-
Derivative liability	214,188	-
Total current liabilities	4,141,634	3,129,597
Deferred underwriting fees	-	4,025,000
Total Liabilities	4,141,634	7,154,597
Commitments and contingencies		
Common stock subject to possible redemption, \$0.0001 par value; 334,880 and 33,618 shares as of June 30, 2020 and December 31, 2019, respectively (at approximately \$10.41 and \$10.33 per share)	3,484,422	347,106
Stockholders' Equity:		
Preferred stock, \$0.0001 par value; 1,000,000 shares authorized; no shares issued and outstanding as of June 30, 2020 and December 31, 2019	-	-
Common stock, \$0.0001 par value; 35,000,000 shares authorized; 5,139,222 and 4,458,149 shares issued and outstanding (excluding 334,880 and 33,618 shares subject to possible redemption, respectively) as of June 30, 2020 and December 31, 2019, respectively)	514	446
Additional paid-in capital	9,583,392	3,929,663
(Accumulated deficit)/Retained earnings	(4,583,898)	1,069,901
Total Stockholders' Equity	5,000,008	5,000,010
Total liabilities and Stockholders' Equity	\$ 12,626,064	\$ 12,501,713

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

180 LIFE SCIENCES CORP.
(formerly known as KBL MERGER CORP. IV)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020 (as restated)	2019	2020 (as restated)	2019
General and administrative expenses	\$ 3,513,039	\$ 296,377	\$ 3,760,631	\$ 561,281
Loss from operations	3,513,039	296,377	3,760,631	561,281
Other (expense) income:				
Interest expense	(270,257)	-	(270,257)	-
Loss on issuance of convertible promissory note	(1,657,522)	-	(1,657,522)	-
Interest income	2,950	355,970	38,438	948,284

Other (expense) income, net	(1,924,829)	355,970	(1,889,341)	948,284
(Loss) income before income taxes	(5,437,868)	59,593	(5,649,972)	387,003
Benefit (provision) from income taxes	1,480	(70,423)	(3,827)	(166,238)
Net (loss) income	\$ (5,436,388)	\$ (10,830)	\$ (5,653,799)	\$ 220,765
Weighted average shares outstanding				
Basic	4,479,278	4,227,492	4,468,714	4,164,169
Diluted	4,479,278	4,227,492	4,468,714	11,169,370
Net (loss) income per common share				
Basic	\$ (1.21)	\$ -	\$ (1.27)	\$ 0.05
Diluted	\$ (1.21)	\$ -	\$ (1.27)	\$ 0.02

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

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180 LIFE SCIENCES CORP.
(formerly known as KBL MERGER CORP. IV)
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(unaudited)

THREE AND SIX MONTHS ENDED JUNE 30, 2020

	Common Stock		Additional Paid-In Capital	Retained Earnings/ Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance – January 1, 2020	4,458,149	\$ 446	\$ 3,929,663	\$ 1,069,901	\$ 5,000,010
Change in the value of common stock subject to possible redemption	21,129	2	217,406	-	217,408
Net loss	-	-	-	(217,411)	(217,411)
Balance – March 31, 2020	4,479,278	\$ 448	\$ 4,147,069	\$ 852,490	\$ 5,000,007
Change in the value of common stock subject to possible redemption (1) (as restated)	(390,056)	(39)	(4,083,569)	-	(4,083,608)
Issuance of commitment shares and leak-out shares and beneficial conversion feature in connection with convertible promissory notes (as restated)	1,050,000	105	2,869,892	-	2,869,997
Stock-based compensation	-	-	2,625,000	-	2,625,000
Waiver of deferred underwriting fee	-	-	4,025,000	-	4,025,000
Net loss (as restated)	-	-	-	(5,436,388)	(5,436,388)
Balance – June 30, 2020 (as restated)	5,139,222	\$ 514	\$ 9,583,392	\$ (4,583,898)	\$ 5,000,008

(1) Includes the redemption of 67,665 shares of common stock on April 8, 2020.

THREE AND SIX MONTHS ENDED JUNE 30, 2019

	Common Stock		Additional Paid-In Capital	Retained Earnings	Total Stockholders' Equity
	Shares	Amount			
Balance – January 1, 2019	4,098,712	\$ 410	\$ 3,838,395	\$ 1,161,201	\$ 5,000,006
Change in value of common stock subject to possible redemption (1)	128,376	13	(231,610)	-	(231,597)
Net income	-	-	-	231,595	231,595
Balance – March 31, 2019	4,227,088	\$ 423	\$ 3,606,785	\$ 1,392,796	\$ 5,000,004
Change in value of common stock subject to possible redemption (1)	37,203	3	10,830	-	10,833
Net loss	-	-	-	(10,830)	(10,830)
Balance – June 30, 2019	4,264,291	\$ 426	\$ 3,617,615	\$ 1,381,966	\$ 5,000,007

(1) Includes the redemption of 5,128,523 shares of common stock on March 5, 2019 and 1,580,762 shares of common stock on June 5, 2019.

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

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180 LIFE SCIENCES CORP.
(formerly known as KBL MERGER CORP. IV)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Six Months Ended	
	June 30,	
	2020	2019
	(as restated)	
Cash Flows From Operating Activities		
Net (loss) income	\$ (5,653,799)	\$ 220,765
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Interest income earned on investments held in Trust Account	(38,438)	(948,284)
Stock-based compensation	2,625,000	-
Amortization of debt discount	252,493	-
Loss on issuance of convertible promissory notes	1,657,522	-
Changes in operating assets and liabilities:		
Prepaid income taxes	3,827	(60,357)
Prepaid expenses	(66,855)	(38,190)
Other asset	(163,797)	-
Accounts payable and accrued expenses	571,074	(35,602)
Franchise and income taxes payable	-	(82,317)
Net cash and restricted cash used in operating activities	(812,973)	(943,985)
Cash Flows From Investing Activities		
Cash withdrawn from Trust Account for redemptions	728,884	69,305,537
Investment of cash in Trust Account	(89,142)	-
Interest income released from Trust Account to pay taxes	-	353,814
Net cash and restricted cash provided by investing activities	639,742	69,659,351
Cash Flows From Financing Activities		
Proceeds from convertible promissory note from related party	-	164,101
Advances from related party	-	45,479
Repayment of advances from related party	-	(100,000)
Proceeds from promissory note – CannBioRx	9,990	400,000
Repayment of promissory note – CannBioRx	(330,000)	-
Proceeds from convertible promissory note – related party	33,877	-
Repayment of convertible promissory note – related party	(62,922)	(80,000)
Proceeds from convertible promissory notes	1,750,000	-
Redemptions of common stock	(728,884)	(69,305,537)
Net cash and restricted cash provided by (used in) financing activities	672,061	(68,875,957)
Net Change in Cash and Restricted Cash	498,830	(160,591)
Cash and Restricted Cash – Beginning of period	546,636	270,884
Cash and Restricted Cash – Ending of period	\$ 1,045,466	\$ 110,293
Supplementary Cash Flow Information:		
Cash paid for income taxes	\$ -	\$ 241,050
Non-cash investing and financing activities:		
Change in value of common stock subject to possible redemption	\$ 3,866,200	\$ 220,764
Conversion of advances and promissory notes to convertible promissory notes	\$ -	\$ 314,509
Transfer of convertible notes owed to the Sponsor to promissory note owed to Target Shareholder	\$ -	\$ 650,000
Contribution of Initial Loan to Trust Account by Sponsor	\$ -	\$ 573,433
Waiver of deferred underwriting fee	\$ 4,025,000	\$ -
Accrual of debt issuance costs	\$ 251,566	\$ -
Initial classification of debt discount in connection with issuance of convertible promissory note	\$ 3,316,008	\$ -
Initial classification of derivative liability in connection with issuance of convertible promissory note	\$ 214,188	\$ -
Original issue discount in connection with issuance of convertible promissory note	\$ 194,445	\$ -
Initial classification of debt discount and issuance of commitment shares, leak-out shares and beneficial conversion feature in connection with convertible promissory note	\$ 3,121,563	\$ -

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

1. DESCRIPTION OF ORGANIZATION, BUSINESS OPERATIONS AND RESTATEMENT (AS RESTATED)

Restatement of Previously Issued Unaudited Condensed Consolidated Financial Statements

180 Life Sciences Corp., formerly known as KBL Merger Corp. IV (the “Company”) has determined that certain liabilities were not recorded and certain contingent fees related to the Business Combination (defined below), which closed on November 6, 2020, were not disclosed in the unaudited condensed consolidated financial statements as of and for the three and six months ended June 30, 2020 that were included in the Company’s June 30, 2020 Form 10-Q, which was filed with the Securities and Exchange Commission on August 20, 2020. The financial statements were restated to record certain previously unrecorded liabilities and other transactions, see Note 8 – Accrued Expenses (as restated) and Note 13 – Comparison of Restated Financial Statements to Financial Statements as Previously Reported for additional information. In addition, the Commitment and Contingencies footnote (Note 10) has been restated to disclose the contingent fees that would not be due and payable unless and until the Business Combination closes.

Description of Organization and Business Operations

The Company was a blank check company organized under the laws of the State of Delaware on September 7, 2016. The Company was formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses.

Subsequent Event - Business Combination

On November 6, 2020 (the “Closing Date”), the Company consummated the previously announced business combination (the “Business Combination”) following a special meeting of stockholders held on November 5, 2020, where the stockholders of KBL Merger Corp. IV (the “Company” or, prior to the closing of the Business Combination, sometimes referred to herein as “KBL”) considered and approved, among other matters, a proposal to adopt that certain Business Combination Agreement (as amended, the “Business Combination Agreement”), dated as of July 25, 2019, entered into by and among the Company, KBL Merger Sub, Inc. (“Merger Sub”), 180 Life Sciences Corp. (“180”), Katexco Pharmaceuticals Corp. (“Katexco”), CannBioRex Pharmaceuticals Corp. (“CBR Pharma”), 180 Therapeutics L.P. (“180 LP” and together with Katexco and CBR Pharma, the “180 Subsidiaries” and, together with 180, the “180 Parties”), and Lawrence Pemble, in his capacity as representative of the stockholders of the 180 Parties (the “Stockholder Representative”). Pursuant to the Business Combination Agreement, among other things, Merger Sub merged with and into 180, with 180 continuing as the surviving entity and a wholly-owned subsidiary of the Company (the “Merger”). The Merger became effective on November 6, 2020 (such time, the “Effective Time”, and the closing of the Merger being referred to herein as the “Closing”). In connection with, and prior to, the Closing, 180 filed a Certificate of Amendment of its Certificate of Incorporation in Delaware to change its name to 180 Life Corp. and KBL Merger Corp. IV changed its name to 180 Life Sciences Corp.

At the Effective Time, each share of 180 common stock issued and outstanding prior to the Effective Time was automatically converted into the right to receive 168,3784 shares of the common stock, par value \$0.0001 per share, of the Company (“Common Stock”; and such shares of Common Stock issuable to the common stockholders of 180 pursuant to the Business Combination Agreement, the “Merger Consideration Shares”). An aggregate of 15,736,438 shares of Common Stock are issuable to the common stockholders of 180 as Merger Consideration Shares, including the Escrow Shares (as defined below). Also, at the Effective Time, each share of 180 preferred stock issued and outstanding prior to the Effective Time was converted into the right to receive one Class C Special Voting Share of the Company, or one Class K Special Voting Share of the Company, as applicable (such shares, the “Special Voting Shares”). The Special Voting Shares entitle the holder thereof to an aggregate number of votes, on any particular matter, proposition or question, equal to the number of Exchangeable Shares (as defined below) of each of CannBioRex Purchaseco ULC and Katexco Purchaseco ULC, Canadian subsidiaries of 180, respectively, that are outstanding from time to time.

180 LIFE SCIENCES CORP.
(formerly known as KBL MERGER CORP. IV)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020
(unaudited)

As a result of the Merger, the existing exchangeable shares (collectively, the “Exchangeable Shares”) of CannBioRex Purchaseco ULC and/or Katexco Purchaseco ULC were adjusted in accordance with the share provisions in the articles of CannBioRex Purchaseco ULC or Katexco Purchaseco ULC, as applicable, governing the Exchangeable Shares such that they were multiplied by the exchange ratio for the Merger and became exchangeable into shares of Common Stock. The Exchangeable Shares entitle the holders to dividends and other rights that are substantially economically equivalent to those of holders of Common Stock, and holders of Exchangeable Shares have the right to vote at meetings of the stockholders of the Company. An aggregate of 1,763,562 shares of Common Stock are reserved for issuance to the holders of the Exchangeable Shares upon the exchange thereof.

Pursuant to the Business Combination Agreement, 1,050,000 of the Merger Consideration Shares (such shares, the “Escrow Shares”) were deposited into an escrow account (the “Escrow Account”) to serve as security for, and the exclusive source of payment of, the Company’s indemnity rights under the Business Combination Agreement.

As a result of the Business Combination, the former shareholders of 180 became the controlling shareholders of the Company and 180 became a subsidiary of the Company. The Business Combination was accounted for as a reverse merger, whereby 180 is considered the acquirer for accounting and financial reporting purposes.

Further information regarding the Business Combination is set forth in (i) the proxy statement / prospectus included in the registration statement on form S-4 (File No. 333-234650), as amended and supplemented, originally filed with the SEC on November 12, 2019 and declared effective by the SEC on October 9, 2020; and (ii) the Current Report on Form 8-K filed with the SEC on November 12, 2020.

In connection with the Closing, the Company withdrew \$9,006,493 of funds from the Trust Account (as defined below) to fund the redemptions of 816,461 shares.

Business Prior to the Business Combination

The Company was formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses. Although the Company was not limited to a particular industry or geographic region for purposes of consummating a Business Combination, the Company was focusing on the healthcare and related wellness industry. The Company is an emerging growth company and, as such, the Company is subject to all of the risks associated with early stage and emerging growth companies.

Unless stated otherwise, these financial statements contain information about KBL before the Closing of the Business Combination. References to the “Company,” “our,” “us” or “we” in this report refer to KBL before the Closing of the Business Combination, unless the context suggests otherwise.

The Company has one subsidiary, KBL Merger Sub, Inc., a wholly owned subsidiary of the Company incorporated in Delaware on July 3, 2019 (“Merger Sub”) for the purpose of effecting the proposed acquisition of 180 (see Business Combination, above). As of June 30, 2020, the Merger Sub had no activity.

At June 30, 2020, the Company had not yet commenced operations. All activity through June 30, 2020 related to the Company’s formation, its initial public offering (“Initial Public Offering”), which is described below, identifying a target company for a Business Combination, and the proposed acquisition of 180 (formerly known as CannBioRx Life Sciences Corp.), a Delaware corporation (see Business Combination, above). The Company will not generate any operating revenues until after completion of its initial Business Combination, at the earliest. The Company generates non-operating income in the form of interest income from the proceeds held in trust derived from the Initial Public Offering and the Private Placement (defined below).

The registration statement for the Company's Initial Public Offering was declared effective on June 1, 2017. On June 7, 2017, the Company consummated the Initial Public Offering of 10,000,000 units at \$10.00 per unit ("Units" and, with respect to the shares of the Company's common stock included in the Units offered, the "Public Shares"), generating gross proceeds of \$100,000,000, which is described in Note 3.

180 LIFE SCIENCES CORP.
(formerly known as KBL MERGER CORP. IV)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020
(unaudited)

Simultaneously with the closing of the Initial Public Offering, the Company consummated the private placement ("Private Placement") of 450,000 units ("Private Units" and, with respect to the shares of the Company's common stock included in the Private Units offered, the "Private Shares") at a price of \$10.00 per Private Unit in a private placement to the Company's sponsor, KBL IV Sponsor LLC (the "Sponsor"), and the underwriters, generating gross proceeds of \$4,500,000, which is described in Note 3.

On June 23, 2017, in connection with the underwriters' election to fully exercise their over-allotment option, the Company consummated the sale of an additional 1,500,000 Units at \$10.00 per Unit and the sale of an additional 52,500 Private Units at \$10.00 per Private Unit, generating total gross proceeds of \$15,525,000. Following the closing, an additional \$15,150,000 of net proceeds (\$10.10 per Unit) was placed in a trust account ("Trust Account"), resulting in \$116,150,000 (\$10.10 per Unit) held in the Trust Account.

Transaction costs amounted to \$7,345,436, consisting of \$2,875,000 of underwriting fees, \$4,025,000 of deferred underwriting fees (see Note 10) and \$445,436 of Initial Public Offering costs.

Pursuant to the Company's amended and restated certificate of incorporation, the Company initially had until December 7, 2018 (the "Initial Date") to consummate a Business Combination, or March 7, 2019 if the Company had executed a letter of intent, agreement in principle or definitive agreement for a Business Combination by the Initial Date but had not completed a Business Combination by such date. Effective November 16, 2018, the Company entered into several non-binding letters of intent with various entities for a potential Business Combination. As a result, the Company extended the time by which it must consummate a Business Combination until March 7, 2019.

On March 5, 2019, the Company's stockholders approved to extend the period of time for which the Company is required to consummate a Business Combination until June 7, 2019 (or September 9, 2019 if the Company has executed a definitive agreement for a Business Combination by June 7, 2019) or such earlier date (the "First Extension Amendment", and such later date, the "First Extension Combination Period") as determined by the Company's board of directors (the "Board"). The number of shares of common stock presented for redemption in connection with the Extension Amendment was 5,128,523. The Company paid cash in the aggregate amount of \$52,829,304, or approximately \$10.30 per share, to redeeming stockholders. As a result of the payment on the shares of common stock presented for redemption in connection with the Extension Amendment, cash and marketable securities held in the Trust Account decreased to \$65,633,068. In addition, on March 8, 2019, an aggregate of \$573,433 was loaned to the Company and deposited into the Trust Account, which amount is equal to \$0.09 for each of the 6,371,477 Public Shares that were not redeemed (the "Initial Loan"). The Initial Loan was paid from funds loaned to the Company by the Sponsor in the aggregate amount of \$573,433.

On June 5, 2019, the Company's stockholders approved to further extend the period of time for which the Company is required to consummate a Business Combination from June 7, 2019 to September 9, 2019 (or December 9, 2019 if the Company has executed a definitive agreement for a Business Combination by September 9, 2019) or such earlier date as determined by the Board (the "Second Extension Amendment"). On July 25, 2019 the Company entered into a Business Combination Agreement thereby extending the period of time for which the Company is required to consummate a Business Combination to December 9, 2019. The number of shares of common stock presented for redemption in connection with the Second Extension Amendment was 1,580,762. The Company paid cash in the aggregate amount of \$16,476,233, or approximately \$10.42 per share, to redeeming stockholders. As a result of the payment on the shares of common stock presented for redemption in connection with the Second Extension Amendment, cash and marketable securities held in the Trust Account decreased to \$49,993,473.

On December 6, 2019, the Company's stockholders approved to further extend the period of time for which the Company is required to consummate a Business Combination from September 9, 2019 (or December 9, 2019 if the Company has executed a definitive agreement for a Business Combination by September 9, 2019) to April 9, 2020 or such earlier date as determined by the Board (the "Third Extension Amendment"). The number of shares of common stock presented for redemption in connection with the Third Extension Amendment was 3,676,448. The Company paid cash in the aggregate amount of \$39,121,812, or approximately \$10.64 per share, to redeeming stockholders. As a result of the payment on the shares of common stock presented for redemption in connection with the Third Extension Amendment, cash and marketable securities held in the Trust Account decreased to \$11,857,136 at December 6, 2019.

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The Sponsor or its designees has agreed to loan the Company \$0.0225 for each Public Share that is not redeemed for each calendar month commencing on June 7, 2019, and on the 7th day of each subsequent month, or portion thereof, that is needed by the Company to complete a Business Combination from June 7, 2019 until April 9, 2020 (the "Additional Loans" and, collectively with the Initial Loan, the "Loans"). The Loans will not bear interest and will be repayable by the Company to the Sponsor or its designees upon consummation of a Business Combination. The Sponsor or its designees will have the sole discretion whether to continue extending Additional Loans for additional calendar months until April 9, 2020 and if the Sponsor determines not to continue extending Additional Loans for additional calendar months, its obligation to extend Additional Loans following such determination will terminate. Through June 30, 2020, an aggregate of \$735,889 was deposited into the Trust Account, of which \$89,142 was deposited during the six months ended June 30, 2020.

On April 8, 2020, the Company's stockholders approved to further extend the period of time for which the Company is required to consummate a Business Combination (the "Fourth Extension Amendment") from April 9, 2020 to July 9, 2020 or such earlier date as determined by the Board. The number of shares of common stock presented for redemption in connection with the Fourth Extension Amendment was 67,665. The Company paid cash in the aggregate amount of \$728,884, or approximately \$10.77 per share, to redeeming stockholders. As a result of the payment on the shares of common stock presented for redemption in connection with the Fourth Extension Amendment, cash and marketable securities held in the Trust Account decreased to \$11,273,945 at April 9, 2020.

The Company agreed to deposit \$0.05217 for each Public Share that is not redeemed for each calendar month commencing on April 9, 2020 that is needed by the Company

to complete a Business Combination from April 9, 2020 through June 9, 2020. In July 2020, the Company deposited an aggregate of \$163,797 into the Trust Account.

On July 9, 2020, the Company's stockholders approved to further extend the period of time for which the Company is required to consummate a Business Combination (the "Fifth Extension Amendment") from July 9, 2020 to November 9, 2020 or such earlier date as determined by the Board (the "Combination Period"). The number of shares of common stock presented for redemption in connection with the Fifth Extension Amendment was 106,186. The Company paid cash in the aggregate amount of \$1,160,695, or approximately \$10.93 per share, to redeeming stockholders. As a result of the payment on the shares of common stock presented for redemption in connection with the Fifth Extension Amendment, cash and marketable securities held in the Trust Account decreased to \$10,279,476 at July 9, 2020.

Trust Account

Following the closing of the Initial Public Offering and the Private Placement, an amount of \$116,150,000 (\$10.10 per Unit) from the net proceeds of the sale of the Units in the Initial Public Offering and the Private Units was placed in the Trust Account and invested in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act of 1940, as amended (the "Investment Company Act"), with a maturity of 180 days or less or in any open-ended investment company that holds itself out as a money market fund selected by the Company meeting the conditions of Rule 2a-7 of the Investment Company Act, as determined by the Company.

The Company's amended and restated certificate of incorporation provides that, other than the withdrawal of interest to pay income taxes, if any, none of the funds held in the Trust Account will be released until the earlier of: (i) the completion of a Business Combination or (ii) the distribution of the Trust Account, as described below.

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The Company's management has broad discretion with respect to the specific application of the net proceeds of its Initial Public Offering and Private Units, although substantially all of the net proceeds are intended to be applied generally toward consummating a Business Combination. There is no assurance that the Company will be able to complete a Business Combination successfully. The Company must complete one or more initial Business Combinations having an aggregate fair market value of at least 80% of the assets held in the Trust Account (excluding the deferred underwriting commissions and taxes payable on income earned on the Trust Account) at the time of the agreement to enter into the initial Business Combination. However, the Company will only complete a Business Combination if the post-transaction company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires a controlling interest in the target sufficient for it not to be required to register as an investment company under the Investment Company Act.

The Company will provide holders of the outstanding Public Shares ("public stockholders") with the opportunity to redeem all or a portion of their Public Shares upon the completion of a Business Combination either (i) in connection with a stockholder meeting called to approve the Business Combination or (ii) by means of a tender offer. The decision as to whether the Company will seek stockholder approval of a Business Combination or conduct a tender offer will be made by the Company, solely in its discretion. The public stockholders will be entitled to redeem their Public Shares for a pro rata portion of the amount then in the Trust Account (initially \$10.10 per share, plus any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company for tax obligations). The per-share amount to be distributed to public stockholders who redeem their Public Shares will not be reduced by the deferred underwriting commissions the Company will pay to the underwriters (as discussed in Note 10). The Company will proceed with a Business Combination if the Company has net tangible assets of at least \$5,000,001 upon consummation of such Business Combination and, if the Company seeks stockholder approval, a majority of the shares are voted in favor of the Business Combination.

If a stockholder vote is not required by law and the Company does not decide to hold a stockholder vote for business or other legal reasons, the Company will, pursuant to its amended and restated certificate of incorporation, conduct the redemptions pursuant to the tender offer rules of the Securities and Exchange Commission ("SEC"), and file tender offer documents with the SEC prior to completing a Business Combination. If, however, stockholder approval of the transactions is required by law, or the Company decides to obtain stockholder approval for business or legal reasons, the Company will offer to redeem shares in conjunction with a proxy solicitation pursuant to the proxy rules and not pursuant to the tender offer rules. Additionally, each public stockholder may elect to redeem their Public Shares irrespective of whether they vote for or against the proposed transaction. If the Company seeks stockholder approval in connection with a Business Combination, the initial stockholder (as defined below), officers and directors have agreed to vote their Founder Shares (as defined in Note 4), Private Shares, and any Public Shares purchased during or after the Initial Public Offering in favor of a Business Combination. In addition, the initial stockholder, officers and directors have agreed to waive their redemption rights with respect to their Founder Shares, Private Shares and Public Shares in connection with the completion of a Business Combination.

Notwithstanding the foregoing, the Company's amended and restated certificate of incorporation provides that a public stockholder, together with any affiliate of such stockholder or any other person with whom such stockholder is acting in concert or as a "group" (as defined under Section 13 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")), will be restricted from redeeming its shares with respect to more than an aggregate of 15% or more of the Public Shares.

The Sponsor (the "initial stockholder"), officers and directors agreed not to propose an amendment to the Company's amended and restated article of incorporation that would affect the substance or timing of the Company's obligation to redeem 100% of its Public Shares if the Company does not complete a Business Combination, unless the Company provides the public stockholders with the opportunity to redeem their shares of the Company's common stock in conjunction with any such amendment.

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If the Company is unable to complete a Business Combination by the Combination Period, the Company will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest (which interest shall be net of taxes payable and less up to \$50,000 of interest to pay dissolution expenses), divided by the number of then outstanding Public Shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidation distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the remaining stockholders and the Board, dissolve and liquidate, subject in the case of clauses (ii) and (iii) to the Company's obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law. There are no redemption rights or liquidating distributions with respect to the Company's Rights, Warrants, Private Placement Warrants (as defined in Note 3) and the rights underlying the Private Units, which will expire worthless if the Company fails to complete its Business Combination

within the Combination Period.

In connection with the redemption of 100% of the Company's outstanding Public Shares for a portion of the funds held in the Trust Account, each holder will receive a full pro rata portion of the amount then in the Trust Account, plus any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company for taxes payable and up to \$50,000 of interest to pay dissolution expenses.

The initial stockholder, officers, directors and underwriters agreed to waive their liquidation rights with respect to the Founder Shares and Private Shares if the Company fails to complete a Business Combination within the Combination Period. However, if they should acquire Public Shares in or after the Initial Public Offering, they will be entitled to liquidating distributions from the Trust Account with respect to such Public Shares if the Company fails to complete a Business Combination within the Combination Period. The underwriters agreed to waive their rights to their deferred underwriting commission (see Note 10) held in the Trust Account in the event the Company does not complete a Business Combination within the Combination Period and, in such event, such amounts will be included with the other funds held in the Trust Account that will be available to fund the redemption of the Company's Public Shares. In the event of such distribution, it is possible that the per share value of the residual assets remaining available for distribution (including Trust Account assets) will be only \$10.19 per share initially held in the Trust Account. In order to protect the amounts held in the Trust Account, the Sponsor agreed to be liable to the Company if and to the extent any claims by a vendor for services rendered or products sold to the Company, or a prospective target business with which the Company has discussed entering into a transaction agreement, reduce the amount of funds in the Trust Account. This liability will not apply with respect to any claims by a third party who executed a waiver of any right, title, interest or claim of any kind in or to any monies held in the Trust Account or to any claims under the Company's indemnity of the underwriters of the Initial Public Offering against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"). Moreover, in the event that an executed waiver is deemed to be unenforceable against a third party, the Sponsor will not be responsible to the extent of any liability for such third-party claims. The Company will seek to reduce the possibility that the Sponsor will have to indemnify the Trust Account due to claims of creditors by endeavoring to have all vendors, service providers (except for the Company's independent registered public accountants), prospective target businesses or other entities with which the Company does business, execute agreements with the Company waiving any right, title, interest or claim of any kind in or to monies held in the Trust Account.

Going Concern and Liquidity

As the Company merged into 180 on November 6, 2020, a going concern and liquidity presentation as a stand-alone company for these restated financial statements as of their filing date is not meaningful.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (AS RESTATED)

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X of the Securities and Exchange Commission ("SEC"). Certain information or footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted, pursuant to the rules and regulations of the SEC for interim financial reporting. Accordingly, they do not include all the information and footnotes necessary for a comprehensive presentation of financial position, results of operations, or cash flows. In the opinion of management, the accompanying unaudited condensed consolidated financial statements include all adjustments, consisting of a normal recurring nature, which are necessary for a fair presentation of the financial position, operating results and cash flows for the periods presented.

The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2019 as filed with the SEC on April 7, 2020, which contains the audited financial statements and notes thereto. The financial information as of December 31, 2019 is derived from the audited financial statements presented in the Company's Annual Report on Form 10-K for the year ended December 31, 2019. The interim results for the three and six months ended June 30, 2020 are not necessarily indicative of the results to be expected for the year ending December 31, 2020 or for any future interim periods.

Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. All significant intercompany balances and transactions have been eliminated in consolidation.

Emerging Growth Company

The Company is an "emerging growth company" as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's consolidated financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

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Use of Estimates

The preparation of condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the consolidated financial statements, which management considered in formulating its estimate, could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ significantly from our estimates.

Cash and Marketable Securities Held in Trust Account

At June 30, 2020 and December 31, 2019, assets held in the Trust Account were comprised of \$11,276,350 and \$11,877,654, respectively, in money market funds which are invested in U.S. Treasury Securities.

Common Stock Subject to Possible Redemption (as restated)

The Company accounts for its common stock subject to possible redemption in accordance with the guidance in Accounting Standards Codification (“ASC”) Topic 480 “Distinguishing Liabilities from Equity.” Common stock subject to mandatory redemption are classified as liability instruments and are measured at fair value. Conditionally redeemable common stock (including common stock that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company’s control) are classified as temporary equity. At all other times, common stock is classified as stockholders’ equity. The Company’s common stock features certain redemption rights that are considered to be outside of the Company’s control and subject to occurrence of uncertain future events. Accordingly, 334,880 and 33,618 shares of common stock subject to possible redemption at June 30, 2020 and December 31, 2019, respectively, are presented as temporary equity, outside of the stockholders’ equity section of the Company’s condensed consolidated balance sheets.

Stock-Based Compensation (as restated)

The Company measures the cost of services received in exchange for an award of equity instruments based on the fair value of the award. The fair value of the award is measured on the grant date. The fair value amount is then recognized over the period during which services are required to be provided in exchange for the award, usually the vesting period. Upon the exercise of an award, the Company issues new shares of common stock out of its authorized shares.

Income Taxes

The Company complies with the accounting and reporting requirements of ASC Topic 740 “Income Taxes,” which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed for differences between the consolidated financial statement and tax bases of assets and liabilities that will result in future taxable or deductible amounts, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. As of June 30, 2020 and December 31, 2019, the Company had a deferred tax asset of approximately \$537,000 and \$407,000, respectively, which had a full valuation allowance recorded against it of approximately \$537,000 and \$407,000, respectively.

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The Company’s currently taxable income primarily consists of interest income on the Trust Account. The Company’s general and administrative costs are generally considered start-up costs and are not currently deductible. During the three and six months ended June 30, 2020, the Company recorded income tax benefit (expense) of approximately \$1,500 and \$(3,800), respectively, primarily related to interest income earned on the Trust Account. During the three and six months ended June 30, 2019, the Company recorded income tax expense of approximately \$70,000 and \$166,000, respectively, primarily related to interest income earned on the Trust Account. The Company’s effective tax rate for the three and six months ended June 30, 2020 was approximately 0.1% and 0.2%, respectively, which differs from the expected income tax rate due to the start-up costs (discussed above) which are not currently deductible, as well as permanent differences due to the non-cash interest and the non-cash loss on the issuance of the convertible promissory notes. The Company’s effective tax rate for the three and six months ended June 30, 2019 was approximately 118% and 43%, respectively, which differs from the expected income tax rate due to the start-up costs (discussed above) which are not currently deductible.

ASC Topic 740 prescribes a recognition threshold and a measurement attribute for the consolidated financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The Company’s management determined that Delaware is the Company’s major tax jurisdiction. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. As of June 30, 2020 and December 31, 2019, there were no unrecognized tax benefits and no amounts accrued for interest and penalties. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position.

The Company may be subject to potential examination by federal or state taxing authorities in the areas of income taxes. These potential examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions and compliance with federal and state tax laws. The Company’s management does not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months.

In assessing the realization of the deferred tax assets, management considers whether it is more likely than not that some portion of all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which temporary differences representing net future deductible amounts become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. After consideration of all of the information available, management believes that significant uncertainty exists with respect to future realization of the deferred tax assets and has therefore established a full valuation allowance.

Net (Loss) Income Per Common Share (as restated)

Net (loss) income per common share is computed by dividing net loss by the weighted average number of common shares outstanding for the period. Shares of common stock subject to possible redemption at June 30, 2020 and 2019 have been excluded from the calculation of basic (loss) income per share for the three and six months ended June 30, 2020 and 2019 since such shares, if redeemed, only participate in their pro rata share of the Trust Account earnings. The Company has not considered the effect of (1) warrants sold in the Initial Public Offering and Private Placement to purchase 6,001,250 shares of common stock; (2) warrants earned (currently unissued) to purchase 18,413 shares of common stock as of June 30, 2020; and (3) rights sold in the Initial Public Offering and Private Placement that convert into 1,200,250 shares of common stock, in the calculation of diluted income per share, since the exercise of the warrants and the conversion of the rights into shares of common stock is contingent upon the occurrence of future events and the inclusion of such warrants and rights would be anti-dilutive under the treasury stock method.

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Derivative Liabilities

The Company evaluates its debt and equity issuances to determine if those contracts or embedded components of those contracts qualify as derivatives requiring separate recognition in the Company's financial statements. The result of this accounting treatment is that the fair value of the embedded derivative is marked-to-market each balance sheet date and recorded as a liability and the change in fair value is recorded in other (expense) income, net in the consolidated statements of operations. In circumstances where there are multiple embedded instruments that are required to be bifurcated, the bifurcated derivative instruments are accounted for as a single, compound derivative instrument. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is reassessed at the end of each reporting period. Equity instruments that are initially classified as equity that become subject to reclassification are reclassified to liability at the fair value of the instrument on the reclassification date. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument is expected within twelve months of the balance sheet date.

When the Company has determined that the embedded conversion options should not be bifurcated from their host instruments, the Company records, when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their stated date of redemption and are classified in interest expense in the condensed consolidated statements of operations.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist of a cash account in a financial institution which, at times may exceed the Federal depository insurance coverage of \$250,000. At June 30, 2020 and December 31, 2019, the Company had not experienced losses on this account and management believes the Company is not exposed to significant risks on such account.

Fair Value of Financial Instruments

The fair value of the Company's assets and liabilities, which qualify as financial instruments under ASC Topic 820, "Fair Value Measurement," approximates the carrying amounts represented in the accompanying condensed consolidated balance sheets, primarily due to their short-term nature.

Recently Issued Accounting Standards

Management does not believe that any recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on the Company's condensed consolidated financial statements.

3. INITIAL PUBLIC OFFERING AND PRIVATE PLACEMENT

Initial Public Offering

On June 7, 2017, pursuant to the Initial Public Offering, the Company sold 11,500,000 Units at a purchase price of \$10.00 per Unit, inclusive of 1,500,000 Units sold to the underwriters on June 23, 2017 upon the underwriters' election to fully exercise their over-allotment option, generating gross proceeds of \$115,000,000. Each Unit consists of one share of the Company's common stock, one right to receive one-tenth of one share of the Company's common stock upon the consummation of a Business Combination ("Right"), and one redeemable warrant to purchase one-half of one share of the Company's common stock ("Warrant"). Each Warrant will entitle the holder to purchase one-half of one share of common stock at an exercise price of \$5.75 per half share (\$11.50 per whole share), subject to adjustment. No fractional shares will be issued upon exercise of the warrants. The Warrants will become exercisable on the later of (i) 30 days after the completion of the initial Business Combination and (ii) 12 months from the closing of the Initial Public Offering, and will expire five years after the completion of the initial Business Combination or earlier upon redemption or liquidation.

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The Company may redeem the Warrants, in whole and not in part, at a price of \$0.01 per Warrant upon 30 days' notice ("30-day redemption period"), only in the event that the last sale price of the common stock equals or exceeds \$18.00 per share for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which notice of redemption is given, provided there is an effective registration statement with respect to the shares of common stock underlying such Warrants and a current prospectus relating to those shares of common stock is available throughout the 30-day redemption period. If the Company calls the Warrants for redemption as described above, the Company's management will have the option to require all holders that wish to exercise Warrants to do so on a "cashless basis." In determining whether to require all holders to exercise their warrants on a "cashless basis," the management will consider, among other factors, the Company's cash position, the number of Warrants that are outstanding and the dilutive effect on the Company's stockholders of issuing the maximum number of shares of common stock issuable upon the exercise of the Warrants.

Each holder of a Right received one-tenth (1/10) of one share of common stock upon consummation of the Business Combination. No fractional shares will be issued upon exchange of the Rights. No additional consideration will be required to be paid by a holder of Rights in order to receive its additional shares upon consummation of a Business Combination as the consideration related thereto has been included in the Unit purchase price paid for by investors in the Initial Public Offering. If the Company enters into a definitive agreement for a Business Combination in which the Company will not be the surviving entity, each holder of a right will be required to affirmatively convert its rights in order to receive the 1/10 share of common stock underlying each right (without paying any additional consideration).

There will be no redemption rights or liquidating distributions with respect to the Warrants and Rights, which will expire worthless if the Company fails to complete its Business Combination within the Combination Period.

Private Placement

Concurrent with the closing of the Initial Public Offering, the Sponsor and the underwriters purchased an aggregate of 450,000 Private Units at \$10.00 per Private Unit, generating gross proceeds of \$4,500,000 in a Private Placement. In addition, on June 23, 2017, the Company consummated the sale of an additional 52,500 Placement Units at a price of \$10.00 per Unit, which were purchased by the Sponsor and underwriters, generating gross proceeds of \$525,000. Of these, 377,500 Private Units were purchased by the Sponsor and 125,000 Private Units were purchased by the underwriters. The proceeds from the Private Units were added to the net proceeds from the Initial Public Offering held in the Trust Account. The Private Units (including their component securities) will not be transferable, assignable or salable until 30 days after the completion of the initial Business Combination and the warrants included in the Private Units (the "Private Placement Warrants") will be non-redeemable so long as they are held by the Sponsor, the underwriters or their permitted transferees. If the Private Placement Warrants are held by someone other than the Sponsor, the underwriters or their permitted transferees, the Private Placement Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the warrants included in the Units sold in the Initial Public Offering. In addition, for as long as the Private Placement Warrants are held by the underwriters or its designees or affiliates, they may not be exercised after five years from the effective date of the registration statement related to the Initial Public Offering. Otherwise, the Private Placement Warrants have terms and provisions that are identical to those of the warrants being sold as part of the Units in the Initial Public Offering and have no net cash settlement provisions.

If the Company does not complete a Business Combination within the Combination Period, the proceeds of the Private Placement will be part of the liquidating distribution to the public stockholders and the Private Units and their component securities issued to the Sponsor will expire worthless.

4. RELATED PARTY TRANSACTIONS

Founder Shares

In September 2016, the Company issued 2,875,000 shares of the Company's common stock to the Sponsor (the "Founder Shares") in exchange for a capital contribution of \$25,000. The 2,875,000 Founder Shares included an aggregate of up to 375,000 shares subject to forfeiture by the Sponsor to the extent that the underwriters' over-allotment option was not exercised in full or in part. As a result of the underwriters' election to exercise their over-allotment option in full on June 23, 2017, 375,000 Founder Shares were no longer subject to forfeiture.

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In conjunction with their investment in the Private Units, the underwriters or their designees also purchased membership interests in the Sponsor, through which the underwriters or their designees collectively have a pecuniary interest in 230,000 Founder Shares, pursuant to a separate private placement that closed simultaneously with the closing of the Initial Public Offering and the Private Placement. The Sponsor beneficially owns the Founder Shares allocated to the underwriters or their designees and retains sole voting and dispositive power over such securities until the closing of a Business Combination, at which time the Sponsor will distribute the Founder Shares to the underwriters or their designees for no additional consideration. Upon receipt of the Founder Shares, the underwriters or their designees will no longer retain their ownership interests in the Sponsor.

The Sponsor has agreed not to transfer, assign or sell any of the Founder Shares (except to certain permitted transferees) until the earlier to occur of (i) one year after the completion of a Business Combination, and (ii) the date following the completion of a Business Combination on which the Company completes a liquidation, merger, share exchange or other similar transaction which results in all of the Company's stockholders having the right to exchange their shares of the Company's common stock for cash, securities or other property (the "Lock-Up Period"). Notwithstanding the foregoing, if the last sale price of the Company's common stock equals or exceeds \$12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after its initial Business Combination, then the lock-up will terminate.

In connection with the Business Combination Agreement, as fully described in Note 1, the Sponsor deposited in escrow with a third-party escrow agent 1,406,250 of its Founder Shares that it acquired prior to the Company's Initial Public Offering (the "Escrowed Shares"). See Note 10.

Related Party Advances

Through December 31, 2019, the Sponsor advanced an aggregate of \$1,209,512 to fund working capital purposes and Business Combination expenses, of which \$840,482 was advanced during the year ended December 31, 2019. During the year ended December 31, 2019, the Company repaid an aggregate amount of \$100,000 of such advances and an aggregate amount of \$314,509 was converted into loans under the March Promissory Note described below. As of June 30, 2020 and December 31, 2019, advances of \$795,003 were outstanding.

Administrative Service Fee

The Company agreed, commencing on the effective date of the Initial Public Offering through the earlier of the Company's consummation of a Business Combination and its liquidation, to pay the Sponsor a monthly fee of \$10,000 for office space, utilities and secretarial and administrative support. For the each of the three months ended June 30, 2020 and 2019, the Company incurred \$30,000 of administrative service fees and for each of the six months ended June 30, 2020 and 2019, the Company incurred \$60,000 of administrative service fees. As of June 30, 2020 and December 31, 2019, an aggregate of \$276,000 and \$286,000, respectively, is payable. As of June 30, 2020 and December 31, 2019, \$286,000 of the amounts due for such fees are included as loans under the March Promissory Note described below and included in the convertible promissory note related party in the accompanying condensed consolidated balance sheets.

Convertible Promissory Note

On March 15, 2019, the Company issued the Sponsor the March Promissory Note, pursuant to which outstanding advances in the aggregate amount of \$314,509 were converted into loans under the March Promissory Note and including the \$573,433 Initial Loan from the Sponsor. The March Promissory Note is unsecured, non-interest bearing and due on the earlier of (i) the consummation of a Business Combination or (ii) the liquidation of the Company. Up to \$1,000,000 of the loans under the March

Promissory Note may be converted, at the Sponsor's discretion, into units of the post-Business Combination entity at a price of \$10.00 per unit. The units would be identical to the Private Units. Through June 30, 2020, the Sponsor advanced the Company \$371,696 under the Expense Reimbursement Agreement (as defined in Note 5), of which \$33,877 was advanced during the six months ended June 30, 2020. Through June 30, 2020, the Company repaid \$272,337 of the March Promissory Note, of which \$62,922 was repaid during the six months ended June 30, 2020.

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In connection with the Term Sheet entered into on April 10, 2019, 180 paid, on the Company's behalf, the Sponsor \$650,000 to purchase such obligations owed to the Sponsor under the March Promissory Note (see Note 4). In December 2019, the Tyche Note was transferred to 180.

As of June 30, 2020 and December 31, 2019, there was \$337,301 and \$366,346, respectively, outstanding under the March Promissory Note and no amounts outstanding under the Tyche Note.

Related Party Loans

In order to finance transaction costs in connection with a Business Combination, the Sponsor or an affiliate of the Sponsor, or certain of the Company's officers and directors may, but are not obligated to, loan the Company funds as may be required ("Working Capital Loans"). If the Company completes a Business Combination, the Company would repay the Working Capital Loans out of the proceeds of the Trust Account released to the Company. Otherwise, the Working Capital Loans would be repaid only out of funds held outside the Trust Account. In the event that a Business Combination does not close, the Company may use a portion of proceeds held outside the Trust Account to repay the Working Capital Loans but no proceeds held in the Trust Account would be used to repay the Working Capital Loans. Except for the foregoing, the terms of such Working Capital Loans, if any, have not been determined and no written agreements exist with respect to such loans. The Working Capital Loans would either be repaid upon consummation of a Business Combination, without interest, or, at the lender's discretion, up to \$1,000,000 of such Working Capital Loans may be convertible into units of the post-Business Combination entity at a price of \$10.00 per unit. The units would be identical to the Private Units. As of June 30, 2020 and December 31, 2019, the Company had \$337,301 and \$366,346, respectively, outstanding under the March Promissory Note (see Note 4).

5. EXPENSE REIMBURSEMENT AGREEMENT

On March 15, 2019, the Company entered into an expense reimbursement agreement (the "Expense Reimbursement Agreement") with the Sponsor and KBL Healthcare Management, LLC ("KBL Management"), an affiliate of the Sponsor and its Chief Executive Officer, in recognition of the compensation expense incurred by KBL Management for services provided by one of their employees on behalf of the Sponsor to the Company. The Expense Reimbursement Agreement is effective January 1, 2019 until the earlier of (i) the consummation of a Business Combination or (ii) the Company's liquidation. Under the Expense Reimbursement Agreement, the Company will reimburse the Sponsor for the compensation expense incurred by KBL Management for its employee in the amount of \$180,000 per year plus health insurance costs of \$1,139 per month. At the Company's election, the Company may pay amounts due pursuant to a non-interest bearing, unsecured promissory note. As of June 30, 2020 and December 31, 2019, amounts due under the Expense Reimbursement Agreement totaled \$337,301 and \$337,819, respectively, and has been included in the March Promissory Note (see Note 4).

6. DOMINION CONVERTIBLE PROMISSORY NOTES (AS RESTATED)

On June 12, 2020 (the "Issue Date"), the Company entered into a \$1,666,667 10% Secured Convertible Promissory Note and \$138,889 10% Senior Secured Convertible Extension Promissory Note (together the "Dominion Convertible Notes") with Dominion Capital LLC (the "Holder"), which was issued to the Holder in conjunction with 400,000 shares of common stock (the "Dominion Commitment Shares"). In conjunction with the SPA, the Company entered into a series of Leak Out Agreements in which certain parities agreed that they would not sell, dispose or otherwise transfer, in aggregate more than 5% of the composite daily trading volume of the common stock of the Company. Pursuant to the Leak-Out Agreement between the Company and Caravel CAD Fund Ltd., the Company issued 404,245 restricted shares of common stock ("Leak-Out Shares").

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The Company received \$1,625,000 in cash from the Holder with the remainder retained by the Holder for the Original Issue Discount of \$180,556. The Company incurred \$323,670 in third-party fees directly attributed to the issuance of the Dominion Convertible Notes (including warrants to purchase 17,098 shares of common stock at an exercise price of \$5.28 per share, which were valued at \$89,154), debt discount related to the Dominion Commitment Shares and Leak-Out Shares pursuant to the transaction of \$980,807 and a beneficial conversion feature of \$214,814. The beneficial conversion feature of \$214,814 was recorded as a debt discount with an offsetting entry to additional paid-in capital decreasing the Dominion Notes and increasing debt discount. The debt discount is being amortized to interest expense over the term of the debt. The Company agreed to pay the principal amount, together with guaranteed interest at the annual rate of 10% (unless the Company defaults, which increases the interest rate to 15%), with principal and accrued interest on the Dominion Convertible Notes due and payable on February 11, 2021 (the "Maturity Date"), unless converted under terms and provisions as set forth within the Dominion Convertible Notes. The Dominion Convertible Notes provide the Holder with the right to convert, at any time, all or any part of the outstanding principal and accrued but unpaid interest into shares of the Company's common stock at a conversion price of \$5.28 per share. The Dominion Convertible Notes require the Company to reserve at least 868,056 and 114,584 shares of common stock from its authorized and unissued common stock to provide for all issuances of common stock under the 10% Secured Convertible Promissory Note and 10% Senior Secured Convertible Extension Promissory Note, respectively. However, the Dominion Convertible Notes provide that the aggregate number of shares of common stock issued to the Holder under the Dominion Convertible Notes shall not exceed 4.99% of the total number of shares of common stock outstanding as of the closing date unless the Company has obtained stockholder approval of the issuance (the "Beneficial Ownership Limitation"). The Holder, upon not less than sixty-one (61) days' prior notice to the Company, may increase or decrease the Beneficial Ownership Limitation; provided, that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the common stock outstanding immediately after giving effect to the issuance of shares of common stock upon conversion of the Dominion Convertible Notes held by the Holder.

On the 10th day following the Company consummating any public or private offering of any securities or other financing or capital-raising transaction of any kind (each a

“Subsequent Offering”) on any date other than the Maturity Date, the Company shall, subject to the Holder’s conversion rights set forth herein, pay to the Holder in cash an amount equal to the Mandatory Prepayment Amount but in no event greater than fifty percent (50%) of the gross proceeds from the Subsequent Offering.

The Company shall pay a late fee (the “Late Fees”) on any amount required to be paid under any transaction document and not paid when due, at a rate equal to the lesser of an additional 10% of such amount or the maximum rate permitted by applicable law which shall be due and owing daily from the date such amount is due hereunder through the date of actual payment in full of such amount in cash.

Immediately on and after the occurrence of any Event of Default, without need for notice or demand all of which are waived, interest on this Note shall accrue and be owed daily at an increased interest rate equal to the lesser of two percent (2.0%) per month (twenty-four percent (24.0%) per annum) or the maximum rate permitted under applicable law. In addition, in any Event of Default, the Company must pay a mandatory default amount equal to one hundred thirty percent (130%) of the sum of the outstanding principal amount of the Dominion Convertible Notes at such time and all accrued interest unpaid at such time (including any Minimum Interest Amount remaining outstanding on such principal amount as of such time) and (b) all other amounts, costs, fees (including Late Fees), expenses, indemnification and liquidated and other damages and other amounts due to the Holder or any other party in respect of the Dominion Convertible Notes.

The Dominion Convertible Notes also contain a provision whereby the Holder is due a minimum interest amount or make whole amount meaning on any date and with respect to any principal amount owing under the Dominion Convertible Notes, the difference between (a) 10% of such principal amount, representing a full year of interest payments thereunder and (b) any payment of interest made prior to such date with respect to such principal amount. To be free from doubt, the minimum interest amount is only applicable for the initial 12 month period from the Issue Date.

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The Company assessed each of the above provisions in the Dominion Convertible Notes under ASC Topic 815-15. The derivative component of the obligation is initially valued and classified as a derivative liability with an offset to discounts on convertible debt. Discounts have been amortized to interest expense over the respective term of the related note. The following are the key assumptions that were used in connection with the valuation of the derivative identified during the period ending June 30, 2020:

Fair market value of stock	\$	11.02
Exercise price	\$	5.28
Volatility		255%
Risk-free interest rate		18%
Derivative life (years)		0.62

The total derivative liability associated with these notes was \$105,709 at June 30, 2020.

Principal of \$1,805,556 remained outstanding as of June 30, 2020. Interest expense and amortization of debt discount, associated with the Dominion Convertible Notes during the three and six months ended June 30, 2020 amounted to \$135,497, respectively. The unamortized discount related to the Dominion Convertible Notes was \$1,678,963 at June 30, 2020.

See Note 14 for information related to subsequent conversions of the convertible notes.

7. KINGSBROOK CONVERTIBLE PROMISSORY NOTES (AS RESTATED)

On June 12, 2020 (the “Issue Date”), the Company entered into a \$1,657,522 10% Secured Convertible Promissory Note and \$138,889 10% Senior Secured Convertible Extension Promissory Note (together the “Kingsbrook Convertible Notes”) with Kingsbrook Opportunities Master Fund LP (the “Holder”), which was issued to the Holder in conjunction with 250,000 shares of common stock (the “Kingsbrook Commitment Shares”).

The Company received \$125,000 in cash from the Holder with the remainder retained by the Holder for the Original Issue Discount of \$13,889. The Company incurred \$24,897 in third-party fees directly attributed to the issuance of the Kingsbrook Convertible Notes (including warrants to purchase 1,315 shares of common stock at an exercise price of \$5.28 per share, which were valued at \$6,857), debt discount related to the Kingsbrook Commitment Shares pursuant to the transaction of \$25 and a beneficial conversion feature of \$1,577,350. The beneficial conversion feature of \$1,577,350 was recorded as a debt discount with an offsetting entry to additional paid-in capital decreasing the Kingsbrook Notes and increasing debt discount. The debt discount is being amortized to interest expense over the term of the debt. The Company recognized a \$1,657,522 loss in earnings pursuant to the transaction. This amount was calculated as the excess of fair value of the liabilities recognized over the proceeds received of \$1,657,522. The Company agreed to pay the principal amount, together with guaranteed interest at the annual rate of 10% (unless the Company defaults, which increases the interest rate to 15%), with principal and accrued interest on the Kingsbrook Convertible Notes due and payable on February 11, 2021 (the “Maturity Date”), unless converted under terms and provisions as set forth within the Kingsbrook Convertible Notes. The Kingsbrook Convertible Notes provide the Holder with the right to convert, at any time, all or any part of the outstanding principal and accrued but unpaid interest into shares of the Company’s common stock at a conversion price of \$5.28 per share. The Kingsbrook Convertible Notes require the Company to reserve at least 1,823,275 and 114,584 shares of common stock from its authorized and unissued common stock to provide for all issuances of common stock under the 10% Secured Convertible Promissory Note and 10% Senior Secured Convertible Extension Promissory Note, respectively. However, the Kingsbrook Convertible Notes provide that the aggregate number shares of common stock issued to the Holder under the Kingsbrook Convertible Notes shall not exceed 4.99% of the total number of shares of common stock outstanding as of the closing date unless the Company has obtained stockholder approval of the issuance (the “Beneficial Ownership Limitation”). The Holder, upon not less than sixty-one (61) days’ prior notice to the Company, may increase or decrease the Beneficial Ownership Limitation; provided, that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the common stock outstanding immediately after giving effect to the issuance of shares of common stock upon conversion of the Kingsbrook Convertible Notes held by the Holder.

On the 10th day following the Company consummating any public or private offering of any securities or other financing or capital-raising transaction of any kind (each a “Subsequent Offering”) on any date other than the Maturity Date, the Company shall, subject to the Holder’s conversion rights set forth herein, pay to the Holder in cash an amount equal to the Mandatory Prepayment Amount but in no event greater than fifty percent (50%) of the gross proceeds from the Subsequent Offering.

Immediately on and after the occurrence of any Event of Default, without need for notice or demand all of which are waived, interest on this Note shall accrue and be owed daily at an increased interest rate equal to the lesser of two percent (2.0%) per month (twenty-four percent (24.0%) per annum) or the maximum rate permitted under applicable law. In addition, in any Event of Default, the Company must pay a mandatory default amount equal to one hundred thirty percent (130%) of the sum of the outstanding principal amount of the Kingsbrook Convertible Notes at such time and all accrued interest unpaid at such time (including any Minimum Interest Amount remaining outstanding on such principal amount as of such time) and (b) all other amounts, costs, fees (including Late Fees), expenses, indemnification and liquidated and other damages and other amounts due to the Holder or any other party in respect of the Kingsbrook Convertible Notes.

The Kingsbrook Convertible Notes also contain a provision whereby the Holder is due a minimum interest amount or make whole amount meaning on any date and with respect to any principal amount owing under the Kingsbrook Convertible Notes, the difference between (a) 10% of such principal amount, representing a full year of interest payments thereunder and (b) any payment of interest made prior to such date with respect to such principal amount. To be free from doubt, the minimum interest amount is only applicable for the initial 12 month period from the Issue Date.

The Company assessed each of the above provisions in the Kingsbrook Convertible Notes under ASC Topic 815-15. The derivative component of the obligation is initially valued and classified as a derivative liability with an offset to discounts on convertible debt. Discounts have been amortized to interest expense over the respective term of the related note. The following are the key assumptions that were used in connection with the valuation of the derivative identified during the period ending June 30, 2020:

Fair market value of stock	\$	11.02
Exercise price	\$	5.28
Volatility		255%
Risk-free interest rate		18%
Derivative life (years)		0.62

The total derivative liability associated with these notes was \$108,479 at June 30, 2020.

Principal of \$1,796,411 remained outstanding as of June 30, 2020. Interest expense and amortization of debt discount, associated with the Kingsbrook Convertible Notes during the three and six months ended June 30, 2020 amounted to \$134,760, respectively. The unamortized discount related to the Kingsbrook Convertible Notes was \$1,598,740 at June 30, 2020.

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8. ACCRUED EXPENSES (AS RESTATED)

A.G.P. Fees (as restated)

On January 23, 2020, the Company entered into an agreement with Alliance Global Partners (“A.G.P.”), whereby A.G.P. would serve as the exclusive placement agent and investment banker in a private placement (“Placement”) of \$15,000,000 of equity or equity-like securities of the Company. The Company would pay A.G.P. an aggregate cash placement fee equal to 8% of the face amount of securities in the Placement, which is due upon the closing of a Placement. In addition, upon the closing of a Placement, the Company shall issue A.G.P. warrants to purchase the number of shares of common stock of the Company equal to 5% of the aggregate number of shares of common stock included in the Placement. See Notes 6, 7 and 9 for additional information.

Resignation Agreement (as restated)

On June 12, 2020, the Company entered into a reimbursement agreement with the former Chief Executive Officer of the Company, a former Director and the former Chief of Staff and a resignation agreement with the former Chief Executive Officer and Tyche Capital LLC, whereby upon the closing of the Business Combination, their employment would be terminated with the Company (collectively referred to as the “Resignation Agreement”). Pursuant to the Resignation Agreement, 180 became obligated to reimburse the Company \$135,000 for certain out-of-pocket expenses paid for by the Company, in exchange for 25,568 shares of common stock issuable to 180. In addition, pursuant to the Resignation Agreement, the Company became obligated to pay a cash severance payment of \$500,000 (of which \$200,000 was paid during September 2020) to the former Chief Executive Officer. Finally, pursuant to the Resignation Agreement, the Escrow Agent became obligated to release 500,000 shares of common stock to the Sponsor and the Company became obligated to issue 500,000 replacement shares of common stock to the escrow agent (see Note 11 for additional information).

9. ACCRUED ISSUABLE EQUITY (AS RESTATED)

As of June 30, 2020, warrants to purchase an aggregate of 18,413 shares of common stock at an exercise price of \$5.28 per shares were issuable to A.G.P. (see Note 8) in connection with the placement of the Dominion and Kingsbrook convertible notes (see Notes 6 and 7) and were valued at \$96,011 using the Black-Scholes option pricing model and certain assumptions (restricted stock price of \$5.25; expected term of 4.5 years; volatility of 255%; dividends of 0.00% and a risk-free rate of 0.33%).

10. COMMITMENTS AND CONTINGENCIES (AS RESTATED)

Risks and Uncertainties

Management continues to evaluate the impact of the COVID-19 pandemic on the industry and has concluded that while it is reasonably possible that the virus could have a negative effect on the Company’s financial position, results of its operations and/or completion of the Business Combination, the specific impact is not readily determinable as of the date of these condensed consolidated financial statements. The condensed consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Registration Rights

The holders of the Founder Shares and Private Units and warrants that may be issued upon conversion of Working Capital Loans (and any shares of the Company’s common stock issuable upon the exercise of the Private Units and warrants that may be issued upon conversion of Working Capital Loans) are entitled to registration rights

pursuant to a registration rights agreement signed on the effective date of the Initial Public Offering. The holders of these securities are entitled to make up to three demands, excluding short form demands, that the Company register such securities. In addition, the holders have certain “piggy-back” registration rights with respect to registration statements filed subsequent to the consummation of a Business Combination. However, the registration rights agreement provides that the Company will not permit any registration statement filed under the Securities Act to become effective until termination of the applicable Lock-Up Period. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

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Underwriting Agreement

The Company granted the underwriters a 45-day option to purchase up to 1,500,000 additional Units to cover over-allotments at the Initial Public Offering price, less the underwriting discounts and commissions. On June 23, 2017, the underwriters elected to exercise their over-allotment option to purchase 1,500,000 Units at a purchase price of \$10.00 per Unit.

In connection with the closing of the Initial Public Offering and the over-allotment option, the underwriters were paid a cash underwriting discount of \$2,875,000. In addition, the underwriters deferred their fee of up to \$4,025,000 until the completion of the initial Business Combination (the “Deferred Fee”). In June 2020, the underwriters waived their right to receive the \$4,025,000 deferred fee which had been held in the Trust Account. The Company recorded the waiver of the Deferred Fee as a credit to additional paid in capital in the accompanying statement of stockholders’ equity.

Concurrently with the closing of the Initial Public Offering, the underwriters purchased an aggregate of 125,000 Private Units at \$10.00 per Private Unit.

In conjunction with their investment in the Private Units, the underwriters or their designees also purchased membership interests in the Sponsor, through which the underwriters or their designees collectively have a pecuniary interest in 230,000 Founder Shares, pursuant to a separate private placement that closed simultaneously with the closing of the Initial Public Offering and the Private Placement.

Business Combination (as restated)

On April 10, 2019, the Company entered into a non-binding term sheet (the “Term Sheet”) for a Business Combination transaction (the “Transaction”) with 180. In connection with the Term Sheet, 180, Katexco, CBR Pharma and 180 LP agreed to loan \$400,000 to the Company to be used to fund the Company’s operating expenses, deal transaction expenses and any financing expenses for the Transaction (the “Operating Expenses”), and up to an additional \$300,000 to be used by the Company in connection with any future extensions of the deadline for the Company to consummate a Business Combination (the “Extension Expenses”).

The loans are interest-free and can be pre-paid at any time without penalty, but are required to be paid back (subject to a customary waiver against the Company’s Trust Account) upon the earlier of (i) the closing of the Transaction, (ii) the consummation by the Company of a transaction with a third party constituting the Company’s initial Business Combination, or (iii) the liquidation of the Company if it does not consummate an initial Business Combination prior to its deadline to do so (a “Liquidation”). Promptly after signing the Term Sheet, the Company received the loan of \$400,000 to fund the Operating Expenses.

In connection with the Term Sheet, 180 paid, on the Company’s behalf, \$650,000 to the Sponsor to purchase \$650,000 of the obligations owed to the Sponsor under the March Promissory Note (the “Tyche Note”), but Tyche waived any rights under the assigned portion of the March Promissory Note to convert the obligations under the assigned portion of the March Promissory Note into units of the post-Business Combination entity. Pursuant to the Term Sheet, Tyche also agreed to provide equity financing for the Transaction to ensure that the Company has sufficient cash at the closing of the Transaction to meet its \$5,000,001 net tangible assets test. In December 2019, the \$650,000 Tyche Note was transferred to 180.

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On July 25, 2019, the Company entered into the Business Combination Agreement with 180, the 180 Subsidiaries, Merger Sub, and the Stockholder Representative, pursuant to which, among other matters, and subject to the satisfaction or waiver of the conditions set forth in the Business Combination Agreement, Merger Sub will merge with and into 180, with 180 continuing as the Company’s wholly owned subsidiary at the closing.

Subject to the terms and conditions of the Business Combination Agreement, at the Closing, (a) each outstanding share of 180 common stock will be converted into the right to receive a number of shares of the Company’s common stock equal to the exchange ratio described below; (b) each outstanding share of 180 preferred stock will be converted into the right to receive a number of shares of the Company’s preferred stock on a one-for-one basis; and (c) each outstanding exchangeable share of 180 or any of the 180 Subsidiaries, as the case may be, will be converted into the right to receive a number of exchangeable shares equal to the exchange ratio described below. Each exchangeable share will be an exchangeable share in a Canadian subsidiary of the Company that will be exchangeable for common stock.

Subject to the terms and conditions of the Business Combination Agreement, at the Closing, the Company will acquire 100% of the outstanding equity and equity equivalents of 180 (including options, warrants or other securities that have the right to acquire or convert into equity securities of the Company) in exchange for 17,500,000 shares of KBL Common Stock (the “Transaction Shares”), subject to adjustment. The total consideration will be reduced by the amount of any liabilities of 180 in excess of \$5 million at the Closing.

The 180 Business Combination will be consummated subject to the deliverables and provisions as further described in the Business Combination Agreement.

During the year ended December 31, 2019, the Company received additional advances in the aggregate amount of \$1,049,825 from the 180 Parties to fund Operating Expenses and Extension Expenses. During the six months ended June 30, 2020, the Company repaid advances in the amount of \$330,000. As of June 30, 2020 and December 31, 2019, a total of \$1,379,815 and \$1,699,825, respectively, is due under the advances from the 180 Parties.

See Note 14 – Subsequent Events for additional information.

Founder Shares Escrow (as restated)

In connection with the Business Combination Agreement, the Sponsor deposited in escrow with a third-party escrow agent 1,406,250 of its Founder Shares that it acquired prior to the Company's Initial Public Offering (the "Escrowed Shares"). Contingent upon fulfillment of Tyche's obligations under the Tyche Backstop agreement, the Escrowed Shares are to be transferred to Tyche, less any portion used for financing for the Transaction, upon the earlier of (i) the closing of the Transaction or (ii) a Liquidation; provided, that if the Company consummates its initial Business Combination with a third party other than 180 or its affiliates, upon the consummation of such Business Combination, in addition to paying the loans described above, the Sponsor will transfer to Tyche a number of Escrowed Shares equal in value to three times the amount of the loans, with each Escrowed Share valued at the price paid to each public stockholder that redeems its shares in connection with such initial Business Combination. See Note 8 – Resignation Agreement for additional information related to the Escrowed Shares.

Additional information on the Business Combination is available in the Company's Form S-4 filed by us with the SEC on November 12, 2019 and amended on February 10, 2020.

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Convertible Preferred Stock (as restated)

On June 26, 2020, the Company entered into a Securities Purchase Agreement (the "SPA") dated June 12, 2020, whereby upon the second closing pursuant to the SPA, upon the registration statement becoming effective, as well as certain other conditions being satisfied, the Company shall have the right to have a certain investor purchase all of the authorized Series A Convertible Preferred Stock (1,000,000 shares) of the Company for an aggregate purchase price of \$3,000,000. The Preferred Stock shall be convertible into common stock at a conversion price of \$5.28 per share at the election of the holder at any time following issuance, subject to adjustment. At any time following the three-month anniversary of the Business Combination, the holder of the Preferred Stock has the right to force the Company to redeem all or any portion of the Preferred Stock then owned by the holder in cash. From and after the first date of issuance of the Series A Convertible Preferred Stock, each holder shall be entitled to receive dividends, which shall be paid by the Company, of 10% compounded daily. In the event of a liquidation event, the holders shall be entitled to receive in cash out of the assets of the Company, whether from capital or from earnings available for distribution. Holders of the Series A Convertible Preferred Stock shall have no voting rights. The Series A Convertible Preferred Stock are anti-dilutive, therefore upon the consummation of each dilutive issuance, the conversion price shall be reduced and only reduced to equal the lower of (i) the base share price and (ii) the lowest volume weighted average price in the five (5) days immediately following. Such adjustment shall be made whenever such shares of common stock or common stock equivalents are issued. On June 29, 2020, the Company filed a Certificate of Designation designating the terms of the Series A Convertible Preferred Stock.

Mintz Legal Fees (as restated)

On April 18, 2019, the Company engaged Mintz, Levin, Cohn, Ferris, Glovsky and Popeo P.C. ("Mintz") as legal counsel to assist the Company with the acquisition of 180 and other related matters. Pursuant to this engagement, Mintz obtained an advance of \$200,000 and agreed to charge the Company for their services on a time and disbursement basis. Besides the advance that was paid to Mintz, the remaining unbilled amounts were not due and payable unless, and until, a business combination occurred, upon which Mintz will be due a 30% premium in addition to its unpaid fees. Upon the closing of a business combination, the Company will be invoiced by Mintz for \$1,472,070, which includes the premium.

EarlyBird Finder's Fee (as restated)

On October 17, 2018, the Company entered into an agreement with EarlyBirdCapital, Inc. ("EarlyBird"), whereby EarlyBird would introduce potential targets to the Company on a non-exclusive basis for the purpose of consummating a merger, capital stock exchange, asset acquisition, or other similar business combination. Upon the closing of a transaction, the Company agreed to pay EarlyBird a finder's fee, payable in cash, of 1% of the value of the transaction, minus any liabilities at closing in excess of \$5,000,000, as defined in the Business Combination Agreement.

Cantor Fitzgerald Fees (as restated)

On February 17, 2018, the Company entered into an agreement with Cantor Fitzgerald & Co. ("Cantor"), whereby Cantor would act as the Company's financial advisor with any transaction or any potential target entity. Pursuant to the agreement, transaction refers to a transaction or series of related transactions, whereby, directly or indirectly, control of, or a significant interest in, any acquiree's or any acquiree's business or assets is transferred to the Company for consideration, including, without limitation, a sale, acquisition of exchange of stock, etc., in any case that qualifies as a business combination. The Company agreed to pay Cantor based on the following terms, but not to exceed \$4,000,000:

- if the acquiree in the transaction is not a KBL relationship, the Company agreed to pay Cantor 1.10% of the aggregate consideration involved in the transaction, subject a minimum fee of \$2,000,000;
- if the acquiree in the transaction is a KBL relationship, the Company agreed to pay Cantor 0.825% of the aggregate consideration involved in the transaction, subject a minimum fee of \$1,500,000;
- if another entity is providing merger and acquisition services and the acquiree in the transaction is not a KBL relationship, the Company agreed to pay Cantor 1.10% of the aggregate consideration involved in the transaction, minus the fee owed to the other entity, subject a minimum fee of \$1,500,000; and
- if another entity is providing merger and acquisition services and the acquiree in the transaction is a KBL relationship, the Company agreed to pay Cantor 0.825% of the aggregate consideration involved in the transaction, minus the fee owed to the other entity, subject a minimum fee of \$1,500,000.

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On November 6, 2020, the Company and Cantor entered into a settlement and release agreement, whereby the Company agreed to issue Cantor 150,000 fully paid shares of restricted common stock upon the closing of the Business Combination, in full satisfaction of the obligations outlined in the original agreement dated February 17, 2018 (see Note 14).

Ladenburg Fees (as restated)

The Company entered into a verbal agreement with Ladenburg & Thalmann and Co. Inc. (“Ladenburg”), whereby Ladenburg would act as the Company’s financial advisor with any transaction or any potential target entity and the Company would pay Ladenburg for their services.

On November 3, 2020, the Company and Ladenburg entered into a settlement and release agreement, whereby the Company agreed to issue Ladenburg 100,000 fully paid shares of restricted common stock, in full satisfaction of any and all obligations upon the closing of the Business Combination (see Note 14).

Resignation Agreement (as restated)

Pursuant to the Resignation Agreement discussed in Note 8, the Company committed to issue 25,568 shares of common stock to 180 in exchange for \$135,000 of cash, which has not closed as of June 30, 2020.

11. STOCKHOLDERS’ EQUITY (AS RESTATED)

Preferred Stock

The Company is authorized to issue 1,000,000 preferred shares with a par value of \$0.0001 per share. At June 30, 2020 and December 31, 2019, there are no preferred shares issued or outstanding.

Common Stock (as restated)

The Company is authorized to issue 35,000,000 shares of the Company’s common stock with a par value of \$0.0001 per share. Holders of the Company’s shares of the Company’s common stock are entitled to one vote for each share. At June 30, 2020 and December 31, 2019, there were 5,139,222 and 4,458,149 shares of common stock issued and outstanding, respectively, excluding 334,880 and 33,618 shares of common stock subject to possible redemption, respectively.

Stock-Based Compensation (as restated)

As of June 30, 2020, 500,000 shares of common stock valued at \$2,625,000 (using a restricted stock price of \$5.25 per share) were issuable to the escrow account in order to replace 500,000 shares that the Escrow Agent is scheduled to release to the Sponsor, all pursuant to the Resignation Agreement (see Note 8). The 500,000 shares that are scheduled to be released by the Sponsor are fully vested and the grant date value of \$2,625,000 was charged as stock-based compensation within general and administrative expenses in the accompanying statement of operations and additional paid-in capital was credited for the six months ended June 30, 2020. During the three and six months ended June 30, 2020, the Company recorded \$2,625,000 and \$2,625,000, respectively, for this transaction.

12. TRUST ACCOUNT AND FAIR VALUE MEASUREMENTS

The Trust Account can be invested in U.S. government securities, within the meaning set forth in the Investment Company Act, having a maturity of 180 days or less or in any open-ended investment company that holds itself out as a money market fund selected by the Company meeting the conditions of Rule 2a-7 of the Investment Company Act.

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The Company’s amended and restated certificate of incorporation provide that, other than the withdrawal of interest to pay income taxes and up to \$50,000 of interest to pay dissolution expenses if any, none of the funds held in the Trust Account will be released until the earlier of: (i) the completion of the Business Combination; (ii) the redemption of Public Shares properly tendered in connection with a stockholder vote to amend the Company’s amended and restated certificate of incorporation to modify the substance or timing of the Company’s obligation to redeem 100% of the Public Shares if the Company does not complete the Business Combination within the Combination Period or (iii) the redemption of 100% of the Public Shares if the Company is unable to complete a Business Combination within the Combination Period.

The Company classifies its U. S. Treasury and equivalent securities as held-to-maturity in accordance with ASC 320 “Investments - Debt and Equity Securities.” Held-to-maturity securities are those securities which the Company has the ability and intent to hold until maturity. Held-to-maturity treasury securities are recorded at amortized cost on the accompanying condensed consolidated balance sheets and adjusted for the amortization or accretion of premiums or discounts.

The following table presents information about the Company’s assets that are measured at fair value on a recurring basis at June 30, 2020 and December 31, 2019 and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

Description	Level	June 30, 2020	December 31, 2019
Assets:			
Marketable securities held in Trust Account - U.S Treasury			
Securities Money Market Fund	1	\$ 11,276,350	\$ 11,877,654
Accrued Issuable Equity (A.G.P. warrants)	3	\$ 96,011	-
Derivative Liability	3	\$ 214,188	\$ -

The Company follows the guidance in ASC 820 for its financial assets and liabilities that are re-measured at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually.

The fair value of the Company’s financial assets and liabilities reflects management’s estimate of amounts that the Company would have received in connection with the

sale of the assets or paid in connection with the transfer of the liabilities in an orderly transaction between market participants at the measurement date. In connection with measuring the fair value of its assets and liabilities, the Company seeks to maximize the use of observable inputs (market data obtained from independent sources) and to minimize the use of unobservable inputs (internal assumptions about how market participants would price assets and liabilities). The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

- Level 1: Quoted prices in active markets for identical assets or liabilities. An active market for an asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2: Observable inputs other than Level 1 inputs. Examples of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs based on our assessment of the assumptions that market participants would use in pricing the asset or liability.

Level 3 liabilities are valued using unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the derivative liability. Level 3 financial liabilities consisted of the derivative liability for which the determination of fair value required significant judgment or estimation. Changes in fair value measurements categorized within Level 3 of the fair value hierarchy are analyzed each period based on changes in estimates or assumptions and recorded as appropriate.

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At June 30, 2020 and December 31, 2019 there were no transfers in or out between the levels in the fair value hierarchy.

The following table provides a reconciliation of the beginning and ending balances measured using significant unobservable inputs (Level 3):

Balance - January 1, 2020	\$	-
Initial classification of derivative liability	\$	214,188
Initial classification of accrued issuable equity (A.G.P. warrants)	\$	96,011
Balance - June 30, 2020	\$	310,199

13. COMPARISON OF RESTATED FINANCIAL STATEMENTS TO FINANCIAL STATEMENTS AS PREVIOUSLY REPORTED

In these restated financial statements and footnotes, we have added disclosure in Note 10 for previously undisclosed contingent liabilities. The following tables compare the Company's previously issued Balance Sheet, Statement of Operations and Statement of Cash Flows as of June 30, 2020 and for the three and six months then ended to the corresponding restated financial statements for that period end. The adjustments that relate to the restated financial statements are:

- the recording of a liability for the \$155,555 cash fee and the \$96,011 value of the warrants due to A.G.P related to the placement of the Dominion and Kingsbrook convertible promissory notes and the related debt discount recorded against those convertible promissory notes as of June 30, 2020;
- the recording of a \$144,085 reduction of the beneficial conversion features associated with the convertible promissory notes and the related reduction of the debt discount;
- the recording of a liability for the \$500,000 cash fee due to the former Chief Executive Officer in connection with the Resignation Agreement as of June 30, 2020;
- the recording of stock-based compensation during the three and six months ended June 30, 2020 of \$2,625,000 and \$2,625,000, respectively, for the value of the 500,000 shares of common stock that the Company is obligated to replace with the Escrow Agent after the Escrow Agent became obligated to return 500,000 Founder Shares to the Sponsor, both as a result of the Resignation Agreement; and
- the recording of the transfer of \$3,269,085 of common stock subject to redemption (temporary equity) to common stock (permanent equity), in order to maintain stockholders' equity in excess of \$5,000,001 as of June 30, 2020.

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The effects of the restatement on the line items within the Company's unaudited Condensed Consolidated Balance Sheet as of June 30, 2020 are as follows:

CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2020		
	As Originally Reported	Adjustments	As Restated
Assets			
Current assets:			
Cash	\$ 257,601	\$ -	\$ 257,601
Restricted cash	787,865	-	787,865
Prepaid income taxes	21,806	-	21,806

Prepaid expenses	118,645	-	118,645
Total current assets	1,185,917	-	1,185,917
Other assets	163,797	-	163,797
Marketable securities held in Trust Account	11,276,350	-	11,276,350
Total Assets	\$ 12,626,064	\$ -	\$ 12,626,064
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable and accrued expenses	\$ 339,497	\$ 655,555	\$ 995,052
Accrued issuable equity	-	96,011	96,011
March promissory note – related party	337,301	-	337,301
Due to related party	795,003	-	795,003
Advances due - 180	1,379,815	-	1,379,815
Convertible promissory notes, net of debt discount	431,745	(107,481)	324,264
Derivative liability	214,188	-	214,188
Total liabilities	3,497,549	644,085	4,141,634
Commitments and contingencies			
Common stock subject to possible redemption	4,128,507	(644,085)	3,484,422
Stockholders' Equity:			
Preferred stock	-	-	-
Common stock	508	6	514
Additional paid-in capital	6,458,398	3,124,994	9,583,392
(Accumulated deficit)/Retained earnings	(1,458,898)	(3,125,000)	(4,583,898)
Total Stockholders' Equity	5,000,008	-	5,000,008
Total Liabilities and Stockholders' Equity	\$ 12,626,064	\$ -	\$ 12,626,064

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The effects of the restatement on the line items within the Company's unaudited Consolidated Statement of Operations for the three and six months ended June 30, 2020 are as follows:

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	<u>For the Three Months Ended June 30, 2020</u>			<u>For the Six Months Ended June 30, 2020</u>		
	<u>As Originally Reported</u>	<u>Adjustments</u>	<u>As Restated</u>	<u>As Originally Reported</u>	<u>Adjustments</u>	<u>As Restated</u>
General and administrative expenses	\$ 388,039	\$ 3,125,000	\$ 3,513,039	\$ 635,631	\$ 3,125,000	\$ 3,760,631
Loss from operations	388,039	3,125,000	3,513,039	635,631	3,125,000	3,760,631
Other (expense) income:						
Interest expense	(270,257)	-	(270,257)	(270,257)	-	(270,257)
Loss on issuance of convertible promissory note	(1,657,522)	-	(1,657,522)	(1,657,522)	-	(1,657,522)
Interest income	2,950	-	2,950	38,438	-	38,438
Other (expense) income, net	(1,924,829)	-	(1,924,829)	(1,889,341)	-	(1,889,341)
(Loss) income before income taxes	(2,312,868)	(3,125,000)	(5,437,868)	(2,524,972)	(3,125,000)	(5,649,972)
BBenefit (provision) from income taxes	1,480	-	1,480	(3,827)	-	(3,827)
Net (loss) income	\$ (2,311,388)	\$ (3,125,000)	\$ (5,436,388)	\$ (2,528,799)	\$ (3,125,000)	\$ (5,653,799)
Weighted average shares outstanding						
Basic	4,479,278	-	4,479,278	4,468,714	-	4,468,714
Diluted	4,479,278	-	4,479,278	4,468,714	-	4,468,714
Net (loss) income per common share						
Basic	\$ (0.52)	\$ (0.69)	\$ (1.21)	\$ (0.57)	\$ (0.70)	\$ (1.27)
Diluted	\$ (0.52)	\$ (0.69)	\$ (1.21)	\$ (0.57)	\$ (0.70)	\$ (1.27)

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The effects of the restatement on the line items within the Company's unaudited Consolidated Statement of Cash Flows for the six months ended June 30, 2020 are as follows:

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Six Months Ended June 30, 2020		
	As Originally Reported	Adjustments	As Restated
Cash Flows from Operating Activities:			
Net (loss) income	\$ (2,528,799)	\$ (3,125,000)	\$ (5,653,799)
Adjustments to reconcile net (loss) income to net cash used in operating activities:			
Interest income earned on investments held in Trust Account	(38,438)	-	(38,438)
Stock-based compensation	-	2,625,000	2,625,000
Amortization of debt discount	252,493	-	252,493
Loss on issuance of convertible promissory notes	1,657,522	-	1,657,522
Changes in operating assets and liabilities:			
Prepaid income taxes	3,827	-	3,827
Prepaid expenses	(66,855)	-	(66,855)
Other asset	(163,797)	-	(163,797)
Accounts payable and accrued expenses	71,074	500,000	571,074
Net cash and restricted cash used in operating activities	(812,973)	-	(812,973)
Cash Flows from Investing Activities:			
Cash withdrawn from Trust Account for redemptions	728,884	-	728,884
Investment of cash in Trust Account	(89,142)	-	(89,142)
Net cash and restricted cash provided by investing activities	639,742	-	639,742
Cash Flows from Financing Activities:			
Proceeds from promissory note – CannBioRx	9,990	-	9,990
Repayment of promissory note - CannBioRx	(330,000)	-	(330,000)
Proceeds from convertible promissory note – related party	33,877	-	33,877
Repayment of convertible promissory note – related party	(62,922)	-	(62,922)
Proceeds from convertible promissory notes	1,750,000	-	1,750,000
Redemptions of common stock	(728,884)	-	(728,884)
Net cash and restricted cash provided by (used in) financing activities	672,061	-	672,061
Net Change in Cash and Restricted Cash	498,830	-	498,830
Cash and Restricted Cash – Beginning of period	546,636	-	546,636
Cash and Restricted Cash – Ending of period	\$ 1,045,466	\$ -	\$ 1,045,466
Supplementary cash flow information:			
Non-cash investing and financing activities:			
Change in value of common stock subject to possible redemption	\$ 4,510,285	\$ (644,085)	\$ 3,866,200
Waiver of deferred underwriting fee	\$ 4,025,000	\$ -	\$ 4,025,000
Accrual of debt issuance costs	\$ -	\$ 251,566	\$ 251,566
Initial classification of debt discount in connection with issuance of convertible promissory note	\$ 3,208,527	\$ 107,481	\$ 3,316,008
Initial classification of derivative liability in connection with issuance of convertible promissory note	\$ 214,188	\$ -	\$ 214,188
Original issue discount in connection with issuance of convertible promissory note	\$ 194,445	\$ -	\$ 194,445
Initial classification of debt discount and issuance of commitment shares and leak-out shares in connection with convertible promissory note	\$ 3,014,082	\$ 107,481	\$ 3,121,563

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14. SUBSEQUENT EVENTS (AS RESTATED)

Extension of the Consummation of the Business Combination

On July 9, 2020, the Company's stockholders approved to further extend the period of time for which the Company is required to consummate a Business Combination (the "Fifth Extension Amendment") from July 9, 2020 to November 9, 2020 or such earlier date as determined by the Board (the "Combination Period"). The number of shares of common stock presented for redemption in connection with the Fifth Extension Amendment was 106,186. The Company paid cash in the aggregate amount of \$1,160,695, or

approximately \$10.93 per share, to redeeming stockholders. As a result of the payment on the shares of common stock presented for redemption in connection with the Fifth Extension Amendment, cash and marketable securities held in the Trust Account decreased to \$10,279,476 at July 9, 2020.

Alpha Convertible Promissory Notes

On September 8, 2020, KBL entered into a Securities Purchase Agreement (the “SPA”) whereby it issued to Alpha Capital Anstalt (“Alpha”), secured convertible promissory notes in the aggregate principal amount of \$1,111,111.11 (collectively, the “Notes”) for an aggregate purchase price of \$1,000,000. The Notes are subject to 10% original issue discount, are due on April 7, 2021, and accrue interest at the rate of 10% per annum, with interest being guaranteed to the maturity of the Notes, regardless of when any Note is converted. The Notes are all initially convertible into the Company’s common stock, par value \$0.0001 per share (the “Common Stock”), at a per share conversion price equal to \$5.28. Beginning ninety (90) days following the Company’s completion of its contemplated Business Combination, the conversion price will equal the lowest volume weighted average price (“VWAP”) of the Company’s Common Stock during the five (5) trading day period ending on the trading day immediately prior to the conversion date, but in no event will the conversion price be lower than \$2.00. In connection with the closing of the transactions contemplated by the SPA, the Company issued an aggregate of 100,000 restricted shares of Common Stock to the investors. See Convertible Note Conversions in this Note 14.

Common Stock Redemptions

At a special meeting of stockholders held on November 5, 2020, stockholders holding 816,461 public shares exercised their right to redeem such public shares into a pro rata portion of the Trust Account. As a result, an aggregate of \$9,006,493 was removed from the Company’s trust account to pay such holders. Following such redemptions, a total of \$1,367,365 remained in the Company’s trust account.

Adoption of 2020 Omnibus Incentive Plan

At a special meeting of stockholders held on November 5, 2020, the stockholders of the Company considered and approved the 2020 Omnibus Plan (the “*Incentive Plan*”) and reserved 3,718,140 shares of common stock for issuance thereunder. The Incentive Plan was previously approved, subject to stockholder approval, by the Board of Directors of the Company. The Incentive Plan became effective immediately upon the closing of the Business Combination.

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Closing of the Business Combination

On November 6, 2020, the Company consummated the previously announced Business Combination following a special meeting of stockholders held on November 5, 2020, where the stockholders of KBL considered and approved, among other matters, a proposal to adopt that certain Business Combination Agreement, dated as of July 25, 2019. Pursuant to the Business Combination Agreement, among other things, Merger Sub merged with and into 180, with 180 continuing as the surviving entity and a wholly-owned subsidiary of the Company. In connection with, and prior to, the Closing, 180 filed a Certificate of Amendment of its Certificate of Incorporation in Delaware to change its name to 180 Life Corp. and KBL Merger Corp. IV changed its name to 180 Life Sciences Corp. See Note 1 – Description of Organization, Business Operations and Restatement for additional information related to the closing of the Business Combination.

Common Stock Issued to Cantor Fitzgerald and Ladenburg Thalmann

On November 6, 2020, upon the closing of the Business Combination, the Company issued 150,000 shares of restricted common stock to Cantor Fitzgerald & Co. in accordance with the settlement and release agreement signed on November 6, 2020 (see Note 10).

On November 6, 2020, upon the closing of the Business Combination, the Company issued 100,000 shares of restricted common stock to Ladenburg Thalmann & Co. Inc. in accordance with the settlement and release agreement signed on November 3, 2020 (see Note 10).

Other Common Stock Issuances

Upon the closing of the Business Combination, the Company issued 198,751 shares of common stock to the Sponsor upon the automatic conversion of a convertible promissory note in the principal amount of \$795,003 that the Company previously issued to the Sponsor. In addition, upon the closing of the Business Combination, the Company issued an aggregate of 73,629 shares of common stock to three holders of promissory notes in the principal amount of approximately \$278,509 that were previously issued by 180 upon the automatic conversion of such notes.

Amendment to the SPA Agreement with Dominion Capital LLC

On November 25, 2020, the Company entered into an amended agreement with Dominion and Kingsbrook to amend the secured convertible promissory notes in the original aggregate principal amount of \$3,601,966 (after giving effect to a 10% original issue discount) that the Company issued pursuant to the purchase agreement (the “Notes”) so that the Fixed Conversion Price of the Notes, during the ninety (90) day period following November 6, 2020, shall be equal to the lower of: (A) ninety-six percent (96%) of the lowest volume weighted average price of the common stock of the Company on the NASDAQ Capital Market during the five (5) trading day period ending on the trading day immediately prior to the applicable conversion date and (B) \$5.28; provided, that in no event shall the Fixed Conversion Price be lower than \$2.00 (in each case, as appropriately adjusted for any stock dividend, stock split, stock combination, reclassification or similar transaction that proportionately decreases or increases the number of shares of common stock prior to such date). No other changes were made to the Notes as a result of the Amendment Agreement. The change of the conversion price of the Notes, triggered the most-favored-nation clause and changed the conversion price of the Series A Convertible Preferred Stock to be the same price as the Notes.

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Convertible Debt Conversions

After the closing of the Business Combination, from November 27, 2020 to January 25, 2021, the holders of the Company's convertible promissory notes converted an aggregate of \$3,995,966, which includes accrued interest of \$362,624, which is owed under such convertible notes into an aggregate of 1,858,021 shares of our common stock, pursuant to the terms of such notes, as amended, at conversion prices of between \$2.00 and \$2.86 per share.

Series A Convertible Preferred Stock Issuance and Conversions

The Company satisfied the conditions for issuing the Series A Convertible Preferred Stock to Dominion Capital, LLC by obtaining an effective registration statement just prior to the closing of the Business Combination. After the closing of the Business Combination, from November 30, 2020 to December 18, 2020, Dominion Capital, LLC, converted a total of 1,000,000 shares of Series A Convertible Preferred Stock of the Company, pursuant to that certain Securities Purchase Agreement, dated as of June 12, 2020, with a total conversion value of \$3,666,667, into an aggregate of 1,619,144 shares of the Company's common stock, at conversion prices of between \$2.00 and \$2.31 per share (after adjusting the conversion price of such preferred stock in connection with certain anti-dilutive rights). Due to such conversions, the Company currently has no shares of Series A Convertible Preferred Stock issued or outstanding. As a result of the conversions of the Series A Convertible Preferred Stock, a total of \$3 million, which was previously held in escrow in connection with the purchase of the Series A Convertible Preferred Stock, was released to the Company.

Notice of Acceleration

On December 29, 2020, the Company received notice from Marlene Krauss, M.D., the former Chief Executive Officer and director of KBL, alleging the occurrence of an event of default of the terms of a certain promissory note in the amount of \$371,178, dated March 15, 2019, evidencing amounts owed by the Company to KBL IV Sponsor LLC (which Dr. Krauss serves as sole managing member of), for failure to repay such note within five days of the release of funds from escrow in connection with the Purchase Agreement. Dr. Krauss has declared the entire amount of the note to be immediately due and payable. The note, pursuant to its terms, accrues damages of \$2,000 per day until paid in full (subject to a maximum amount of damages equal to the principal amount of the note upon the occurrence of the event of default thereunder). Due to the matters described in Note 10, as restated, to these financial statements, there are disputes regarding any amounts that may be due to Dr. Krauss under the note.

Potential Legal Matters

The Company may initiate legal action against former executives of KBL for non-disclosure in these financial statements of the matters disclosed in Note 13. If such legal action is initiated, the Company would seek damages to cover, at a minimum, the unrecorded and contingent liability obligations and legal fees. There can be no assurance that if such legal action is initiated that the Company will be successful in its legal actions.

Related Party Transactions

On November 6, 2020, the Company transferred \$360,000 to its former Chief Executive Officer's personal account and on November 10, 2020, an additional \$300,000 was transferred to KBL Sponsor's bank account, of which \$125,000 was subsequently paid to the Company's legal counsel for services related to the Business Combination.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

References in this report (the "Quarterly Report") to "we," "us" or the "Company" refer to 180 Life Sciences Corp. (formerly known as KBL Merger Corp. IV). References to our "management" or our "management team" refer to our officers and directors, and references to the "sponsor" refer to KBL IV Sponsor LLC. The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the financial statements and the notes thereto contained elsewhere in this Quarterly Report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties.

Special Note Regarding Forward-Looking Statements

This Quarterly Report includes "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act that are not historical facts and involve risks and uncertainties that could cause actual results to differ materially from those expected and projected. All statements, other than statements of historical fact included in this Quarterly Report including, without limitation, statements in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" regarding the Company's financial position, business strategy and the plans and objectives of management for future operations, are forward-looking statements. Words such as "expect," "believe," "anticipate," "intend," "estimate," "seek" and variations and similar words and expressions are intended to identify such forward-looking statements. Such forward-looking statements relate to future events or future performance, but reflect management's current beliefs, based on information currently available. A number of factors could cause actual events, performance or results to differ materially from the events, performance and results discussed in the forward-looking statements. For information identifying important factors that could cause actual results to differ materially from those anticipated in the forward-looking statements, please refer to the Risk Factors section of the Company's Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC. The Company's securities filings can be accessed on the EDGAR section of the SEC's website at www.sec.gov. Except as expressly required by applicable securities law, the Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

Recent Developments

On February 20, 2019, we filed a definitive proxy statement with the SEC soliciting the approval of our stockholders for, among other things, a proposal to extend the period of time for which we are required to consummate a Business Combination from March 7, 2019 to June 7, 2019 (or September 9, 2019 if the Company has executed a definitive agreement for a Business Combination by June 7, 2019) or such earlier date as determined by our board of directors.

On March 5, 2019, our stockholders approved to extend the period of time for which we are required to consummate a Business Combination until June 7, 2019 (or September 9, 2019 if we have executed a definitive agreement for a Business Combination by June 7, 2019) or such earlier date as determined by our board of directors (the "First Extension Amendment", and such later date, the "First Extension Combination Period"). The number of shares of common stock presented for redemption in connection with the First Extension Amendment was 5,128,523. We paid cash in the aggregate amount of \$52,829,304, or approximately \$10.30 per share, to redeeming stockholders. As a result of the payment on the shares of common stock presented for redemption in connection with the First Extension Amendment, cash and marketable securities held in the Trust Account decreased to \$65,633,068. In addition, on March 8, 2019, an aggregate of \$573,433 was loaned to us and deposited into the Trust Account, which amount is equal to \$0.09 for each of the 6,371,477 Public Shares that were not redeemed. Such amount was paid from funds loaned to us by the Sponsor.

In connection with the approval of the First Extension Amendment, the Sponsor or its designees had previously agreed to loan us \$0.03 for each Public Share that was not redeemed for each calendar month commencing on June 7, 2019, and on the 7th day of each subsequent month, or portion thereof, that was needed by us to complete a Business Combination from June 7, 2019 until the First Extension Combination Period. The Sponsor or its designees had the sole discretion whether to continue extending loans for additional calendar months until the First Extension Combination Period and if the Sponsor determined not to continue extending loans for additional calendar months, its obligation to make additional loans following such determination would terminate.

On March 15, 2019, we issued the Sponsor the March Promissory Note, pursuant to which all outstanding advances were converted into loans under the March Promissory Note. The March Promissory Note is unsecured, non-interest bearing and due on the earlier of (i) the consummation of a Business Combination or (ii) our liquidation. Up to

\$1,000,000 of the loans under the March Promissory Note may be converted, at the Sponsor's discretion, into units of the post Business Combination entity at a price of \$10.00 per unit. The units would be identical to the units issued in the private placement concurrently with the Initial Public Offering the Private Units. As of June 30, 2020, there was \$337,301 outstanding under the March Promissory Note.

On March 15, 2019, we entered into an expense reimbursement agreement (the "Expense Reimbursement Agreement") with the Sponsor and KBL Healthcare Management, LLC ("KBL Management"), an affiliate of the Sponsor and our Chief Executive Officer, in recognition of the compensation expense incurred by KBL Management for services provided by one of their employees on behalf of the Sponsor to us. The Expense Reimbursement Agreement is effective January 1, 2019 until the earlier of (i) the consummation of a Business Combination or (ii) our liquidation. Under the Expense Reimbursement Agreement, we will reimburse the Sponsor for the compensation expense incurred by KBL Management for its employee in the amount of \$180,000 per year plus health insurance costs of \$1,139 per month. At our election, we may pay amounts due pursuant to a non-interest bearing, unsecured promissory note. As of June 30, 2020, amounts due under the Expense Reimbursement Agreement totaled \$337,301 and has been included in the March Promissory Note discussed above.

On April 10, 2019, we entered into the Term Sheet with 180, the 180 Subsidiaries, and Tyche, pursuant to which we would acquire 100% of the outstanding equity and equity equivalents of 180 (including options, warrants or other securities that have the right to acquire or convert into equity securities of 180) in exchange for 17,500,000 shares of our common stock, subject to adjustment. Due to Canadian tax considerations, it was contemplated that 180 would not be acquiring the shares of the Canadian shareholders in Katexco and CBR Pharma. Those shareholders will continue to hold Exchangeable Shares in each of CannBioRex Purchaseco ULC and Katexco Purchaseco ULC, Canadian subsidiaries of 180, which are exchangeable for common stock of 180 and ultimately, upon the Closing, become exchangeable for shares of our common stock. The Term Sheet was intended to express only a mutual indication of interest in the Business Combination and did not represent a legally binding commitment or obligation on the part of the parties. We announced the entry into the Term Sheet on April 16, 2019 but did not identify 180.

In connection with the Term Sheet, the 180 Parties agreed to loan us \$400,000 to be used to fund our operating expenses and agreed to loan us up to an additional \$300,000 to be used for extension expenses. The loans are interest-free loans and can be pre-paid at any time without penalty, but are required to be paid back (subject to a customary waiver against the Trust Account) upon the earlier of (i) the Closing, (ii) the consummation by us of a transaction with a third party constituting our initial Business Combination, or (iii) our liquidation if we do not consummate an initial Business Combination prior to our deadline to do so. Promptly after signing the Term Sheet, we received the loan of \$400,000 to fund the operating expenses.

In connection with the Term Sheet, 180 paid, on the Company's behalf, \$650,000 to the Sponsor, to purchase \$650,000 of the obligations owed to the Sponsor under the March Promissory Note (the "Sponsor Note"), but Tyche waived any rights under the assigned portion of the Sponsor Note to convert the obligations under the assigned portion of the Sponsor Note into units of the post Business Combination entity. In the Term Sheet, Tyche also agreed to provide equity financing for the Business Combination to ensure that we have sufficient cash at the Closing to meet our \$5,000,001 net tangible assets test.

On May 20, 2019, we filed a definitive proxy statement with the SEC soliciting the approval of our stockholders for, among other things, a proposal to extend the period of time for which we are required to consummate a Business Combination from June 7, 2019 (or September 9, 2019 if we have executed a definitive agreement for a Business Combination by June 7, 2019) to September 9, 2019 (or December 9, 2019 if the Company has executed a definitive agreement for a Business Combination by September 9, 2019) or such earlier date as determined by our board of directors.

On June 5, 2019, our stockholders approved to further extend the period of time for which we were required to consummate a Business Combination from June 7, 2019 to September 9, 2019 (or December 9, 2019 if we had executed a definitive agreement for a Business Combination by September 9, 2019) or such earlier date as determined by our board of directors (the "Second Extension Amendment", and such later date, the "Second Combination Period"). The number of shares of common stock presented for redemption in connection with the Second Extension Amendment was 1,580,762. We paid cash in the aggregate amount of \$16,476,233, or approximately \$10.42 per share, to redeeming stockholders. As a result of the payment on the shares of common stock presented for redemption in connection with the Second Extension Amendment, cash and marketable securities held in the Trust Account decreased to \$49,933,473.

In connection with the approval of the Second Extension Amendment, the Sponsor or its designees agreed to loan us \$0.0225 for each Public Share that was not redeemed for each calendar month commencing on June 7, 2019, and on the 7th day of each subsequent month, or portion thereof, that was needed by us to complete a Business Combination from June 7, 2019 until the Second Combination Period. Given the longer period of time needed to potentially complete a Business Combination, such agreement to pay \$0.0225 for each Public Share that was not redeemed for each calendar month commencing on June 7, 2019 replaced and superseded the previous agreement to loan us \$0.03 for each Public Share that was not redeemed for each calendar month commencing on June 7, 2019. The Sponsor or its designees had the sole discretion whether to continue extending loans for additional calendar months until the Second Combination Period and if the Sponsor determined not to continue extending loans for additional calendar months, its obligation to make additional loans following such determination would terminate.

On July 25, 2019, we, KBL Merger Sub, the 180 Parties and the Stockholder Representative entered into the Business Combination Agreement pursuant to which KBL Merger Sub will merge with and into 180 with 180 surviving the merger and continuing as our wholly-owned subsidiary, and in consideration thereof, the stockholders of 180 shall, at the option of the holder, receive shares of our common stock and the existing Exchangeable Shares will be adjusted in accordance with the terms of CannBioRex Purchaseco ULC or Katexco Purchaseco ULC, as applicable, governing the Exchangeable Shares such that they will be multiplied by the Exchange Ratio (as defined in the Business Combination Agreement) and become exchangeable into shares of our common stock.

In connection with the entry into Business Combination Agreement, the Sponsor deposited in escrow with a third-party escrow agent the Escrowed Shares. The Escrowed Shares will be transferred to Tyche upon the earlier of (i) the Closing or (ii) a liquidation; provided, that if we consummate our initial Business Combination with a third party other than 180 or its affiliates, upon the consummation of such Business Combination, in addition to paying certain loans, the Sponsor will transfer to Tyche a number of Escrowed Shares equal in value to three times the amount of the loans, with each Escrowed Share valued at the price paid to each public stockholder that redeems its shares in connection with such initial Business Combination.

On November 19, 2019, we filed a definitive proxy statement with the SEC soliciting the approval of our stockholders for, among other things, a proposal to extend the period of time for which we are required to consummate a Business Combination from September 9, 2019 (or December 9, 2019 if we have executed a definitive agreement for a Business Combination by September 9, 2019) until April 9, 2020 or such earlier date as determined by our board of directors.

On November 12, 2019, we filed with the SEC a Registration Statement on Form S-4, including a preliminary proxy statement/prospectus, soliciting the approval of our stockholders for, among other things, a proposal to approve and adopt the Business Combination Agreement.

On December 6, 2019, our stockholders approved to extend the period of time for which we are required to consummate a Business Combination until April 9, 2020 or such earlier date as determined by our board of directors (the "Third Extension Amendment", and, together with the First Extension Amendment and the Second Extension Amendment, the "Extension Amendments", and such later date, the "Third Combination Period"). The number of shares of common stock presented for redemption in

connection with the Third Extension Amendment was 3,676,448. We paid cash in the aggregate amount of \$39,121,812, or approximately \$10.64 per share, to redeeming stockholders. As a result of the payment on the shares of common stock presented for redemption in connection with the Third Extension Amendment, cash and marketable securities held in the Trust Account decreased to \$11,857,136. As of June 30, 2020, an aggregate of \$713,604 was deposited into the Trust Account.

In connection with the approval of the Third Extension Amendment, the Sponsor or its designees agreed to loan us \$0.02 for each Public Share that was not redeemed for each calendar month commencing on December 9, 2019, and on the 9th day of each subsequent month, or portion thereof, that is needed by us to complete an initial Business Combination from December 9, 2019 until the Third Combination Period. Given the longer period of time needed to potentially complete a Business Combination, such agreement to pay \$0.02 for each Public Share that was not redeemed for each calendar month commencing on December 9, 2019 replaced and superseded the previous agreement to loan us \$0.0225 for each Public Share that was not redeemed for each calendar month commencing on December 9, 2019. The Sponsor or its designees had the sole discretion whether to continue extending loans for additional calendar months until the Third Combination Period and if the Sponsor determined not to continue extending loans for additional calendar months, its obligation to make the additional loans following such determination would terminate.

On January 13, 2020, 180 filed an amendment to its certificate of incorporation with the Delaware Secretary of State to change its name from “CannBioRx Life Sciences Corp.” to “180 Life Sciences Corp.”

On January 29, 2020, the Business Combination Agreement was amended to extend the termination date to April 9, 2020.

On February 10, 2020, we filed with the SEC an amendment to the Registration Statement on Form S-4, including a preliminary proxy statement/prospectus originally filed with the SEC by us on November 12, 2019, soliciting the approval of our stockholders for, among other things, a proposal to approve and adopt the Business Combination Agreement.

On April 8, 2020, our stockholders approved to further extend the period of time for which we are required to consummate a Business Combination until July 9, 2020 or such earlier date as determined by the Board (the “Fourth Extension Amendment”). The number of shares of common stock presented for redemption in connection with the Fourth Extension Amendment was 67,665. We paid cash in the aggregate amount of \$728,884, or approximately \$10.77 per share, to redeeming stockholders. As a result of the payment on the shares of common stock presented for redemption in connection with the Fourth Extension Amendment, cash and marketable securities held in the Trust Account decreased to \$11,273,945 at April 9, 2020.

On July 9, 2020, our stockholders approved to further extend the period of time for which we are required to consummate a Business Combination (the “Fifth Extension Amendment”) from July 9, 2020 to November 9, 2020 or such earlier date as determined by the Board. The number of shares of common stock presented for redemption in connection with the Fifth Extension Amendment was 106,186. We paid cash in the aggregate amount of \$1,160,695, or approximately \$10.93 per share, to redeeming stockholders. As a result of the payment on the shares of common stock presented for redemption in connection with the Fifth Extension Amendment, cash and marketable securities held in the Trust Account decreased to \$10,279,476 at July 9, 2020.

During the year ended December 31, 2019, we received additional advances in the aggregate amount of \$1,699,825 from the 180 Parties to be used by us to fund our operating expenses, deal transaction expenses and any financing expenses for the Transaction (the “Operating Expenses”) and any future extensions of the deadline for us to consummate a Business Combination (the “Extension Expenses”). As of June 30, 2020, a total of \$1,379,815 is due under the advances from the 180 Parties.

On June 12, 2020, we entered into the Dominion Convertible Notes with Dominion Capital LLC (the “Holder”), which was issued to the Holder in conjunction with 400,000 shares of common stock (the “Dominion Commitment Shares”). In conjunction with the SPA, we entered into a series of Leak Out Agreements in which certain parties agreed that they would not sell, dispose or otherwise transfer, in aggregate more than 5% of the composite daily trading volume of our common stock. Pursuant to the Leak-Out Agreement between us and Caravel CAD Fund Ltd., we issued 404,245 restricted shares of common stock.

On June 12, 2020, we entered into the Kingsbrook Convertible Notes with Kingsbrook Opportunities Master Fund LP (the “Holder”), which was issued to the Holder in conjunction with 250,000 shares of common stock.

Overview

We are a blank check company incorporated on September 7, 2016 in Delaware and formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar Business Combination with one or more businesses. We intend to effectuate our initial Business Combination using cash from the proceeds of our Initial Public Offering and the Private Placement, our securities, debt or a combination of cash, securities and debt.

The issuance of additional shares of common stock or preferred stock:

- may significantly dilute the equity interest of our investors;
- may subordinate the rights of holders of common stock if we issue preferred shares with rights senior to those afforded to our common stock;

- could cause a change in control if a substantial number of our shares of common stock are issued, which may affect, among other things, our ability to use our net operating loss carry forwards, if any, and could result in the resignation or removal of our present officers and directors;
- may have the effect of delaying or preventing a change of control of us by diluting the stock ownership or voting rights of a person seeking to obtain control of us; and
- may adversely affect prevailing market prices for our securities.

Similarly, if we issue debt securities, it could result in:

- default and foreclosure on our assets if our operating revenues after our Business Combination are insufficient to pay our debt obligations;
- acceleration of our obligations to repay the indebtedness even if we have made all principal and interest payments when due if we breach certain covenants that require the maintenance of certain financial ratios or reserves without a waiver or renegotiation of that covenant;
- our immediate payment of all principal and accrued interest, if any, if the debt security is payable on demand;

- our inability to obtain additional financing if the debt security contains covenants restricting our ability to obtain additional financing while such security is outstanding;
- our inability to pay dividends on our common stock;
- using a substantial portion of our cash flow to pay principal and interest on our debt, which will reduce the funds available for dividends on our common stock if declared, expenses, capital expenditures, acquisitions and other general corporate purposes;
- limitations on our flexibility in planning for and reacting to changes in our business and in the industry in which we operate;
- increased vulnerability to adverse changes in general economic, industry and competitive conditions and adverse changes in government regulation; and
- limitations on our ability to borrow additional amounts for expenses, capital expenditures, acquisitions, debt service requirements, execution of our strategy and other purposes and other disadvantages compared to our competitors who have less debt.

We are incurring significant costs in the pursuit of our acquisition plans. We cannot assure you that our plans to raise capital or to complete a Business Combination will be successful.

Restatement for Correction of an Error

The Company has determined that it was necessary to amend the June 30, 2020 Form 10-Q in order to restate the financial statements to record previously unrecorded liabilities and to add certain disclosures related to contingent liabilities. See Note 13 to the financial statements for additional details.

In addition to the restatement of the financial statements, certain information within the following notes to the condensed consolidated financial statements have been restated to reflect the correction of a misstatement discussed above as well as to add disclosure language as appropriate to the following footnotes:

- Note 1. Description of Organization and Business Operations
- Note 2. Summary of Significant Accounting Policies
- Note 6. Dominion Convertible Promissory Notes

- Note 7. Kingsbrook Convertible Promissory Notes
- Note 8. Accrued Expenses
- Note 9. Accrued Issuable Equity
- Note 10. Commitments and Contingencies
- Note 11. Stockholders' Equity
- Note 14. Subsequent Events

Results of Operations

We have neither engaged in any operations nor generated any revenues to date. Our only activities from September 7, 2016 (date of inception) through June 30, 2020 were organizational activities, those necessary to prepare for the Initial Public Offering, which was consummated on June 7, 2017, and identifying a target company for a Business Combination. We do not expect to generate any operating revenues until after the completion of our initial Business Combination. We generate non-operating income in the form of interest income on cash and marketable securities held in the Trust Account and are incurring expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance), as well as for due diligence expenses.

For the three months ended June 30, 2020, we had a net loss of \$5,436,388, which consists of operating costs of \$3,513,039, interest expense of \$270,257 related to the issuance of the Dominion Convertible Notes and Kingsbrook Convertible Notes and \$1,657,522 of loss on the issuance of the Dominion Convertible Notes and Kingsbrook Convertible Notes, offset by interest income on marketable securities held in the Trust Account of \$2,950 and a benefit for income taxes of \$1,480.

For the six months ended June 30, 2020, we had a net loss of \$5,653,799, which consists of operating costs of \$3,760,631, interest expense of \$270,257 related to the issuance of the Dominion Convertible Notes and Kingsbrook Convertible Notes, \$1,657,522 of loss on the issuance of the Dominion Convertible Notes and Kingsbrook Convertible Notes and a provision for income taxes of \$3,827, offset by interest income on marketable securities held in the Trust Account of \$38,438.

For the three months ended June 30, 2019, we had net loss of \$10,830, which consists of interest income on marketable securities held in the Trust Account of \$355,970, offset by operating costs of \$296,377, and a provision for income taxes of \$70,423, respectively.

For the six months ended June 30, 2019, we had net income of \$220,765, which consists of interest income on marketable securities held in the Trust Account of \$948,284, offset by operating costs of \$561,281, and a provision for income taxes of \$166,238, respectively.

Liquidity and Capital Resources

The completion of the Initial Public Offering and simultaneous Private Placement, inclusive of the underwriters' exercise of their over-allotment option in full, generated gross proceeds to us of \$120,025,000. Related transaction costs amounted to \$7,345,436, consisting of \$2,875,000 of underwriting fees, \$750,000 of deferred underwriting commissions payable (which are held in the Trust Account) and \$445,436 of Initial Public Offering costs.

Following the Initial Public Offering and the exercise of the over-allotment option, a total of \$116,150,000 was placed in the Trust Account and we had \$798,469 of cash held outside of the Trust Account, after payment of all costs related to the Initial Public Offering and the exercise of the over-allotment option.

As of June 30, 2020, we had cash and marketable securities held in the Trust Account of \$11,276,350. Interest income earned on the balance in the Trust Account, amounting to approximately \$386,000 as of June 30, 2020, may be available to us to pay taxes. Through June 30, 2020, we have withdrawn approximately \$1,156,000 of interest income from the Trust Account to pay our income and franchise taxes, of which no amounts were withdrawn during the six months ended June 30, 2020.

As of June 30, 2020, we had cash of \$257,601 held outside the Trust Account, which is available for use by us to finance the costs associated with identifying a target business,

negotiating a Business Combination, due diligence procedures and other general corporate uses. In addition, as of June 30, 2020, we had accounts payable and accrued expenses of \$995,052.

For the six months ended June 30, 2020, cash and restricted cash used in operating activities amounted to \$812,973. Net loss of \$5,653,799 was affected by stock-based compensation expense of \$2,625,000, interest earned on marketable securities held in the Trust Account of \$38,438, loss on the issuance of the Dominion Convertible Notes and Kingsbrook Convertible Notes of \$1,657,522, interest expense related to the amortization of the debt discount on the Dominion Convertible Notes and Kingsbrook Convertible Notes of \$252,493 and changes in our operating assets and liabilities, which used cash of \$344,249.

For the six months ended June 30, 2019, cash used in operating activities amounted to \$943,985. Net income of \$220,765 was offset by interest earned on marketable securities held in the Trust Account of \$948,284 and changes in our operating assets and liabilities, which used cash of \$216,466.

On March 15, 2019, we entered into the Expense Reimbursement Agreement with our Sponsor and KBL Management in recognition of the compensation expense incurred by KBL Management for services provided by one of their employees on behalf of the Sponsor to us. The Expense Reimbursement Agreement is effective January 1, 2019 until the earlier of (i) the consummation of a Business Combination or (ii) our liquidation. Under the Expense Reimbursement Agreement, we will reimburse the Sponsor for the compensation expense incurred by KBL Management for its employee in the amount of \$180,000 per year plus health insurance costs of \$1,139 per month. At our election, we may pay amounts due pursuant to a non-interest bearing, unsecured promissory note. As of June 30, 2020, amounts due under the Expense Reimbursement Agreement totaled \$337,301 and has been included in the March Promissory Note discussed below.

We intend to use substantially all of the funds held in the Trust Account, including any amounts representing interest earned on the Trust Account (which interest shall be net of taxes payable and excluding deferred underwriting commissions) to complete our initial Business Combination. We may withdraw interest to pay taxes and up to \$50,000 for liquidation expenses, if any. To the extent that our capital stock or debt is used, in whole or in part, as consideration to complete our initial Business Combination, the remaining proceeds held in the Trust Account will be used as working capital to finance the operations of the target business or businesses, make other acquisitions and pursue our growth strategies.

We have until November 9, 2020 to complete an initial Business Combination. If we are unable to complete a Business Combination by November 9, 2020, we will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest (which interest shall be net of taxes payable and less up to \$50,000 of interest to pay dissolution expenses), divided by the number of then outstanding Public Shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidation distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the remaining stockholders and our board of directors, dissolve and liquidate, subject in the case of clauses (ii) and (iii) to our obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law. We intend to seek stockholder approval for an extension of the time period for us to complete the Business Combination.

Going Concern and Liquidity

As the Company merged into 180 on November 6, 2020, a going concern and liquidity presentation as a stand-alone company for the restated financial statements included herein, as of their filing date is not meaningful.

Off-Balance Sheet Financing Arrangements

We have no obligations, assets or liabilities which would be considered off-balance sheet arrangements. We do not participate in transactions that create relationships with unconsolidated entities or financial partnerships, often referred to as variable interest entities, which would have been established for the purpose of facilitating off-balance sheet arrangements. We have not entered into any off-balance sheet financing arrangements, established any special purpose entities, guaranteed any debt or commitments of other entities, or purchased any non-financial assets.

Contractual Obligations

We do not have any long-term debt, capital lease obligations, operating lease obligations or long-term liabilities, other than an agreement to pay the Sponsor a monthly fee of \$10,000 for office space, utilities and administrative support provided to us. We began incurring these fees on June 7, 2017 and will continue to incur these fees monthly until the earlier of the completion of our initial Business Combination or our liquidation.

Critical Accounting Policies

The preparation of condensed consolidated financial statements and related disclosures in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and income and expenses during the periods reported. Actual results could materially differ from those estimates. We have identified the following critical accounting policy:

Common Stock Subject to Possible Redemption

We account for our common stock subject to possible redemption in accordance with the guidance in Accounting Standards Codification ("ASC") Topic 480 "Distinguishing Liabilities from Equity." Common stock subject to mandatory redemption are classified as liability instruments and are measured at fair value. Conditionally redeemable common stock (including common stock that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within our control) are classified as temporary equity. At all other times, common stock is classified as stockholders' equity. Our common stock features certain redemption rights that are considered to be outside of our control and subject to occurrence of uncertain future events. Accordingly, 334,880 and 33,618 shares of common stock subject to possible redemption at June 30, 2020 and December 31, 2019, respectively, are presented as temporary equity, outside of the stockholders' equity section of our condensed consolidated balance sheets.

Recent Accounting Standards

Management does not believe that any recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on our condensed consolidated financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The net proceeds of the Initial Public Offering and the sale of the Private Units held in the Trust Account are invested in U.S. government treasury bills with a maturity of 180 days or less or in money market funds meeting certain conditions under Rule 2a-7 under the Investment Company Act which invest only in direct U.S. government treasury obligations. Due to the short-term nature of these investments, we believe there will be no associated material exposure to interest rate risk.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Evaluation of Disclosure Controls and Procedures

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2020. Based upon their evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were not effective, solely due to the matters that led to the filing of this Amended Quarterly Report on Form 10-Q in order to disclose additional contingent liabilities and in order to restate the financial statements to record previously unrecorded liabilities.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting, as the circumstances that led to the restatement of our financial statements described in this Quarterly Report on Form 10-Q/A had not yet been identified. Subsequent to the period covered by this Quarterly Report on Form 10-Q/A, we consummated the Business Combination, and in connection therewith, a new Board of Directors was elected, which appointed new members of the Board's Audit Committee and new members of management, including a new Chief Financial Officer. Furthermore, new management has engaged a new accounting advisor to assist in their financial reporting process.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

None.

ITEM 1A. RISK FACTORS.

Factors that could cause our actual results to differ materially from those in this Amended Quarterly Report are any of the risks described in our Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC. Any of these factors could result in a significant or material adverse effect on our results of operations or financial condition. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business or results of operations. As of the date of this Quarterly Report, other than as described below, there have been no material changes to the risk factors disclosed in our Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC.

The securities in which we invest the funds held in the Trust Account could bear a negative rate of interest, which could reduce the value of the assets held in trust such that the per-share redemption amount received by public stockholders may be less than \$10.00 per share.

The proceeds held in the Trust Account are invested only in U.S. government treasury obligations with a maturity of 185 days or less or in money market funds meeting certain conditions under Rule 2a-7 under the Investment Company Act, which invest only in direct U.S. government treasury obligations. While short-term U.S. government treasury obligations currently yield a positive rate of interest, they have briefly yielded negative interest rates in recent years. Central banks in Europe and Japan pursued interest rates below zero in recent years, and the Open Market Committee of the Federal Reserve has not ruled out the possibility that it may in the future adopt similar policies in the United States. In the event that we are unable to complete our initial business combination or make certain amendments to our Amended and Restated Certificate of Incorporation, our public stockholders are entitled to receive their pro-rata share of the proceeds held in the Trust Account, plus any interest income not released to us, net of taxes payable. Negative interest rates could impact the per-share redemption amount that may be received by public stockholders.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

The following exhibits are filed as part of, or incorporated by reference into, this Amended Quarterly Report on Form 10-Q/A.

No.	Description of Exhibit
31.1*	Certification of Principal Executive Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial and Accounting Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Principal Executive Officer and Principal Financial and Accounting Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	XBRL Instance Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith.

** Furnished.

SIGNATURES

Pursuant to the requirements of Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

180 LIFE SCIENCES CORP.
(f/k/a KBL MERGER CORP. IV)

Date: February 5, 2021

/s/ James N. Woody, M.D., Ph.D.

Name: James N. Woody, M.D., Ph.D.
Title: Chief Executive Officer
(Principal Executive Officer)

180 LIFE SCIENCES CORP.
(f/k/a/ KBL MERGER CORP. IV)

Date: February 5, 2021

/s/ Ozan Pamir

Name: Ozan Pamir
Title: Chief Financial Officer
(Principal Financial and Accounting Officer)

CERTIFICATIONS

I, James N. Woody, M.D., Ph.D., certify that:

1. I have reviewed this Amended Quarterly Report on Form 10-Q/A of 180 Life Sciences Corp. (f/ka KBL Merger Corp. IV);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 5, 2021

By: /s/ James N. Woody, M.D., Ph.D.
James N. Woody, M.D., Ph.D.
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATIONS

I, Ozan Pamir, certify that:

1. I have reviewed this Amended Quarterly Report on Form 10-Q/A of 180 Life Sciences Corp. (f/ka KBL Merger Corp. IV);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 5, 2021

By: /s/ Ozan Pamir
Ozan Pamir
Chief Financial Officer
(Principal Financial and
Accounting Officer)

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

In connection with the Amended Quarterly Report of 180 Life Sciences Corp. (f/ka KBL Merger Corp. IV and the "Company") on Form 10-Q/A for the quarterly period ended June 30, 2020, as filed with the Securities and Exchange Commission (the "Report"), I, James N. Woody, Chief Executive Officer of the Company, and Ozan Pamir, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as added by §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. To my knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Date: February 5, 2021

By: /s/ James N. Woody, M.D., Ph.D.
James N. Woody, M.D., Ph.D.
Chief Executive Officer
(Principal Executive Officer)

Date: February 5, 2021

By: /s/ Ozan Pamir
Ozan Pamir
Chief Financial Officer
(Principal Financial and
Accounting Officer)