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

FORM 8-K/A

(Amendment No. 1)

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

Date of Report (Date of earliest event reported): **November 6, 2020**

180 LIFE SCIENCES CORP.

(Exact Name of Registrant as Specified in Charter)

Delaware	001-38105	81-3832378
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

830 Menlo Avenue, Suite 100 Menlo Park, CA	94025
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (650) 854-4400

None
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e 4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

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

EXPLANATORY NOTE

On November 6, 2020 (the "***Closing Date***"), the registrant consummated the previously announced business combination (the "***Business Combination***") following a special meeting of stockholders held on November 5, 2020 (the "***Special Meeting***"), 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 KBL, 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***" and the "***Surviving Company***"). 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. References to "KBL" in this report refer to 180 Life Sciences Corp. (formerly KBL Merger Corp. IV) before the Closing of the Business Combination and references to the "Company" refer to 180 Life Sciences Corp. (formerly KBL Merger Corp. IV) after the Business Combination, unless the context suggests otherwise.

On November 12, 2020, the Company filed a Current Report on Form 8-K (the "***Original Super 8-K***") to, among other things, disclose the Closing of the Business Combination, and to file certain financial statements as are required by the rules and regulations of the Securities and Exchange Commission (the "***SEC***").

On December 29, 2020, the Board of Directors of the Company concluded, after discussion with the Company's management and the independent registered public accounting firm for KBL, that the consolidated financial statements of the Company, which were prepared by the former KBL management for the interim period ended September 30, 2020, should no longer be relied upon due to errors in the consolidated financial statements and should be restated. Thereafter, on February 5, 2021, the Company filed with the SEC an Amended Quarterly Report on Form 10-Q/A for the quarterly period ended September 30, 2020 to amend the Quarterly Report on Form 10-Q filed with the SEC on November 24, 2020, to include additional disclosures related to contingent liabilities and to restate the financial statements to record certain previously unrecorded liabilities. Such financial statements are not included in this Amended Form 8-K.

On February 3, 2021, the Company filed with the SEC a Current Report on Form 8-K to disclose that, on January 28 2021, the Board of Directors of the Company concluded, after discussion with the Company's management and the independent registered public accounting firm for KBL, that the consolidated financial statements of the Company, 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. Thereafter, on February 5, 2021, the Company filed with the SEC an Amended Quarterly Report on Form 10-Q/A for the quarterly period ended June 30, 2020 (the "***Amended Form 10-Q***") to amend the Quarterly Report on Form 10-Q filed with the SEC on August 20, 2020 to include additional disclosures related to contingent liabilities and to restate the financial statements to record certain previously unrecorded liabilities. Such financial statements are not included in this Amended Form 8-K.

The Company is filing this Current Report on Form 8-K/A (the "***Amended 8-K***"), which serves as an amendment to the Original Super 8-K, solely to amend Item 9.01 of the Original Super 8-K to (1) replace Exhibit 99.7 to the Original Super 8-K (Unaudited pro forma condensed combined financial statements for the year ended December 31, 2019 and for the six months ended June 30, 2020) with a new Exhibit 99.7 that is being attached as Exhibit 99.7 to this Amended 8-K, which new Exhibit 99.7 will take into account the restated financial statements of the Company as of June 30, 2020 as set forth in the Amended Form 10-Q; (2) file as a new Exhibit 99.9 the unaudited financial statements of 180 for the nine months ended September 30, 2020 and 2019; (3) file as a new Exhibit 99.10 the unaudited pro forma condensed combined financial statements for the year ended December 31, 2019 and for the nine months ended September 30, 2020; (4) file as a new Exhibit 99.11 the "Management's Discussion and Analysis of Financial Condition and Results of Operations" of 180 with respect to the nine months ended September 30, 2020; (5) file as a new Exhibit 99.12 the "Management's Discussion and Analysis of Financial Condition and Results of Operations" of KBL with respect to the three and six months ended June 30, 2020 (which was included in the Amended Quarterly Report on Form 10-Q/A for the quarterly period ended June 30, 2020 that was filed on February 5, 2021); and (6) file as a new Exhibit 99.14 the "Management's Discussion and Analysis of Financial Condition and Results of Operations" of KBL with respect to the three and six months ended September 30, 2020 (which was included in the Amended Quarterly Report on Form 10-Q/A for the quarterly period ended September 30, 2020 that was filed on February 5, 2021). No other changes are being made to the Original Super 8-K through the filing of this Amended 8-K.

Item 9.01. Financial Statements and Exhibits

(a) Financial Statements of Business Acquired.

In accordance with Item 9.01(a), the following financial statements of the 180 Parties are attached to this Current Report on Form 8-K/A (or incorporated by reference herein), and are attached (or incorporated by reference herein) as Exhibit 99.1 to 99.6, and as Exhibit 99.1, hereto, respectively:

- Audited financial statements of 180 for the fiscal year ended December 31, 2019 and for the period from March 7, 2018 (Inception) through December 31, 2018 (Exhibit 99.1);
- Unaudited financial statements of 180 for the six months ended June 30, 2020 and 2019 (Exhibit 99.2);
- Audited financial statements of CannBioRex Pharmaceuticals Corp. for the period from March 8, 2018 (Inception) to December 31, 2018 (Exhibit 99.3);
- Unaudited financial statements of CannBioRex Pharmaceuticals Corp. for the six months ended June 30, 2019 and for the period from March 8, 2018 (Inception) through June 30, 2018 (Exhibit 99.4);
- Audited financial statements of 180 Therapeutics L.P. for the fiscal years ended December 31, 2018 and 2017 (Exhibit 99.5);
- Unaudited financial statements of 180 Therapeutics L.P. for the six months ended June 30, 2019 and 2018 (Exhibit 99.6);
- Unaudited financial statements of 180 for the nine months ended September 30, 2020 and 2019 (Exhibit 99.9);
- Management’s Discussion and Analysis of Financial Condition and Results of Operations of 180 with respect to the nine months ended September 30, 2020 (Exhibit 99.11);
- Management’s Discussion and Analysis of Financial Condition and Results of Operations of KBL with respect to the three and six months ended June 30, 2020 (Exhibit 99.12); and
- Management’s Discussion and Analysis of Financial Condition and Results of Operations of KBL with respect to the three and six months ended September 30, 2020 (Exhibit 99.13).

(b) Pro Forma Financial Information.

In accordance with Item 9.01(b), the following pro forma financial statements are attached to this Current Report on Form 8-K-A (or incorporated by reference herein), and are attached (or incorporated by reference herein) as Exhibit 99.7 and Exhibit 99.10 hereto, respectively:

- Unaudited pro forma condensed combined financial statements for the year ended December 31, 2019 and for the period ended June 30, 2020 (Exhibit 99.7); and
- Unaudited pro forma condensed combined financial statements for the year ended December 31, 2019 and for the period ended September 30, 2020 (Exhibit 99.10).

(d) Exhibits

Exhibit No.	Description
2.1	Business Combination Agreement, dated as of July 25, 2019, by and among KBL Merger Corp. IV, KBL Merger Sub, Inc., 180 Life Sciences Corp., Katexco Pharmaceuticals Corp., CannBioRex Pharmaceuticals Corp., 180 Therapeutics L.P. and Lawrence Pemble (filed as Exhibit 2.1 to the Current Report on Form 8-K filed by KBL Merger Corp. IV on July 26, 2019 and incorporated by reference herein).
2.2	Amendment No. 1 to the Business Combination Agreement, dated as of January 29, 2020 (filed as Exhibit 2.1 to the Current Report on Form 8-K filed by KBL Merger Corp. IV on February 3, 2020 and incorporated by reference herein).
2.3	Amendment No. 2 to the Business Combination Agreement, dated as of August 7, 2020 (filed as Exhibit 2.1 to the Current Report on Form 8-K filed by KBL Merger Corp. IV on August 13, 2020 and incorporated by reference herein).
3.1	Second Amended and Restated Certificate of Incorporation of the registrant. (1)
10.1	Form of Lock-Up Agreement. (1)
10.2	Escrow Agreement dated November 6, 2020 by and between the registrant, Continental Stock Transfer & Trust Company, and Lawrence Pemble. (1)
10.3	2020 Omnibus Incentive Plan. (1)
10.4	Employment Agreement, dated July 1, 2020 by and between 180 Life Corp. (f/k/a 180 Life Sciences Corp.) and James N. Woody, M.D., Ph.D. (1)
10.5	First Amendment to Employment Agreement by and between 180 Life Corp. (f/k/a 180 Life Sciences Corp.) and James N. Woody, M.D., Ph.D. (1)
99.1	Audited financial statements of 180 for the fiscal year ended December 31, 2019 and for the period from March 7, 2018 (Inception) through December 31, 2018. (1)
99.2	Unaudited financial statements of 180 for the six months ended June 30, 2020 and 2019. (1)
99.3	Audited financial statements of CannBioRex Pharmaceuticals Corp. for the period from March 8, 2018 (Inception) through December 31, 2018. (1)
99.4	Unaudited financial statements of CannBioRex Pharmaceuticals Corp. for the six months ended June 30, 2019 and for the period from March 8, 2018 (Inception) through June 30, 2018. (1)
99.5	Audited financial statements of 180 Therapeutics L.P. for the fiscal years ended December 31, 2018 and 2017. (1)
99.6	Unaudited financial statements of 180 Therapeutics L.P. for the six months ended June 30, 2019 and 2018. (1)
99.7	Unaudited pro forma condensed combined financial statements for the year ended December 31, 2019 and for the six months ended June 30, 2020. (2)
99.8	Nominating and Corporate Governance Committee Charter. (1)
99.9	Unaudited financial statements of 180 for the nine months ended September 30, 2020 and 2019. (2)
99.10	Unaudited pro forma condensed combined financial statements for the year ended December 31, 2019 and for the nine months ended September 30, 2020. (2)
99.11	Management's Discussion and Analysis of Financial Condition and Results of Operations of 180 with respect to the nine months ended September 30, 2020. (2)
99.12	Management's Discussion and Analysis of Financial Condition and Results of Operations of KBL with respect to the three and six months ended June 30, 2020 (included as Part I, Item 2 of the Quarterly Report on Form 10-Q/A of 180 Life Sciences Corp. (f/k/a KBL Merger Corp. IV) for the quarterly period ended June 30, 2020 that was filed with the Securities and Exchange Commission on February 5, 2021, and incorporated herein by reference).
99.13	Management's Discussion and Analysis of Financial Condition and Results of Operations of KBL with respect to the three and six months ended September 30, 2020 (filed as Item I, Part 2 of the Quarterly Report on Form 10-Q/A for 180 Life Sciences Corp. (f/k/a KBL Merger Corp. IV) for the quarterly period ended September 30, 2020 that was filed with the Securities and Exchange Commission on February 5, 2021, and incorporated herein by reference).

(1) Previously filed with the Original Super 8-K.
(2) Filed herewith.

SIGNATURE

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

Date: February 18, 2021

180 LIFE SCIENCES CORP.

By: */s/ James N. Woody, M.D., Ph.D.*.
Name: James N. Woody, M.D., Ph.D.
Title: Chief Executive Officer

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

(as restated)

Introduction

The unaudited pro forma condensed combined balance sheet as of June 30, 2020 and the unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2020 and for the year ended December 31, 2019, combine the unaudited pro forma condensed combined financial statements of 180 with the financial statements of "KBL" c/k/a 180 Life Sciences Corp, f/k/a KBL Merger Corp IV. to give effect to the business combination. Additionally, the financial statements of 180 (where 180 refers to the post-combination results of 180 Life Sciences Corp. f/k/a CannBioRx Life Sciences Corp.), CBR Pharma, 180 LP and CannBioRx (where CannBioRx refers to the pre-combination results of 180 Life Sciences Corp. f/k/a CannBioRx Life Sciences Corp.) were combined to give effect to the Reorganization. The Reorganization and business combination are reflected as if they had occurred on January 1, 2019 with respect to the unaudited pro forma condensed combined statements of operations and on June 30, 2020 with respect to the unaudited pro forma condensed combined balance sheet.

Accounting for the Merger

The financial statements of KBL, 180, CBR Pharma, 180 LP, CannBioRx and Katexco were prepared in accordance with GAAP. In the Reorganization between 180 (the legal acquiree) and the 180 Subsidiaries (Katexco, CBR Pharma and 180 LP) which was consummated on July 16, 2019, it was determined that Katexco was the accounting acquirer and the remaining companies were the accounting acquirees. In the business combination between KBL and the newly combined 180, the business combination was accounted for as a reverse recapitalization of 180.

The unaudited pro forma condensed combined financial information should be read in conjunction with the financial statements of each of KBL, 180 and the 180 Subsidiaries.

The unaudited pro forma condensed combined financial information includes reclassifications to conform the 180 Subsidiaries' historical accounting presentation to 180's accounting presentation.

The unaudited pro forma adjustments give effect to events that are directly attributable to the transactions and are based on available data and certain assumptions that management believes are factually supportable. In addition, with respect to the unaudited condensed combined statements of operations, the unaudited pro forma adjustments are expected to have a continuing impact on the combined results.

The unaudited pro forma condensed combined financial information is presented for informational purposes only and to aid you in your analysis of the financial aspects of the transactions. The unaudited pro forma condensed combined financial information described above has been derived from the historical financial statements of 180, KBL and the 180 Subsidiaries and the related notes. The unaudited pro forma condensed combined financial information is based on 180's accounting policies. Further review may identify additional differences between the accounting policies of 180, KBL and the 180 Subsidiaries. The unaudited pro forma adjustments and the pro forma condensed combined financial information do not reflect the impact of synergies or post-transaction management actions and are not necessarily indicative of the financial position or results of operations that may have actually occurred had the transactions taken place on the dates noted, or of 180's future financial position or operating results.

Pursuant to KBL's Charter, public stockholders were offered the opportunity to redeem, upon the Closing, shares of KBL Common Stock then held by them for cash equal to their pro rata share of the aggregate amount on deposit in the Trust Account. 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, also prior to September 30, 2020 106,186 shares were redeemed. As a result, an aggregate of approximately $10,167,188 was removed from the Trust Account to pay such holders. November 5, 2020 was the last day for stockholders to redeem any shares of the Company.

180 LIFE SCIENCES CORP.
BUSINESS COMBINATION
Unaudited Pro Forma Condensed Combined Balance Sheet (as restated)
June 30, 2020

	180	KBL (as restated)	KBL Pro Forma Adjustments		KBL As Adjusted	Pro Forma Adjustments		Intercompany Eliminations	Pro Forma Combined
	Note A	Note B	Note C			Note D		Note E	
Assets									
Current Assets:									
Cash	$ 70,127	$ 257,601	$ 8,295,757	(a),(b)	$ 8,553,358	$ -		$ -	$ 8,623,485
Restricted cash	-	787,865	2,212,135	(b)	3,000,000	-		-	3,000,000
Due from related parties	321,904	-	-		-	-		-	321,904
Prepaid income taxes	-	21,806	-		21,806	-		-	21,806
Prepaid expenses and other current assets	160,511	118,645	-		118,645	-		-	279,156
Total Current Assets	552,542	1,185,917	10,507,892		11,693,809	-		-	12,246,351
Cash and marketable securities held in Trust Account	-	11,276,350	(11,276,350)	(a)	-	-		-	-
Other assets	-	163,797	-		163,797	-		-	163,797
Property and equipment, net	44,077	-	-		-	-		-	44,077
Intangible assets, net	1,973,859	-	-		-	-		-	1,973,859
In-process research and development	12,462,429	-	-		-	-		-	12,462,429
Goodwill	35,339,135	-	-		-	-		-	35,339,135
Total Assets	$ 50,372,042	$ 12,626,064	$ (768,458)		$ 11,857,606	$ -		$ -	$ 62,229,648
Liabilities and Stockholders' Equity									
Current Liabilities:									
Accounts payable and accrued expenses	$ 7,063,216	$ 995,052	$ 3,407,572	(a),(b)	$ 4,402,624	$ 459,444	(b),(c)	$ -	$ 11,925,284
Accounts payable and accrued expenses - related party	386,244	-	-		-	(3,064)	(c)	-	383,180
Accrued issuable equity	-	96,011	103,402	(b)	199,413	-		-	199,413
Convertible promissory note - related party	-	337,301	-		337,301	-		-	337,301
Advances due - 180	-	1,379,815	-		1,379,815	-		(1,379,815)	-
Due to related parties, net	25,187	795,003	(795,003)	(b)	-	-		-	25,187
Loans payable	145,054	-	-		-	-		-	145,054
Loans payable - related parties	440,756	-	-		-	-		-	440,756
Convertible notes payable, net of discount	-	324,264	-		324,264	-		-	324,264
Derivative liability	-	214,188	-		214,188	-		-	214,188
Total Current Liabilities	8,060,457	4,141,634	2,715,971		6,857,605	456,380		(1,379,815)	13,994,627
Loans payable - non current portion	246,914	-	-		-	-		-	246,914
Convertible notes payable - non current portion	2,035,164	-	-		-	(1,702,664)	(c)	-	332,500
Convertible notes payable - related parties - non current portion	523,609	-	-		-	(253,609)	(c)	-	270,000
Deferred tax liability	3,624,036	-	-		-	-		-	3,624,036
Total Liabilities	14,490,180	4,141,634	2,715,971		6,857,605	(1,499,893)		(1,379,815)	18,468,077
Commitments and Contingencies									
Preferred stock, subject to redemption	-	-	2,603,265	(b)	2,603,265	-		-	2,603,265
Common stock, subject to redemption	-	3,484,422	(3,484,422)	(a)	-	-		-	-
Stockholders' Equity:									
Preferred stock	-	-	-		-	-		-	-
Common stock	8	514	221	(a),(b)	735	1,789	(a),(c)	-	2,532
Additional-paid in capital	76,293,471	9,583,392	1,913,246	(a),(b)	11,496,638	(7,142,587)	(a),(b),(c)	-	80,647,522
Accumulated other comprehensive income	(824,158)	-	-		-	-		-	(824,158)
Retained earnings/accumulated deficit	(39,587,459)	(4,583,898)	(4,516,739)		(9,100,637)	8,640,691	(b)	1,379,815	(38,667,590)
Total Stockholders' Equity	35,881,862	5,000,008	(2,603,272)		2,396,736	1,499,893		1,379,815	41,158,306
Total Liabilities and Stockholders' Equity	$ 50,372,042	$ 12,626,064	$ (768,458)		$ 11,857,606	$ -		$ -	$ 62,229,648

See notes to the unaudited pro forma condensed combined financial information

180 LIFE SCIENCES CORP.
BUSINESS COMBINATION
Unaudited Pro Forma Condensed Combined Statement of Operations (as restated)
For the Six Months Ended June 30, 2020

	180 Note A	KBL (as restated) Note B	Pro Forma Adjustments Note C		Pro Forma Combined
Operating Expenses:					
Research and development	$ 704,800	$ -	$ -		$ 704,800
General and administrative-related parties	96,402	-	-		96,402
General and administrative	1,699,859	3,760,631	(3,838,145)	(a)	1,622,345
Total Operating Expenses	2,501,061	3,760,631	(3,838,145)		2,423,547
Loss From Operations	(2,501,061)	(3,760,631)	3,838,145		(2,423,547)
Other Income (Expense):					
Other income - related parties	240,000	-	-		240,000
Other income	12,605	-	-		12,605
Interest income	-	38,438	(38,438)	(b)	-
Interest expense	(325,414)	(270,257)	245,098	(b)	(350,573)
Interest expense - related party	(41,670)	-	18,365	(b)	(23,305)
Loss on issuance of convertible promissory note	-	(1,657,522)	-		(1,657,522)
Gain on extinguishment, net	491,624	-	-		491,624
Total Other Income (Expense)	377,145	(1,889,341)	225,025		(1,287,171)
(Loss) Income Before Provision for Income Taxes	(2,123,916)	(5,649,972)	4,063,170		(3,710,718)
Income tax benefit (provision)	10,038	(3,827)	3,827	(c)	10,038
Net Loss	$ (2,113,878)	$ (5,653,799)	$ 4,066,997		$ (3,700,680)
Loss per share:					
Basic	$ (25.07)	$ (1.27)			$ (0.16)
Diluted	$ (25.07)	$ (1.27)			$ (0.16)
Number of common shares outstanding					
Basic	84,326	4,468,714	19,058,675	(d)	23,527,389
Diluted	84,326	4,468,714	19,058,675	(d)	23,527,389

See notes to the unaudited pro forma condensed combined financial information

180 LIFE SCIENCES CORP.
BUSINESS COMBINATION
Unaudited Pro Forma Condensed Combined Statement of Operations
For the Year Ended December 31, 2019

	180 Note A	KBL Note B	Pro Forma Adjustments Note C		Pro Forma Combined
Operating Expenses:					
Research and development	$ 2,794,716	$ -	$ -		$ 2,794,716
Rental income -related parties	(170,872)	-	-		(170,872)
General and administrative	7,976,030	1,208,943	(672,304)	(a)	8,512,669
Modification of stock award - related parties	12,959,360	-	-		12,959,360
General and administrative -related parties	473,425	-	-		473,425
Total Operating Expenses	24,032,659	1,208,943	(672,304)		24,569,298
Loss From Operations	(24,032,659)	(1,208,943)	672,304		(24,569,298)
Other Income (Expense):					
Gain on sale of property and equipment	1,714	-	-		1,714
Other income, net	407,651	-	-		407,651
Other income - related parties	552,329	-	-		552,329
Interest income	4,039	1,374,898	(1,374,898)	(b)	4,039
Interest income -related parties	2,170	-	-		2,170
Interest expense	(160,185)	-	123,112	(b)	(37,073)
Interest expense -related parties	(30,563)	-	9,604	(b)	(20,959)
Loss on extinguishment on convertible notes payable	(703,188)	-	-		(703,188)
Change in fair value of accrued issuable equity	(327,879)	-	-		(327,879)
Change in fair value of accrued issuable equity-related parties	(3,893,086)	-	-		(3,893,086)
Total Other Income (Expense)	(4,146,998)	1,374,898	(1,242,182)		(4,014,282)
Income (Loss) Before Provision for Income Taxes	(28,179,657)	165,955	(569,878)		(28,583,580)
Income tax benefit (provision)	20,076	(257,255)	257,255	(c)	20,076
Net Loss	$ (28,159,581)	$ (91,300)	$ (312,623)		$ (28,563,504)
Loss per share:					
Basic (restated)	$ (281.60)	$ (0.02)			$ (1.24)
Diluted (restated)	$ (281.60)	$ (0.02)			$ (1.24)
Number of common shares outstanding					
Basic (restated)	100,000	4,223,791	18,674,074	(d)	22,997,865
Diluted (restated)	100,000	4,223,791	18,674,074	(d)	22,997,865

See notes to the unaudited pro forma condensed combined financial information

Basis of Presentation

The unaudited pro forma condensed combined financial information set forth herein is based upon the unaudited pro forma condensed combined financial statements of 180 and the financial statements of KBL. The unaudited pro forma condensed combined financial information is presented as if the business combination had been completed on January 1, 2019 with respect to the unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2020 and for the year ended December 31, 2019 and on June 30, 2020 in respect of the unaudited pro forma condensed combined balance sheet.

The unaudited pro forma condensed combined financial information is presented for informational purposes only and is not necessarily indicative of the combined financial position or results of operations had the business combination occurred as of the date indicated, nor is it meant to be indicative of any anticipated combined financial position or future results of operations that the combined company will experience after the completion of the business combination.

We have accounted for the business combination in these unaudited pro forma condensed combined financial statements as a reverse recapitalization, in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 805 "Business Combinations" ("ASC 805"). In accordance with ASC 805, this is a capital transaction of 180 (the legal acquiree) and is the equivalent to the issuance of shares by 180 for the net monetary assets of KBL, accompanied by a recapitalization.

Pro forma adjustments reflected in the unaudited pro forma condensed combined balance sheet are based on items that are factually supportable and directly attributable to the business combination. Pro forma adjustments reflected in the pro forma condensed combined statements of income are based on items that are factually supportable, directly attributable to the business combination and are expected to have a continuing impact on the combined results. The unaudited pro forma condensed combined financial information does not reflect the cost of any integration activities or benefits from the business combination, including potential synergies that may be generated in future periods.

Pro Forma Adjustments

Potential Legal Matters

The Company may initiate legal action against former executives of KBL for non-disclosure in its June 30, 2020 and September 30, 2020 financial statements of the matters recently disclosed in the Amended Quarterly Reports on Form 10-Q for such periods (the "Amended Reports"). 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 discussed in the Amended Reports. There can be no assurance that, if such legal action is initiated, that the Company will be successful in its legal actions. The unaudited pro forma combined financial statements do not reflect any potential recovery for such items, given that the realization of cash flows associated with the gain contingency are not relatively certain.

The following pro forma adjustments give effect to the business combination.

Unaudited Pro Forma Condensed Combined Balance Sheet – As of June 30, 2020

Note A Derived from the unaudited pro forma condensed combined balance sheet of 180 as of June 30, 2020 included elsewhere in this filing.

Note B Derived from the unaudited restated condensed balance sheet of KBL as of June 30, 2020.

Pro Forma Adjustments:

Note C (a) To give effect to the transfer of 334,880 shares of common stock, subject to redemption with a carrying value of $3,484,422, to permanent equity (adds $33 of par value).

To give effect to the redemption of 922,647 shares (subtracts $92 of par value) of common stock with an aggregate cash payment of $10,167,188.

To give effect to an additional issuance of 648,873 IPO shares (adds par value of $65) of common stock at $10.00 per share for aggregate gross proceeds of $6,488,730 pursuant to a Guarantee and Commitment Agreement whereby Tyche will purchase enough shares of KBL common stock to ensure that KBL has $5,000,001 in net tangible assets at closing of the Business Combination. It should be noted that, as of the filing date, Tyche has not fulfilled its obligations pursuant to the Guarantee and Commitment Agreement.

The remaining $11,276,350 of cash from the Trust Account has been reclassified to unrestricted cash. And to also give effect to the issuance of 1,200,250 shares (increase in par value of $120) pursuant to certain KBL shareholder rights.

To give effect to the issuance of 250,000 shares of KBL common stock to certain vendors (adds par value of $25) for total compensation of $1,312,500 at the closing of the Business Combination. Furthermore, to give effect to the issuance of 500,000 shares of KBL common stock (previously recorded as stock-based compensation) pursuant to a severance agreements (adds par value of $50).

To reflect a contractual cash payment of $90,000 to a certain vendor upon transfer of the remaining funds from the trust account into unrestricted cash.

To reflect a $1,454,239 accrual for legal fees due, when and if, the Company closes the business combination.

To reflect a $1,750,000 accrual for investment banking success fees earned at the closing of the business combination.

(b) 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 completion of the Business Combination and 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. In connection with the issuance of the Series A Convertible Preferred Stock, the Company incurred issuance costs of $396,735 in the form of cash ($293,333) and warrants ($103,402) recorded as a discount to the face value of the preferred stock.

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 hence the preferred stock classified as temporary equity. The Series A Convertible Preferred Stock redemption features require bifurcation, however the value was indeterminable as of the date of the pro forma balance sheet. As a result, the Company did not recognize a separated component at its fair value related to the redemption features in these pro forma financial statements.

Subsequent to the closing of the Business Combination and prior to the filing date of this report, all of the holders of preferred stock elected to convert their entire preferred stock holdings into shares of KBL common stock. These conversions were not directly related to the Business Combination and have not been reflected in these pro forma financial statements.

To give effect to the conversion of $795,003 of KBL due to related parties and $0 of accrued interest into 198,751 shares of KBL common stock (adds par value of $20).

Furthermore, to give effect to the release of $787,865 of restricted cash into unrestricted cash at the time of the business combination.

Note D (a) To give effect to the reverse recapitalization whereby KBL will issue 17,500,000 shares (adds par value of $1,750) of KBL Common Stock to the shareholders of 180 and the elimination of 85,050 shares (decrease in par value of $8) of 180 common stock.

(b) To give effect to an additional $459,946 of 180 merger expenses to be incurred subsequent to June 30, 2020 with an offset to accounts payable. Also, to eliminate KBL's $9,100,637 accumulated deficit.

(c) To give effect to the conversion of $1,702,664 of convertible notes and $502 of accrued interest into 419,625 shares of KBL common stock (adds par value of $42). To give effect to the conversion of $253,609 of convertible notes — related parties and $3,064 of accrued interest — related parties into 63,269 shares of KBL common stock (adds par value of $6). Subsequent to June 30, 2020 certain holders of preferred stock elected to convert. These conversions were not directly related to the Business Combination and have not been reflected in these pro forma financial statements.

Note E To reverse $1,379,815 of bad debt allowance on 180's books and then to eliminate the intercompany loans between 180 and KBL.

Note F The below table illustrates the allocation of ownership interests in the combined entity.

June 30, 2020	**Number of Shares**
KBL outstanding shares	5,139,222
Shares redeemed	(922,647)
Shares reclassified from temporary equity to permanent equity	334,880
Shares issuable to 180 shareholders (1)	17,500,000
Conversion of rights into shares of KBL	1,200,250
Tyche backstop shares, after purchase	648,873
Automatic conversion of debt	681,645
Shares issued for success fees	250,000
Shares issued pursuant to severance agreement	500,000
	25,332,223

(1) Certain Canadian shareholders have the ability to elect to receive Exchangeable Shares held in the form of preferred stock in 180. For pro forma purposes the Company has assumed all Exchangeable Shares have been converted into KBL Common Stock.

Unaudited Pro Forma Condensed Combined Statement of Operations For The Six Months Ended June 30, 2020

Note A Derived from the unaudited condensed consolidated statement of operations of 180 for the six months ended June 30, 2020 included elsewhere in this filing.

Note B Derived from the unaudited restated condensed statement of operations of KBL for the six months ended June 30, 2020.

Pro Forma Adjustments:

Note C

a) To give effect to a new employment agreement whereby a new executive will receive aggregate cash compensation of $180,000 (which represents the six month effect of base year cash compensation of $360,000). Furthermore, to eliminate $893,145 of non-recurring merger related expenses and $3,125,000 of severance expenses related to the KBL CEO.

b) To eliminate interest income derived from KBL's investment account as the cash within the investment account would have likely been reclassified to a non-interest bearing account upon the Closing. To eliminate aggregate interest expense of $245,098 related to notes payable that will be converted upon close of the business combination. To eliminate aggregate interest expense – related party of $18,365 related to notes payable that will be converted upon close of the business combination.

c) To eliminate the KBL income tax provision as the combined entity is expected to incur a loss during the period.

d) The below table illustrates the adjustment to the weighted average shares outstanding used in the earnings per share calculations for the 17,500,000 shares of KBL Common Stock issued as consideration to the 180 stockholders, less the 1,050,000 holdback shares (6% of the 17,500,000 shares issuable to the 180 stockholders, which will be held in escrow for 12 months in order to satisfy any potential indemnification claims of KBL, plus 681,645 shares issuable upon the automatic conversion of certain convertible debt, plus the 334,880 remaining redeemable shares of KBL Common Stock reclassified from temporary equity to permanent equity, the 1,200,250 shares of KBL Common Stock issued as a result of conversion of rights, the issuance of 250,000 shares of common stock related to investment banking success fees plus the issuance of 500,000 shares related to an severance agreement, plus 648,873 Tyche backstop shares, less 922,647 shares redeemed, less the 84,326 shares outstanding of 180 common stock. The diluted loss per share data is calculated based on net loss divided by the weighted average shares outstanding.

June 30, 2020	**Weighted Average Number of Shares**
Share consideration for transaction	17,500,000
Holdback shares	(1,050,000)
Shares redeemed	(922,647)
Automatic conversion of debt	681,645
Tyche backstop shares, after purchase	648,873
Reclassification from temporary equity to permanent equity	334,880
Conversion of rights into shares of KBL	1,200,250
Shares issued for success fees	250,000
Shares issued pursuant to severance agreement	500,000
Elimination of 180's weighted average equity	(84,326)
Total adjustment	19,058,675

Unaudited Pro Forma Condensed Combined Statement of Operations For The Year Ended December 31, 2019

Note A Derived from the unaudited pro forma condensed combined statement of operations of 180 for the year ended December 31, 2019 included elsewhere in this filing.

Note B Derived from the audited statement of operations of KBL for the year ended December 31, 2019.

Pro Forma Adjustments:

Note C

a) To give effect to a new employment agreement whereby a new executive will receive aggregate cash compensation of $250,000. Furthermore, to eliminate $922,304 of non-recurring merger related expenses.

b) To eliminate interest income derived from KBL's investment account as the cash within the investment account would have likely been reclassified to a non-interest bearing account upon the Closing. To eliminate aggregate interest expense of $132,716 related to notes payable that will be converted upon close of the business combination.

c) To eliminate the KBL income tax provision as the combined entity is expected to incur a loss during the period.

d) The below table illustrates the adjustment to the weighted average shares outstanding used in the earnings per share calculations for the 17,500,000 shares of KBL Common Stock issued as consideration to the 180 stockholders, less the 1,050,000 holdback shares (6% of the 17,500,000 shares issuable to the 180 stockholders, which will be held in escrow for 12 months in order to satisfy any potential indemnification claims of KBL, plus 681,645 shares issuable upon the automatic conversion of certain convertible debt, plus the 33,618 remaining redeemable shares of KBL Common Stock reclassified from temporary equity to permanent equity, the 1,200,250 shares of KBL Common Stock issued as a result of conversion of rights, the issuance of 250,000 shares of common stock related to investment banking success fees plus the issuance of 500,000 shares related to an severance agreement, plus 648,873 Tyche backstop shares, less 990,312 shares redeemed, less the 84,326 shares outstanding of 180 common stock. The diluted loss per share data is calculated based on net loss divided by the weighted average shares outstanding.

December 31, 2019	(as restated) Weighted Average Number of Shares
Share consideration for transaction	17,500,000
Holdback shares	(1,050,000)
Shares redeemed	(990,312)
Automatic conversion of debt	681,645
Tyche backstop shares, after purchase	648,873
Reclassification from temporary equity to permanent equity	33,618
Shares issued pursuant to severance agreement	500,000
Shares issued for success fees	250,000
Conversion of rights into shares of KBL	1,200,250
Elimination of CannBioRx's historical equity	(100,000)
Total adjustment	18,674,074

180 LIFE SCIENCES CORP.
REORGANIZATION
Unaudited Pro Forma Condensed Combined Statement of Operations
For the Year Ended December 31, 2019

	180	CBR Pharma	180 LP	CannBioRx	Pro Forma Adjustments		Intercompany Eliminations	Pro Forma Combined
	Note A	Note B	Note C	Note D	Note E		Note F	
Operating Expenses:								
Research and development	$ 1,887,402	$ 623,578	$ 283,736	$ -	$ -		$ -	$ 2,794,716
Rental income - related parties	(25,946)	(186,688)	-	-	-		41,762	(170,872)
General and administrative	5,701,705	2,284,027	882,848	1,730,334	(1,267,662)	(a), (c)	(1,355,222)	7,976,030
Modification of stock award-related parties	12,959,360	-	-	-	-		-	12,959,360
General and administrative - related parties	340,765	132,660	-	-	-		-	473,425
Total Operating Expenses	20,863,286	2,853,577	1,166,584	1,730,334	(1,267,662)		(1,313,460)	24,032,659
Loss From Operations	(20,863,286)	(2,853,577)	(1,166,584)	(1,730,334)	1,267,662		1,313,460	(24,032,659)
Other Income (Expense):								
Gain on sale of property and equipment	1,714	-	-	-	-		-	1,714
Other income, net	-	-	407,651	-	-		-	407,651
Other income - related parties	552,329	-	-	-	-		-	552,329
Interest income	3,727	2,193	-	-	-		(1,881)	4,039
Interest income - related parties	-	2,170	-	-	-		-	2,170
Interest expense - related parties	(23,074)	-	(7,489)	-	-		-	(30,563)
Interest expense	(162,066)	-	-	-	-		1,881	(160,185)
Loss on extinguishment on convertible notes payable	(703,188)	-	-	-	-		-	(703,188)
Change in fair value of accrued issuable equity	(327,879)	-	-	-	-		-	(327,879)
Change in fair value of accrued issuable equity - related parties	(3,881,819)	(11,267)	-	-	-		-	(3,893,086)
Total Other Income (Expense)	(4,540,256)	(6,904)	400,162	-	-		-	(4,146,998)
(Loss) Income Before Provision for Income Taxes	(25,403,542)	(2,860,481)	(766,422)	(1,730,334)	1,267,662		1,313,460	(28,179,657)
Provision for income taxes	9,496	-	-	-	10,580	(c)	-	20,076
Net Loss	$ (25,394,046)	$ (2,860,481)	$ (766,422)	$ (1,730,334)	$ 1,278,242		$ 1,313,460	$ (28,159,581)
Earnings per share:								
Basic	$ (405.52)							$ (281.60)
Diluted	$ (405.52)							$ (281.60)
Number of common shares outstanding								
Basic	62,621				37,379	(b)		100,000
Diluted	62,621				37,379	(b)		100,000

See notes to the unaudited pro forma condensed combined financial information

Basis of Presentation

The unaudited pro forma condensed combined financial information set forth herein is based upon the financial statements of 180 (inclusive of Katexco, the accounting acquirer, plus the historical pre-Reorganization financial statements of CannBioRx, CBR Pharma and 180 LP (collectively the accounting acquirees). The unaudited pro forma condensed combined financial information is presented as if the Reorganization had been completed on January 1, 2019 with respect to the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2019. No 2020 pro forma condensed combined Reorganization financial statements are presented because the June 30, 2020 financial statements of 180, included elsewhere in this filing, represent the June 30, 2020 consolidated balance sheet of 180 and the 180 Subsidiaries following the July 16, 2019 Reorganization.

The unaudited pro forma condensed combined financial information is presented for informational purposes only and is not necessarily indicative of the combined results of operations had the Reorganization occurred as of the date indicated, nor is it meant to be indicative of any anticipated combined future results of operations that the combined company will experience after the completion of the Reorganization.

We have accounted for the Reorganization using the acquisition method of accounting, in accordance with ASC 805. In accordance with ASC 805, we used our best estimates and assumptions to assign fair values to the tangible and intangible assets acquired and liabilities assumed at the acquisition date. Goodwill as of the acquisition date was measured as the excess of the purchase consideration over the fair value of the net tangible and identifiable intangible assets acquired.

Pro forma adjustments reflected in the pro forma condensed combined statements of income are based on items that are factually supportable, are directly attributable to the Reorganization, and are expected to have a continuing impact on the combined results. The unaudited pro forma condensed combined financial information does not reflect the cost of any integration activities or benefits from the Reorganization, including potential synergies that may be generated in future periods.

Pro Forma Adjustments

The following pro forma adjustments give effect to the Reorganization.

Unaudited Pro Forma Condensed Combined Statement of Operations For The Year Ended December 31, 2019

Note A Derived from the unaudited consolidated statement of operations of 180 for the year ended December 31, 2019 included elsewhere in this filing.

Note B Derived from the unaudited statement of operations of CBR Pharma for the six months ended June 30, 2019 included elsewhere in this filing, as adjusted for the results from July 1, 2019 to July 16, 2019.

	Six Months Ended June 30, 2019	Period From July 1, 2019 through July 16, 2019	Period From January 1, 2019 through July 16, 2019
	CBR Pharma	CBR Pharma	CBR Pharma
Operating expenses (income):			
Research and development	$ 578,216	$ 45,362	$ 623,578
General and administrative	2,100,806	183,221	2,284,027
Rental income - related parties	(182,616)	(4,072)	(186,688)
General and administrative - related parties	121,734	10,926	132,660
Loss from operations	(2,618,140)	(235,437)	(2,853,577)
Interest income	2,186	6	2,193
Interest income - related parties	2,170	-	2,170
Change in fair value of accrued issuable equity-related party	(11,249)	(18)	(11,267)
Net loss	$ (2,625,033)	$ (235,449)	$ (2,860,481)

Note C Derived from the unaudited statement of operations of 180 LP for the six months ended June 30, 2019 included elsewhere in this filing, as adjusted for the results from July 1, 2019 to July 16, 2019.

	Six Months Ended June 30, 2019 180 LP	Period From July 1, 2019 through July 16, 2019 180 LP	Period From January 1, 2019 through July 16, 2019 180 LP
Operating expenses:			
Research and development	$ 246,260	$ 37,476	$ 283,736
General and administrative	824,265	58,583	882,848
Loss from operations	(1,070,525)	(96,059)	(1,166,584)
Other income - related party	340,968	66,683	407,651
Interest expense - related parties	(6,882)	(607)	(7,489)
Net loss	$ (736,439)	$ (29,983)	$ (766,422)

Note D Derived from the unaudited statement of operations of CannBioRx for the six months ended June 30, 2019 included elsewhere in this filing, as adjusted for the results from July 1, 2019 to July 16, 2019, as shown in the table below.

	Six Months Ended June 30, 2019 CBR-LS	Period From July 1, 2019 through July 16, 2019 CBR-LS	Period From January 1, 2019 through July 16, 2019 CBR-LS
Operating expenses:			
General and administrative	$ 1,050,000	$ 680,334	$ 1,730,334
Loss from operations	(1,050,000)	(680,334)	(1,730,334)
Net loss	$ (1,050,000)	$ (680,334)	$ (1,730,334)

Pro Forma Adjustments:

Note E a) To eliminate $1,327,998 merger expenses.

b) To adjust the weighted average shares for the full year effect of the shares issued in the Reorganization, as if the Reorganization occurred on January 1, 2019. The weighted average shares outstanding used in the pro forma combined loss per share calculations reflect 62,621 shares of 180 common stock issued as consideration to the former stockholders of the accounting acquirees and 37,379 shares of 180 common stock issued to the former Katexco stockholders. The diluted loss per share data is calculated based on net loss divided by the weighted average dilutive shares outstanding.

c) To give effect to incremental amortization expense of $60,336 related to the technology licenses and a corresponding income tax benefit.

Note F To eliminate intercompany activity between 180, CBR Pharma, 180 LP and CannBioRx.

Exhibit 99.9

180 LIFE CORP. AND SUBSIDIARIES
(FORMERLY 180 LIFE SCIENCES CORP.)
CONDENSED CONSOLIDATED BALANCE SHEETS
(Expressed in US Dollars)

	September 30, 2020 (unaudited)	December 31, 2019
Assets		
Current Assets:		
Cash	$ 32,691	$ 83,397
Due from related parties	322,085	73,248
Notes receivable, net (see Note 5)	-	-
Prepaid expenses and other current assets	167,012	591,648
Total Current Assets	521,788	748,293
Property and equipment, net	41,134	54,307
Intangible assets, net	1,985,202	2,121,834
In-process research and development	12,494,049	12,536,950
Goodwill	35,799,062	36,423,084
Total Assets	$ 50,841,235	$ 51,884,468
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	$ 4,671,576	$ 4,103,566
Accounts payable - related parties	179,079	123,035
Accrued expenses	2,962,340	1,691,466
Accrued expenses - related parties	372,615	177,074
Due to related parties	25,711	17,341
Loans payable	306,113	116,250
Loans payable - related parties	460,881	220,525
Convertible notes payable	365,750	2,736,946
Convertible notes payable - related parties	270,000	454,604
Total Current Liabilities	9,614,065	9,640,807
Loans payable - non current portion	93,029	-
Convertible notes payable - non current portion	1,768,779	-
Convertible notes payable - related parties - non current portion	263,457	-
Deferred tax liability	3,635,124	3,672,759
Total Liabilities	15,374,454	13,313,566
Commitments and contingencies (see Note 9)		
Stockholders' Equity:		
Preferred stock, $0.0001 par value; 2 shares authorized; 2 shares issued and outstanding at September 30, 2020 and December 31, 2019	-	-
Common stock, $0.0001 par value; 150,000 shares authorized; 86,049 shares and 82,204 shares issued and outstanding at September 30, 2020 and December 31, 2019, respectively	8	8
Additional-paid in capital	76,293,471	75,891,671
Accumulated other comprehensive (loss) income	(409,823)	152,803
Accumulated deficit	(40,416,875)	(37,473,580)
Total Stockholders' Equity	35,466,781	38,570,902
Total Liabilities and Stockholders' Equity	$ 50,841,235	$ 51,884,468

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

180 LIFE CORP. AND SUBSIDIARIES
(FORMERLY 180 LIFE SCIENCES CORP.)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in US Dollars)
(unaudited)

	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2019
Operating Expenses:		
Research and development	$ 1,025,360	$ 1,765,784
General and administrative	1,985,268	3,511,512
General and administrative - related parties	221,511	365,610
Gain on sale of property and equipment	-	(1,711)
Rental income - related parties	-	(23,532)
Total Operating Expenses	3,232,139	5,617,663
Loss From Operations	(3,232,139)	(5,617,663)
Other Income (Expense):		
Other income	15,208	-
Other income - related parties	240,000	249,863
Interest income	-	1,820
Interest expense	(408,404)	(68,375)
Interest expense - related parties	(64,758)	(7,510)
Gain on extinguishment of convertible note payable, net	491,624	-
Change in fair value of accrued issuable equity	-	(327,294)
Change in fair value of accrued issuable equity - related parties	-	(3,874,894)
Total Other Income (Expense), Net	273,670	(4,026,390)
Loss Before Income Taxes	(2,958,469)	(9,644,053)
Income tax benefit	15,175	4,309
Net Loss	(2,943,294)	(9,639,744)
Other Comprehensive Loss:		
Foreign currency translation adjustments	(562,626)	(464,436)
Total Comprehensive Loss	$ (3,505,920)	$ (10,104,180)

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

180 LIFE CORP. AND SUBSIDIARIES
(FORMERLY 180 LIFE SCIENCES CORP.)
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIENCY)
(Expressed in US Dollars)
(unaudited)

For The Nine Months Ended September 30, 2020

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance - January 1, 2020	2	$ -	82,204	$ 8	$ 75,891,671	$ 152,803	$ (37,473,581)	$ 38,570,901
Issuances of common stock for:								
Cash	-	-	73	-	72,500	-	-	72,500
Exchange of common stock equivalents	-	-	3,772	-	-	-	-	-
Beneficial conversion feature on convertible debt issued	-	-	-	-	329,300	-	-	329,300
Comprehensive loss:								
Net loss	-	-	-	-	-	-	(2,943,294)	(2,943,294)
Other comprehensive loss	-	-	-	-	-	(562,626)	-	(562,626)
Balance - September 30, 2020	2	$ -	86,049	$ 8	$ 76,293,471	$ (409,823)	$ (40,416,875)	$ 35,466,781

For The Nine Months Ended September 30, 2019

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity (Deficiency)
	Shares	Amount	Shares	Amount				
Balance - January 1, 2019	-	$ -	10,510	$ 1	$ 4,089,040	$ 313,548	$ (12,079,534)	$ (7,676,945)
Issuances of common stock for:								
Cash and services (1)	-	-	2,622	-	1,463,802	-	-	1,463,802
Satisfaction of accrued issuable equity	-	-	18,297	2	12,992,468	-	-	12,992,470
Shares issued in connection with Reorganization	2	-	50,808	4	45,866,495	-	-	45,866,499
Effect of reverse capitalization of Katexco into 180 Life Sciences	-	-	-	-	(1,730,332)	-	-	(1,730,332)
Comprehensive loss:								
Net loss	-	-	-	-	-	-	(9,639,744)	(9,639,744)
Other comprehensive loss	-	-	-	-	-	(464,436)	-	(464,436)
Balance - September 30, 2019	2	$ -	82,237	$ 7	$ 62,681,473	$ (150,888)	$ (21,719,278)	$ 40,811,314

(1) Includes $1,130,656 of cash consideration (See Note 10).

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

180 LIFE CORP. AND SUBSIDIARIES
(FORMERLY 180 LIFE SCIENCES CORP.)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in US Dollars)
(unaudited)

	For the Nine Months Ended September 30, 2020	2019
Cash Flows From Operating Activities		
Net loss	$ (2,943,294)	$ (9,639,744)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	93,480	41,306
Bad debt (recoveries) expense	(1,156,750)	542,910
Interest expense capitalized to debt principal	285,907	-
Interest expense, related parties capitalized to debt principal	27,456	-
Stock-based compensation	-	337,314
Gain on extinguishment of convertible note payable, net	(491,624)	-
Gain on sale of property and equipment		(1,711)
Deferred income tax benefit	(15,175)	(4,310)
Change in fair value of accrued issuable equity	-	338,665
Change in fair value of accrued issuable equity - related parties	-	3,866,013
Changes in operating assets and liabilities:		-
Due from related parties	(240,000)	6,710
Prepaid expenses and other current assets	409,809	258,210
Prepaid expenses and other current assets - related parties	-	10,951
Accounts payable	1,776,788	1,201,336
Accounts payable - related parties	58,835	23,179
Accrued expenses	1,354,381	141,864
Accrued expenses - related parties	184,618	29,462
Due to related parties	-	(60,091)
Deferred income - related parties	-	(267,047)
Total adjustments	2,287,725	6,464,761
Net Cash Used In Operating Activities	(655,569)	(3,174,983)
Cash Flows From Investing Activities		
Sale of property and equipment	-	8,886
Cash acquired in Reorganization	-	86,078
Issuance of note receivable	-	(542,910)
Net Cash Used In Investing Activities	-	(447,946)
Cash Flows From Financing Activities		
Proceeds from sale of common stock	72,500	1,130,656
Proceeds from subscription receivable	-	124,147
Proceeds from loans payable	3,500	50,000
Proceeds from loans payable - related parties	216,556	50,000
Proceeds from convertible notes payable	82,500	1,925,000
Proceeds from convertible notes payable - related parties	-	175,000
Proceeds from Paycheck Protection Program loan	53,051	-
Proceeds from Bounce Back Loan Scheme	63,542	-
Net Cash Provided By Financing Activities	491,649	3,454,803
Effect of Exchange Rate Changes on Cash	113,215	(321,386)
Net Decrease In Cash	(50,705)	(489,512)
Cash - Beginning of Period	83,396	567,220
Cash - End of Period	$ 32,691	$ 77,708

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

180 LIFE CORP. AND SUBSIDIARIES
(FORMERLY 180 LIFE SCIENCES CORP.)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS, CONTINUED
(Expressed in US Dollars)
(unaudited)

	For the Nine Months Ended September 30,	
	2020	**2019**
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period for interest	$ -	$ -
Non-cash investing and financing activities:		
Issuance of common stock in satisfaction of accrued issuable equity	$ -	$ 12,532,875
Issuance of common stock in satisfaction of investor deposits	$ -	$ 459,594
Recognition of beneficial conversion feature on amendment of the Senior Note	$ 329,300	$ -
Redemption premium and restructuring fee recognized as an increase in Senior Note principal	$ 557,436	$ -
Extinguishment of Senior Note principal	$ 1,510,113	$ -
Non-convertible note issued to holder of extinguished Senior Note	$ 150,000	$ -
Restructuring fee recognized as an increase in Bridge Note principal	$ 33,250	$ -
Loans payable made for payments paid directly to vendors in satisfaction of accounts payable	$ 11,891	$ -
Loans payable - related parties made for payments paid by the counterparty directly to vendors in satisfaction of accounts payable	$ 26,576	$ -
Receivable from related party in connection with sale of property and equipment	$ -	$ 8,753

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

NOTE 1 — BUSINESS ORGANIZATION AND NATURE OF OPERATIONS

180 Life Corp. (“180”, f/k/a 180 Life Sciences Corp. and CannBioRx Life Sciences Corp.) was incorporated in the State of Delaware on January 28, 2019 (180 collectively with its subsidiaries are hereafter referred to as the “Company”). The Company is located in the United States (“U.S.”) and is a medical pharmaceutical company focused upon unmet medical needs in the areas of chronic pain, inflammation, inflammatory diseases, and fibrosis by employing innovative research and, where appropriate, combination therapies, through its three wholly owned subsidiaries, Katexco Pharmaceuticals Corp. (“Katexco”), CannBioRex Pharmaceuticals Corp. (“CBR Pharma”), and 180 Therapeutics L.P. (“180 LP”). Katexco, CBR Pharma and 180 LP are together, the “180 Subsidiaries.” Katexco was incorporated on March 7, 2018 under the provisions of the British Corporation Act of British Columbia. Additionally, 180’s wholly owned subsidiaries Katexco Callco, ULC, Katexco Purchaseco, ULC, CannBioRex Callco, ULC, and CannBioRex Purchaseco, ULC were formed in the Canadian Province of British Columbia on May 31, 2019 to facilitate the acquisition of Katexco, CBR Pharma and 180 LP, as described below.

Katexco is a medical pharmaceutical company researching and developing orally available therapies harnessing endocannabinoid and nicotine receptors to treat inflammatory diseases. CBR Pharma is a pharmaceutical research company specializing in the clinical development of synthetic pharmaceutical grade cannabinoid compounds for the treatment of rheumatoid arthritis and related arthritic diseases. 180 LP is a clinical stage biopharmaceutical company focused on the discovery and development of biologic therapies for the treatment of fibrosis.

On July 16, 2019, 180, Katexco, CBR Pharma and 180 LP consummated a reorganization wherein 180 acquired 100% of the outstanding shares of Katexco, CBR Pharma, and 180 LP (the “Reorganization”). The Reorganization was accounted for as a reverse acquisition, and Katexco is deemed to be the accounting acquirer, while 180, CBR Pharma and 180 LP are deemed to be the “Accounting Acquirees”. Consequently, the assets and liabilities and the historical operations that are reflected in these condensed consolidated financial statements prior to the Reorganization are those of Katexco. The preferred stock, common stock, additional paid-in capital and earnings per share amounts in these condensed consolidated financial statements for the period prior to the Reorganization have been restated to reflect the recapitalization based on the shares issued to the Katexco shareholders. References herein to the “Company” are to Katexco for the period prior to the Reorganization and are to the Company (180 as combined with the 180 Subsidiaries) after the Reorganization.

The following table sets forth the unaudited pro forma results for the nine months ended September 30, 2019 of the Company as if the Reorganization was effective on January 1, 2019. These combined results are not necessarily indicative of the results that may have been achieved had the companies always been combined.

	Nine Months Ended September 30, 2019
Revenues	$ -
Operating loss	$ (7,973,414)
Net loss	$ (11,586,549)

On July 25, 2019, the Company entered into an agreement (the "Business Combination Agreement") with KBL Merger Corp. IV, a special-purpose acquisition company and public company ("KBL") and KBL Merger Sub, Inc. ("Merger Sub"), pursuant to which Merger Sub will merge with and into the Company, with the Company continuing as a wholly owned subsidiary of KBL after the closing (the "Business Combination"). The Merger Sub will purchase 100% of the outstanding equity and equity equivalents of the Company as of the date of closing in exchange for 17.5 million shares of KBL Common Stock reduced by the number of shares equal to the amount of any liabilities of the Company in excess of $5 million at the closing divided by $10. Pursuant to the Business Combination Agreement, the consummation of the Business Combination is conditioned upon (i) stockholder and any necessary regulatory approvals, (ii) the effectiveness of a registration statement; and (iii) KBL having at least $5,000,001 of net tangible assets. The Business Combination is deemed to be a capital transaction of 180 (the legal acquiree) for accounting purposes and is equivalent to the issuance of shares by 180 for the net monetary assets of KBL, accompanied by a recapitalization. See Note 12 — Closing of the Business Combination for additional details.

NOTE 2 — GOING CONCERN AND MANAGEMENT'S PLANS

The Company has not generated any revenues and has incurred a significant loss since inception. During the nine months ended September 30, 2020, the Company incurred a net loss of $2,943,294 and used $655,569 of cash in operations. As of September 30, 2020, the Company has an accumulated deficit of $40,416,875 and a working capital deficit of $9,092,277. The Company expects to invest a significant amount of capital to fund research and development. As a result, the Company expects that its operating expenses will increase significantly, and consequently will require significant revenues to become profitable. Even if the Company does become profitable, it may not be able to sustain or increase profitability on a quarterly or annual basis. The Company cannot predict when, if ever, it will be profitable. There can be no assurance that the intellectual property of the Company, or other technologies it may acquire, will meet applicable regulatory standards, obtain required regulatory approvals, be capable of being produced in commercial quantities at reasonable costs, or be successfully marketed. The Company plans to undertake additional laboratory studies with respect to the intellectual property, and there can be no assurance that the results from such studies or trials will result in a commercially viable product or will not identify unwanted side effects.

In December 2019, a new strain of the coronavirus ("COVID-19") was reported in Mainland China and during the first quarter of 2020 the virus had spread to over 150 countries, resulting in a global pandemic. This COVID-19 pandemic and the public health responses to contain it have resulted in global recessionary conditions, which did not exist at December 31, 2019. Among other effects, government-mandated closures, stay-at-home orders and other related measures have significantly impacted global economic activity and business investment in general. A continuation or worsening of the levels of market disruption and volatility seen in the recent past could have an adverse effect on the Company's ability to access capital, on the Company's business, results of operations and financial condition. Management has been closely monitoring the developments and have taken active measures to protect the health of the Company's employees, their families and the Company's communities. The ultimate impact on the 2020 fiscal year and beyond will depend heavily on the duration of the COVID-19 pandemic and public health responses, including government-mandated closures, stay-at-home orders and social distancing mandates, as well as the substance and pace of macroeconomic recovery, all of which are uncertain and difficult to predict considering the rapidly evolving landscape of the COVID-19 pandemic and the public health responses to contain it.

These condensed consolidated financial statements have been prepared under the assumption of a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue its operations is dependent upon the continuing support of its creditors and its success in obtaining new financing for its ongoing operations. Financing options available to the Company include equity financings and loans and if the Company is unable to obtain such additional financing timely, the Company may have to curtail its development, marketing and promotional activities, which would have a material adverse effect on its business, financial condition and results of operations, and could ultimately be forced to discontinue its operations and liquidate. These matters raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time, which is defined as within one year after the date that the financial statements are issued. Realization of the Company's assets may be substantially different from the carrying amounts presented in these condensed consolidated financial statements and the accompanying condensed consolidated financial statements do not include any adjustments that may become necessary, should the Company be unable to continue as a going concern.

NOTE 3 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 ("U.S. GAAP") for interim financial information. The condensed consolidated financial statements of the Company include the accounts of the Company and its subsidiaries. In the opinion of management, such statements include all adjustments (consisting only of normal recurring items) which are considered necessary for a fair presentation of the unaudited condensed consolidated financial statements of the Company as of September 30, 2020 and for the nine months ended September 30, 2020 and 2019. The results of operations for the nine months ended September 30, 2020 are not necessarily indicative of the operating results for the full year ending December 31, 2020 or any other period. These unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and related disclosures as of December 31, 2019 and for the period then ended, which are included elsewhere in this filing.

Principles of Consolidation

The condensed consolidated financial statements include the historical accounts of Katexco as accounting acquirer and, effective with the closing of the Reorganization, the accounting acquirees. All intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates, judgments, and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, together with amounts disclosed in the related notes to the condensed consolidated financial statements. The Company's significant estimates used in these financial statements include, but are not limited to, the fair value of equity shares issued as merger consideration, the valuation of intangible assets in acquisition accounting, the useful lives of long-lived assets, the recovery of notes receivable and other assets, and the satisfaction of other liabilities. Certain of the Company's estimates could be affected by external conditions, including those unique to the Company and general economic conditions. It is reasonably possible that these external factors could have an effect on the Company's estimates and may cause actual results to differ from those estimates.

Accounting for Business Combinations

As required by U.S. GAAP, the Company records acquisitions under the acquisition method of accounting, under which the assets acquired and liabilities assumed are initially recorded at their respective fair values and any excess purchase price over the estimated fair value of net assets acquired is reflected as goodwill. The Company uses estimates and, in some instances, independent third-party valuation firms to assist in determining the fair values of assets acquired, liabilities assumed and contingent consideration, if any. Such estimates and valuations require significant assumptions, including projections of future events and operating performance. The estimated fair values are subject to change during the measurement period, which is limited to one year subsequent to the acquisition date.

Foreign Currency Translation

The Company's reporting currency is the USD. The functional currency of certain subsidiaries is the Canadian Dollar ("CAD") or British Pound ("GBP"). Assets and liabilities are translated based on the exchange rates at the balance sheet date (0.7482 for the CAD and 1.2871 for the GBP as of September 30, 2020), while expense accounts are translated at the weighted average exchange rate for the period (0.7391 and 0.7524 for the CAD for the nine months ended September 30, 2020 and 2019, respectively, and 1.2708 and 1.2734 for the GBP for the nine months ended September 30, 2020 and 2019, respectively). Equity accounts are translated at historical exchange rates. The resulting translation adjustments are recognized in stockholders' equity (deficiency) as a component of accumulated other comprehensive loss.

Comprehensive income (loss) is defined as the change in equity of an entity from all sources other than investments by owners or distributions to owners and includes foreign currency translation adjustments as described above. During the nine months ended September 30, 2020 and 2019, the Company recorded an other comprehensive loss of $562,626 and $464,436, respectively, as a result of foreign currency translation adjustments.

Foreign currency gains and losses resulting from transactions denominated in foreign currencies, including intercompany transactions, are included in results of operations. The Company recorded $359,203 and $17,219 of foreign currency transaction gains (losses) for the nine months ended September 30, 2020 and 2019, respectively, which are included in general and administrative expenses on the accompanying condensed consolidated statements of operations and comprehensive loss.

Fair Value of Financial Instruments

The Company measures the fair value of financial assets and liabilities based on the guidance of Accounting Standards Codification ("ASC") 820 "Fair Value Measurement" ("ASC 820"), which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 describes three levels of inputs that may be used to measure fair value:

- Level 1 — Quoted prices in active markets for identical assets or liabilities;
- Level 2 — Quoted prices for similar assets and liabilities in active markets or inputs that are observable; and
- Level 3 — Inputs that are unobservable (for example, cash flow modeling inputs based on assumptions).

The carrying amounts of the Company's financial instruments, consisting primarily of notes receivable, accounts payable, loans payable and convertible notes payable, approximate their fair values as presented in these condensed consolidated financial statements due to the short-term nature of those instruments.

<u>Reclassifications</u>

Certain prior period balances have been reclassified in order to conform to the current period presentation or correct the prior period presentation. These reclassifications have no effect on previously reported results of operations or loss per share.

Convertible Notes

The Company evaluates its convertible instruments to determine if those contracts or embedded components of those contracts qualify as derivative financial instruments to be separately accounted for in accordance with ASC Topic 815 of the Financial Accounting Standards Board ("FASB"). The accounting treatment of derivative financial instruments requires that the Company record embedded conversion options and any related freestanding instruments at their fair values as of the inception date of the agreement and at fair value as of each subsequent balance sheet date. Any change in fair value is recorded as non-operating, non-cash income or expense for each reporting period at each balance sheet date. The Company reassesses the classification of its derivative instruments at each balance sheet date. If the classification changes as a result of events during the period, the contract is reclassified as of the date of the event that caused the reclassification. Bifurcated embedded conversion options and any related freestanding instruments are recorded as a discount to the host instrument.

If the instrument is determined to not be a derivative liability, the Company then evaluates for the existence of a beneficial conversion feature ("BCF") by comparing the commitment date fair value to the effective conversion price of the instrument. The Company records a BCF as debt discount which is amortized to interest expense over the life of the respective note using the effective interest method. BCFs that are contingent upon the occurrence of a future event are recognized when the contingency is resolved.

Subsequent Events

The Company has evaluated events that have occurred after the balance sheet date and through the date these financial statements were issued. Based upon that evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the financial statements, except as disclosed in Note 12 — Subsequent Events.

Recently Issued Accounting Pronouncements

In August 2018, the FASB issued Accounting Standards Update ("ASU") No. 2018-13, "Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement ("ASU 2018-13"). The amendments in ASU 2018-13 modify the disclosure requirements associated with fair value measurements based on the concepts in the Concepts Statement, including the consideration of costs and benefits. The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments should be applied retrospectively to all periods presented upon their effective date. The amendments are effective for all entities for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. The Company adopted this guidance on January 1, 2020, and the adoption did not have a material impact on the Company's unaudited condensed consolidated financial statements.

In February 2020, the FASB issued ASU No. 2020-02, Financial Instruments — Credit Losses (Topic 326) and Leases (Topic 842) — Amendments to SEC Paragraphs Pursuant to Securities and Exchange Commission ("SEC") Staff Accounting Bulletin No. 119 and Update to SEC Section on Effective Date ("ASU 2020-02") which provides clarifying guidance and minor updates to ASU No. 2016-13 — Financial Instruments — Credit Loss (Topic 326) ("ASU 2016-13") and related to ASU No. 2016-02 — Leases (Topic 842). ASU 2020-02 amends the effective date of ASU 2016-13, such that ASU 2016-13 and its amendments will be effective for the Company for interim and annual periods in fiscal years beginning after December 15, 2022. The adoption of ASU 2020-02 is not expected to have a material impact on the Company's consolidated financial statements or disclosures.

In March 2020, the FASB issued ASU 2020-03, "Codification Improvements to Financial Instruments" ("ASU 2020-03"). ASU 2020-03 improves and clarifies various financial instruments topics. ASU 2020-03 includes seven different issues that describe the areas of improvement and the related amendments to GAAP, intended to make the standards easier to understand and apply by eliminating inconsistencies and providing clarifications. The Company adopted ASU 2020-03 upon issuance, which did not have a material effect on the Company's unaudited condensed consolidated financial statements.

NOTE 4 — PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of the following as of September 30, 2020 and December 31, 2019:

	September 30, 2020	December 31, 2019
Professional fees	$ 95,455	$ 115,166
Value-added tax receivable	35,986	43,352
Insurance	16,193	-
License maintenance fee	12,033	32,558
Short term lease deposit	6,564	-
Travel expenses	479	479
Other	302	1,962
Research and development	-	186,391
Research and development expense tax credit receivable	-	211,740
	$ 167,012	$ 591,648

NOTE 5 — NOTES RECEIVABLE, NET

The Company had the following notes receivable from KBL as of September 30, 2020 and December 31, 2019:

	September 30, 2020	December 31, 2019
Notes receivable from KBL dated April 10, 2019	$ 1,050,000	$ 1,050,000
Notes receivable from KBL dated August 21, 2019	250,000	250,000
Notes receivable from KBL dated August 28, 2019	184,825	184,825
Notes receivable from KBL dated September 18, 2019	108,000	108,000
Notes receivable from KBL dated October 31, 2019	107,000	107,000
Subtotal	1,699,825	1,699,825
Payments made by KBL on behalf of 180LS	(1,156,750)	-
Subtotal	543,075	1,699,825
Provision for uncollectible notes receivable	(543,075)	(1,699,825)
	$ -	$ -

As of September 30, 2020, the Company loaned $1,699,825 to KBL to fund its operating expenses, deal transaction expenses, and any financing expenses for the Business Combination through the issuance of notes (the "Notes Receivable"). During the nine months ended September 30, 2020, KBL paid an aggregate amount of $1,156,750 on behalf of 180 in the form of payments to various vendors of 180 and cash paid directly to 180 in order to fund its operations, in partial satisfaction of the Company's Notes Receivable. The notes do not accrue interest and mature upon the closing of the Business Combination or the liquidation of KBL, whichever comes first. See Note 12 – Subsequent Events, Closing of the Business Combination for more details.

During the nine months ended September 30, 2020 and 2019, the Company recorded bad debt (recovery) expense of ($1,156,750) and $1,592,910, respectively, related to the Notes Receivable, which is included in general and administrative expense on the accompanying condensed consolidated statements of operations and comprehensive loss.

NOTE 6 — ACCRUED EXPENSES

Accrued expenses consist of the following as of September 30, 2020 and December 31, 2019:

	September 30, 2020	December 31, 2019
Consulting fees	$ 1,317,672	$ 613,115
Professional fees	786,354	459,084
Employee and director compensation	751,597	395,248
Interest	59,932	15,571
Research and development fees	41,873	120,631
Travel expenses	4,600	-
Other	312	3,003
Patent costs	-	84,814
	$ 2,962,340	$ 1,691,466

As of September 30, 2020, and December 31, 2019, the Company had accrued expenses — related parties of $372,615 and $177,074, respectively. See Note 11 — Related Parties for additional details.

NOTE 7 — LOANS PAYABLE

Loans Payable, Current Portion

The current portion of the Company's loans payable outstanding as of September 30, 2020 and December 31, 2019 is as follows:

	Simple Interest Rate	September 30, 2020	December 31, 2019
Kingsbrook loan issued June 12, 2020	15%	$ 150,000	$ -
Loan payable issued September 18, 2019	8%	50,000	50,000
Loan payable issued October 29, 2019	8%	69,250	66,250
Loan payable issued February 5, 2020	8%	3,500	-
Loan payable issued March 31, 2020	8%	4,537	-
Loan payable issued July 15, 2020 *	8%	4,451	-
Current portion of PPP Loans (1)	1%	24,375	-
		$ 306,113	$ 116,250

* These loans are denominated in currencies other than USD.

(1) See Loans Payable, Non-Current Portion for a description of the PPP Loans.

The 8% notes in the table above matured on February 15, 2021 and are past due as of the filing date of this report.

During January 2020, the loan payable dated October 29, 2019 was amended to increase the principal balance by $3,000 in satisfaction of certain accounts payable. The loans payable issued between September 18, 2019 and March 31, 2020 matured on June 30, 2020. On July 1, 2020, the Company amended the terms of the loans to extend the maturity terms to the earlier of (a) the closing of a Qualified Financing, as defined; or (b) November 1, 2020. See Note 12 – Subsequent Events, Extension of the Loan Agreements for additional details.

Loans Payable, Non-Current Portion

The non-current portion of the Company's loans outstanding as of September 30, 2020 is as follows:

	Simple Interest Rate	September 30, 2020	Maturity Date
PPP loan payable issued May 5, 2020	1.0%	$ 51,051	05/04/22
PPP loan payable issued April 24, 2020	1.0%	2,000	04/23/22
BBLS loan payable issued June 10, 2020	2.5%	64,353	06/10/26
Subtotal		117,404	
Less: Current portion of PPP loans (see above)		(24,375)	
		$ 93,029	

During April and May 2020, the Company received loans in the aggregate amount of $53,051 (the "PPP Loans"), under the Payroll Protection Program ("PPP"), to support continuing employment during the COVID-19 pandemic.

Effective March 27, 2020, legislation referred to as the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was passed to benefit companies in the U.S. that were significantly impacted by the pandemic. Under the terms of the CARES Act, as amended by the Paycheck Protection Program Flexibility Act of 2020, the Company is eligible to apply for and receive forgiveness for all or a portion of their respective PPP Loans. Such forgiveness will be determined, subject to limitations, based on the use of the loan proceeds for certain permissible purposes as set forth in the PPP, including, but not limited to, payroll costs (as defined under the PPP) and mortgage interest, rent or utility costs (collectively, "Qualifying Expenses") incurred during the 24 weeks subsequent to funding, and on the maintenance of employee and compensation levels, as defined, following the funding of the PPP Loan. The Company intends to use the proceeds of their PPP Loans for Qualifying Expenses. However, no assurance is provided that the Company will be able to obtain forgiveness of the PPP Loans in whole or in part. Any amounts not forgiven incur interest at 1.0% per annum and monthly repayments of principal and interest are deferred for six months after the date of disbursement. While the Company's PPP loans currently have a two-year maturity, the amended law will permit the Company to request a five-year maturity. As of September 30, 2020, the Company recorded accrued interest of $217 related to the PPP loans. During the nine months ended September 30, 2020, and December 31, 2019, the Company recorded interest expense of $217 and $0, respectively, related the PPP loans.

On June 10, 2020, the Company received GBP £50,000 (USD $64,353) of cash proceeds pursuant to the Bounce Back Loan Scheme ("BBLS"), which provides financial support to businesses across the U.K. that are losing revenue, and seeing their cashflow disrupted, as a result of the COVID-19 outbreak. The BBLS is unsecured and bears interest at 2.5%. The maximum loan amount is GBP £50,000 and the length of the loan is six years, and payments begin 12 months after the date of disbursement. Early repayment is allowed, without early repayment fees. As of September 30, 2020, the Company recorded accrued interest of GBP £294 (USD $378) related to the BBLS loan. During the nine months ended September 30, 2020, and December 31, 2019, the Company recorded interest expense of GBP £294 (USD $374) and $0, respectively, related the BBLS loan.

On June 12, 2020, the Company entered into a non-convertible promissory note agreement with an existing convertible note holder for an aggregate principal sum of $150,000, which bears interest at 15% per annum and matures on August 31, 2021. See Note 8 — Convertible Notes Payable, Extinguishment of Senior Note and Issuance of New Note for additional details.

Loans Payable, Related Parties

Loans payable to related parties (the "Related Party Loans") consist of loans payable to certain of the Company's officers, directors and a greater than 10% investor. The Company had the following loans payable to related parties outstanding as of September 30, 2020 and December 31, 2019:

	Simple Interest Rate	September 30, 2020	December 31, 2019
Loan payable issued September 18, 2019	8%	$ 50,000	$ 50,000
Loan payable issued October 8, 2019	0%	4,000	4,000
Loan payable issued October 20, 2019 *	8%	77,224	79,572
Loan payable issued October 28, 2019 *	8%	6,684	6,887
Loan payable issued October 29, 2019	8%	40,000	40,000
Loan payable issued October 29, 2019	8%	10,000	10,000
Loan payable issued November 27, 2019 *	8%	19,344	19,933
Loan payable issued December 11, 2019	8%	9,861	10,133
Loan payable issued January 14, 2020	8%	4,726	-
Loan payable issued January 20, 2020	8%	137,381	-
Loan payable issued January 30, 2020 *	8%	6,684	-
Loan payable issued February 5, 2020	8%	3,500	-
Loan payable issued February 28, 2020 *	8%	18,162	-
Loan payable issued March 31, 2020	8%	4,537	-
Loan payable issued April 2, 2020	8%	1,871	-
Loan payable issued April 2, 2020	8%	1,564	-
Loan payable issued April 13, 2020	8%	12,875	-
Loan payable issued April 13, 2020	8%	12,905	-
Loan payable issued April 27, 2020 *	8%	7,508	-
Loan payable issued May 19, 2020	8%	2,030	-
Loan payable issued May 30, 2020 *	8%	7,508	-
Loan payable issued May 30, 2020	8%	7,890	-
Loan payable issued June 17, 2020	8%	485	-
Loan payable issued July 15, 2020	8%	5,503	-
Loan payable issued August 25, 2020 *	8%	8,639	-
		$ 460,881	$ 220,525

* These loans are denominated in currencies other than USD.

As of September 30, 2020, the Related Party Loans provide for a maturity date upon the earliest of (a) the consummation of the Business Combination; (b) June 30, 2020; or (c) 60 days after the respective issuance date. On July 1, 2020, the Company amended the terms of the Related Party Loans to extend the maturity terms to the earlier of (a) the closing of a Qualified Financing, as defined; or (b) November 1, 2020. See Note 12 – Subsequent Events, Extension of the Loan Agreements for additional details.

Interest Expense on Loans Payable

During the nine months ended September 30, 2020, the Company recognized interest expense and interest expense — related parties associated with the loans of $14,424 and $24,193, respectively. During the nine months ended September 30, 2019, the Company recognized interest expense and interest expense — related parties associated with the loans of $132 and $131, respectively.

As of September 30, 2020, the Company had accrued interest and accrued interest — related parties associated with the loans of $16,487 and $27,617, respectively. As of December 31, 2019, the Company had accrued interest and accrued interest — related parties associated with the loans of $2,055 and $3,086, respectively. See Note 11 — Related Parties for additional details.

NOTE 8 — CONVERTIBLE NOTES PAYABLE

The following table details the activity of the convertible notes payable during the nine months ended September 30, 2020:

	Effective Date	Date Last Amended (if applicable)	Maturity Date (as amended, if applicable)	12/31/19 Principal Balance	Loans issued Nine Months Ended September 30, 2020	Unpaid Interest Capitalized to Principal	Amendment to Senior Notes & Bridge Notes	09/30/20 Principal Balance
Amended Senior Note	07/25/19	06/12/20	08/28/21	$ 1,405,695	$ -	$ 104,418	$ (1,510,113)	$ -
Amended Senior Note	07/25/19	06/12/20	08/28/21	1,054,878	-	177,063	493,697	1,725,638
Amended Senior Note	07/25/19	06/12/20	08/28/21	26,372	-	4,427	12,342	43,141
Bridge Note	12/27/19	07/01/20	08/28/21	250,000	-	-	25,000	275,000
Bridge Note	01/03/20	07/07/20	08/28/21	-	82,500	-	8,250	90,750
Subtotal				$ 2,736,945	$ 82,500	$ 285,908	$ (970,824)	2,134,529
Less: Current portion of convertible notes payable								(365,750)
Non-current portion of convertible notes payable [1]								$ 1,768,779

[1] Portion of convertible notes classified as non-current due to subsequent conversion to equity.

The following table details the activity of the convertible notes payable — related parties during the nine months ended September 30, 2020

	Effective Date	Date Last Amended (if applicable)	Maturity Date (as amended, if applicable)	12/31/19 Principal Balance	Unpaid Interest Capitalized to Principal	Amendment to Senior Notes	09/30/20 Principal Balance
Amended Senior Notes	07/25/19	06/12/20	08/28/21	$ 184,604	$ 27,457	$ 51,396	$ 263,457
180 LP Convertible Note	09/24/13	N/A	09/25/15	160,000	-	-	160,000
180 LP Convertible Note	06/16/14	N/A	06/16/17	10,000	-	-	10,000
180 LP Convertible Note	07/08/14	N/A	07/08/17	100,000	-	-	100,000
Subtotal				$ 454,604	$ 27,457	$ 51,396	533,457
Less: Current portion of convertible notes payable - related parties							(270,000)
Non-current portion of convertible notes payable - related parties							$ 263,457

Amendment to Senior Notes

On January 13, 2020, the Company and holders of a series of Senior Secured Notes (the "Senior Notes") agreed to exchange the Senior Notes for new Senior Secured Notes (the "Amended Senior Notes") with amended terms (the "Senior Note Amendments"). Pursuant to the Senior Note Amendments, the note holders waived all events of default associated with the Senior Notes and the aggregate principal amount and accrued interest of $1,282,205 and $6,411, respectively, was converted to principal in the aggregate amount of $1,846,052 (consisting of $1,282,205 of the outstanding principal of the Senior Notes, $6,411 of accrued interest reclassified to principal, $200,000 of restructuring fees and $357,436 of redemption premiums), of which $186,988 and $935, of aggregate principal and accrued interest, respectively, owed to the Chief Executive Officer and a director of the Company, was converted to principal in the aggregate amount of $239,320 (consisting of $186,988 of the outstanding principal of the Senior Notes, $935 of accrued interest reclassified to principal and $51,397 of redemption premiums).

The Company accounted for the amendment to the Senior Notes as note extinguishments, since the present value of future cash flows under the Amended Senior Notes was substantially different than the future cash flows under the Senior Notes. Accordingly, the Company recognized a loss on extinguishment of $886,736, consisting of the issuance of the Amended Senior Note in the aggregate principal amount of $1,846,052, partially offset by the derecognition of the aggregate carrying amount of the extinguished Senior Notes of $1,288,616, plus the immediately recognized beneficial conversion feature of $329,300 arising from the modified conversion terms of the Amended Senior Notes.

The Amended Senior Notes rank senior to all outstanding and future indebtedness of the Company and its subsidiaries and are secured by: a) the Company's equity interests in its subsidiaries; b) guarantees issued by those subsidiaries; and c) assets of those subsidiaries.

The Amended Senior Notes were convertible into common stock of the Company at any time following issuance until maturity and automatically convert into common stock of the Company immediately prior to the occurrence of the Business Combination, in either event, at a conversion price of $740.37 per share. If the Company issues any shares of its common stock, or securities that are effectively common stock equivalents, prior to the Business Combination at a price of less than $740.37 per share, then the conversion price per share would be adjusted to the price at which those common shares (or equivalents) were issued.

The Amended Senior Notes bear interest at a rate of 15% per annum and matured in February 2020. On June 12, 2020, the Company entered into an additional amendment with each noteholder to extend the maturity dates from February 2020 to August 2021. Unpaid interest is reclassified to the principal on a monthly basis.

In the event of default: a) the Company is required to notify the holders of these notes within one business day of any such occurrence; b) the interest rate increases to 18% per annum; and c) the holder may require the Company to redeem any or all of the outstanding principal and interest together with a 25% premium.

See Note 12 – Subsequent Events, Conversion of the Senior Notes at Close of the Business Combination for additional details regarding the conversion of the Senior Notes.

Additional Amendment to an Amended Senior Note

On June 12, 2020, the Company, KBL, and the holder of an Amended Senior Note in the aggregate principal amount of $1,661,136 agreed that (i) such Amended Senior Note will automatically convert into 404,265 shares of KBL's common stock upon the Business Combination, and (ii) the holder of such Amended Senior Note and its affiliates shall not sell or dispose more than 5% of the daily trading volume of such shares of common stock as reported by Bloomberg, LP.

Extinguishment of Senior Note and Issuance of New Note

On June 12, 2020, the Company, KBL, certain investors (the “Purchasers”) and the holder (the “Initial Purchaser”) of an Amended Senior Note in the aggregate principal and interest amount of $1,528,360 (consisting of principal of $1,510,113 and accrued interest payable of $18,247) entered into a Securities Purchase Agreement pursuant to which (i) the Amended Senior Note was extinguished, and (ii) KBL sold to the Purchasers a secured promissory note which is secured by the intellectual property of the Company. Such transaction closed on June 29, 2020. Concurrent with the transaction, on June 12, 2020, the Company, KBL, the Purchasers and Kingsbrook entered into a guaranty agreement pursuant to which the Company is a guarantor to the notes issued by KBL to the Purchasers and Kingsbrook. As of September 30, 2020, the Company determined that contingent payments under the guaranty agreement were not probable.

Additionally, in connection with the Securities Purchase Agreement, the Company issued the Initial Purchaser a non-convertible loan payable in the principal amount of $150,000 which bears interest at a rate of 15% per annum, payable at maturity. The note matures on August 31, 2021 (see Note 7 Loans Payable).

During the nine months ended September 30, 2020, in connection with the Amended Senior Note extinguishment and loan payable issuance above, the Company recognized a gain on extinguishment of convertible notes payable in the amount of $1,378,360.

Bridge Notes

On January 3, 2020, the Company issued convertible bridge notes in the aggregate amount of $82,500. The total outstanding principal amount of convertible bridge notes of $332,500 (the “Bridge Notes”) and the respective accrued interest will automatically convert into a portion of the 17.5 million shares of KBL common stock to be received upon the consummation of the Business Combination Agreement at a conversion price equal to the lesser of $6.00 per KBL share or 60% of the implied valuation at such time, as defined. The Bridge Notes accrue interest at 15% per annum. The contingently adjustable, non-bifurcated beneficial conversion feature associated with the convertible note will be accounted for at the time the contingency is resolved. The Bridge Notes matured on June 30, 2020.

Amended Bridge Notes

On July 7, 2020, effective June 29, 2020, the Company entered into an amendment agreement with each Bridge Noteholder (the “Amended Bridge Notes”). Pursuant to the terms of the Amended Bridge Notes, the principal under each Amended Bridge Note is increased by 10% and the Amended Bridge Notes mature upon the earlier of (i) the date that the Registration Statement, which refers to the Form S-4 filed with the Commission by KBL, relating to the Business Combination, including the exchange of shares of common stock of the Company for shares of common stock of KBL, which is declared effective by the SEC; (ii) such date in which all amounts due and owing under the Amended Bridge Notes become due and payable pursuant to the terms of the agreement; and (iii) August 28, 2021 (“Maturity Date”). The Amended Bridge Notes can be converted at the following options:

- at any time prior to the Maturity Date, at the option of the holder, the remaining outstanding principal amount of the Amended Bridge Notes, and any accrued but unpaid interest, may be converted into shares of common stock; or

- automatically at the Maturity Date, the remaining outstanding principal amounts of these Amended Bridge Notes and any accrued but unpaid interest, will automatically convert (“Automatic Conversion”).

Depending on the timing of the conversion, the holder will receive either:

- shares of common stock of the Company, if the Business Combination has not occurred prior to such Maturity Date; or
- shares of KBL if the Business Combination has occurred prior to such Maturity Date.

In either case above, the number of conversion shares equal to (A) the outstanding principal amount plus interest being converted, divided by or (B) the lesser of $4.23 per share or the per share price equal to 0.60 multiplied by the per share price of one share of common stock sold by the Company as part of the pipe transaction (or the deemed value of one share of common stock as reasonably determined by the board of directors of the Company sold in the pipe transaction if the securities sold in the pipe transaction include units or other securities convertible into shares of common stock), subject to equitable adjustment for any stock splits, combinations or similar events affecting the Company. As per the agreement, a pipe transaction is defined as a private placement or public offering of shares of common stock of KBL for purposes of raising additional capital to fund the Business Combination or other matters. The Company determined that the embedded features of the Amended Bridge Notes were (i) a fixed price conversion option which represented a beneficial conversion feature of de minimis value and (ii) a redemption feature with de minimis value. See Note 12 – Subsequent Events for details regarding the second amendment of the Amended Bridge Notes.

180 LP Convertible Notes

As of September 30, 2020, the Company had related party convertible notes payable in the aggregate principal amount of $270,000 (the “180 LP Convertible Notes”) of which two notes in the aggregate principal amount of $260,000 were held by a director and founder and one note in the principal amount of $10,000 was held by the Company’s former Chief Executive Officer. All outstanding principal and the respective accrued interest owed on the 180 LP Notes will automatically be converted effective upon the closing of the first issuance of convertible preferred units (or units with similar rights) with proceeds of at least $1,000,000 (the “Qualified Financing”) into equity interests of the Company of the same class issued to other investors in the Qualified Financing, at a conversion price equal to 80% of the price per unit of the Qualified Financing securities paid by the other investors. The contingently adjustable, non-bifurcated beneficial conversion feature associated with the 180 LP Convertible Notes will be accounted for at the time the contingency is resolved.

Interest on Convertible Notes

During the nine months ended September 30, 2020, the Company recorded interest expense of $340,759 related to convertible notes payable, and recorded interest expense — related parties $38,794 related to convertible notes payable — related parties. During the nine months ended September 30, 2020, interest in the amount of $285,908 has been reclassified to principal on convertible notes payable, and accrued interest in the amount of $27,457 has been reclassified to principal on convertible note payable — related parties.

During the nine months ended September 30, 2019, the Company recorded interest expense of $53,758 related to convertible notes payable, and recorded interest expense — related parties $7,379 related to convertible notes payable — related parties.

As of September 30, 2020, accrued interest related to convertible notes payable was $29,343 and accrued interest — related parties related to convertible notes payable — related parties was $86,873, which is included in accrued expenses and accrued expenses — related parties, respectively, on the accompanying condensed consolidated balance sheets.

As of December 31, 2019, accrued interest expense related to convertible notes payable was $13,515 and accrued interest expense — related parties related to convertible notes payable — related parties was $75,524, which is included in accrued expenses and accrued expenses — related parties, respectively, on the accompanying consolidated balance sheets.

NOTE 9 — COMMITMENTS AND CONTINGENCIES

Litigation and Other Loss Contingencies

The Company records liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties and other sources when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. The Company has no liabilities recorded for loss contingencies at September 30, 2020 and 2019.

Yissum Research and License Agreement

In May 2018, CBR Pharma entered into a worldwide research and license agreement with Yissum Research Development Company of the Hebrew University of Jerusalem, Ltd. (“Yissum Agreement”) allowing CBR Pharma to utilize certain patents. On January 1, 2020, CBR Pharma entered into a first amendment to the Research and License Agreement (“First Amendment”) with Yissum, allowing CBR Pharma to sponsor additional research performed by two Yissum professors. Pursuant to the terms of the First Amendment, the Company will pay Yissum $200,000 per year plus 35% additional for University overhead for the additional research performed by each professor over a 18-month period, starting May 1, 2019. As of September 30, 2020, the Company owes an outstanding balance of $245,980 in connection with the Yissum Agreement, of which $37,159 is reflected within accounts payable and $208,822 is included in accrued expenses on the accompanying condensed consolidated balance sheet. During the nine months ended September 30, 2020, the Company recognized research and development expenses of $462,666 related to this agreement.

On November 11, 2019 (the “Effective Date”), CBR Pharma entered into a new worldwide research and license agreement with Yissum (the “Additional Yissum Agreement”), allowing CBR Pharma to obtain a license and perform the research, development and commercialization of the licensed patents (the “Licensed Patents”) in the research of cannabinoid salts relating to arthritis and pain management. Within 60 days after the end of the first anniversary of the Effective Date, Yissum will present the Company with a detailed written report summarizing the results of their research. As of September 30, 2020, the Company owes an outstanding balance of $340,706 in connection with the Additional Yissum Agreement, of which $87,070 is reflected within accounts payable and $253,636 is included in accrued expenses on the accompanying condensed consolidated balance sheet. During the nine months ended September 30, 2020, the Company recorded $250,595 of research and development expenses related to this agreement.

Oxford University Agreements

On August 15, 2018, as amended on May 30, 2019 and November 27, 2019, CBR Pharma entered into an agreement (the “Oxford University Agreement”) for a research project with the University of Oxford, which, as amended, expired on March 31, 2020. As of September 30, 2020, the Company owes an outstanding balance of GBP £367,040 (USD $ 472,403) in connection with the Oxford University Agreement, which is reflected within accounts payable on the accompanying condensed consolidated balance sheet.

On September 18, 2020, the Company entered into a 3 year research and development agreement with the University of Oxford (“Oxford University”) to research and investigate the mechanisms underlying fibrosis in exchange for aggregate consideration of $1,023,847 (£795,468), of which $102,968 (£80,000) is to be paid 30 days after the project start date and the remaining amount is to be paid in four equal installments of $230,220 (£178,867) on the six month anniversary and each of the annual anniversaries of the project start date. The agreement can be terminated by either party upon written notice or if the Company remains in default on any payments due under this agreement for more than 30 days. As of September 30, 2020, the Company recognized $28,440 (£22,096) of research and development expenses in connection with the Oxford University Agreement, which is reflected within accrued expenses on the accompanying condensed consolidated balance sheet.

On September 21, 2020, the Company entered into a 2 year research and development agreement with Oxford University for the clinical development of cannabinoid drugs for the treatment of inflammatory diseases in exchange for aggregate consideration of $589,492 (£458,000), of which $130,998 (£101,778) is to be paid 30 days after the project start date and the remaining amount is to be paid every 6 months after the project start date in 4 installments, whereby $130,998 (£101,778) is to be paid in the first 3 installments and $65,498 (£50,888) is to be paid as the final installment. The agreement can be terminated by either party upon written notice or if the Company remains in default on any payments due under this agreement for more than 30 days. As of September 30, 2020, the Company recognized $4,913 (£3,817) of research and development expenses in connection with the Oxford University Agreement, which is reflected within accrued expenses on the accompanying condensed consolidated balance sheet.

Consulting and Employment Agreements

Effective January 6, 2020, the Company entered into a consulting agreement (the "Consulting Agreement"), with a consultant (the "Consultant") pursuant to which the Company will receive consulting services in the area of drug development in exchange for consideration of $15,000 per month. The Consulting Agreement has a six-month term, and thereafter automatically renews for successive six-month periods. The Consulting Agreement terminates upon thirty days prior written notice by either party. During the nine months ended September 30, 2020, the Company recorded consulting fees of $90,000 related to the Consulting Agreement. As of September 30, 2020, the Company recorded $0 of accrued expenses relating to the Consulting Agreement in the accompanying condensed consolidated balance sheet.

On July 1, 2020, as amended in September 2020, the Company, KBL, and the Board of Directors entered into an employment agreement with the Consultant, pursuant to which the Consultant was appointed Chief Executive Officer ("CEO") of the Company, effective upon the closing of the Business Combination, at an initial base salary of $250,000 per year, pro-rata for partial years, and will increase to $360,000 per year, effective September 1, 2020. Upon the termination of employment by the Company without cause, or by the CEO for Good Reason, as defined, the CEO is entitled to severance payments in the form of continued base salary and health insurance for twelve months following the date of termination.

Operating Leases

On February 17, 2020, the Company entered into a twelve-month lease agreement to lease office space located in London, UK. The rent is approximately GBP £4,250 (USD $5,401) per month over the lease term for a total lease commitment of GBP £61,200 (USD $77,776). The lease commenced on February 19, 2020 and expires on February 18, 2021. In connection with the lease, the Company paid the landlord a security deposit of GBP £5,100 (USD $6,564). The lease shall continue until one of the following two events occur: (a) another lease agreement is entered into by the parties or (b) either party gives not less than three full calendar months written notice terminating this agreement prior to the expiration date. The Company elected to apply the practical expedient available under ASC 842 — "Leases" pursuant to which the right of use assets and lease liabilities are not recognized for short-term leases.

The Company's rent expense amounted to GBP £30,257 (USD $38,452) and GBP £0 for the nine months ended September 30, 2020 and 2019, respectively. Rent expense is reflected in general and administrative expenses in the condensed consolidated statements of operations and comprehensive loss.

NOTE 10 — STOCKHOLDERS' EQUITY (DEFICIENCY)

During the nine months ended September 30, 2020, the Company issued 3,772 shares of its common stock upon the exchange of common stock equivalents that were granted in connection with the Reorganization and 73 shares of its common stock in exchange for cash proceeds of $72,500.

During the period from January 1, 2019 through September 30, 2019, the Company issued 2,622 shares for cash consideration of $1,130,656 and services valued at $331,146, plus 18,297 shares with an aggregate issuance date fair value of $12,992,470 were issued in full satisfaction of accrued issuable equity and investors deposits.

On July 16, 2019, in connection with the Reorganization, the Company issued an aggregate 68,571 shares of common stock and common stock equivalents, consisting 50,808 shares of common stock, and 2 shares of preferred stock convertible into 17,763 shares of common stock at the option of the holders, to the former shareholders of CBR Pharma and 180 LP, in exchange for 100% of the outstanding equity and equity equivalents of CBR Pharma and 180 LP.

NOTE 11 — RELATED PARTIES

Due from Related Parties

As of September 30, 2020, due from related parties was $322,085, which consisted of (i) a receivable of $300,000 due from a research and development company that has shared officers and directors, (ii) a travel advance of $13,248 to a company which shared officers and directors, and (iii) a receivable of $8,837 related to furniture and fixtures sold to a company with shared officers and directors. Due from related parties was $73,248 as of December 31, 2019 and consists of (i) a receivable of $60,000 due from a research and development company that has shared officers and directors and (ii) a travel advance of $13,248 to a company with shared officers and directors.

Accounts Payable — Related Parties

As of September 30, 2020, accounts payable— related parties was $179,079, which consisted of $160,851 for professional fees provided by the Company's officers and directors and $18,228 for accounting fees for services provided by a former director and his company. Accounts payable — related parties was $123,035 as of December 31, 2019 and consists of $101,009 for professional services provided by the Company's directors and $22,026 for accounting fees for services provided by a former director and his company.

Accrued Expenses — Related Parties

As of September 30, 2020, accrued expenses— related parties was $372,615, which consisted of $114,185 of interest accrued on loans and convertible notes due to certain officers and directors of the Company and $258,430 of accrued consulting fees for services provided by certain directors of the Company. Accrued expenses — related parties of $177,074 as of December 31, 2019, consists of $78,610 of interest accrued on loans and convertible notes due to the certain officers and directors of the Company, $30,464 of accrued professional fees for services provided by certain directors of the Company and $68,000 of accrued accounting fees related to services provided by a Company former director and his company. See Note 6 — Accrued Expenses for more information.

Due to Related Parties

As of September 30, 2020 and December 31, 2019, due to related parties was $25,711 and $17,341, respectively, which represented an overpayment of rent by a company that is subleasing space from the Company in Toronto, Canada whose directors and officers are affiliated with the Company.

Loan Payable — Related Parties

As of September 30, 2020 and December 31, 2019, loans payable — related parties was $460,881 and $220,525, respectively. See Note 7— Loan Payables for more information.

Convertible Notes Payable — Related Parties

As of September 30, 2020 and December 31, 2019, convertible notes payable— related parties was $533,457 and $454,604, respectively, which represents the principal balance of convertible notes owed to certain officers and directors of the Company. See Note 8 — Convertible Notes Payable for more information.

General and Administrative Expenses — Related Parties

During the nine months ended September 30, 2020, the Company incurred $221,511 of general and administrative expenses for related party services for professional fees earned by current or former officers, directors or greater than 10% investors of the Company, or affiliates thereof. During the nine months ended September 30, 2019, the Company incurred $365,610 of general and administrative expenses for related party services for professional fees paid to current or former officers, directors or greater than 10% investors, or affiliates thereof.

Other Income — Related Parties

During the nine months ended September 30, 2020, the Company recorded $240,000 of other income related to a one-year research and development agreement with a company who shares common officers and directors with the Company. During the nine months ended September 30, 2019, the Company recorded $249,863 of other income, related to a one-year research and development agreement with a company who shares common officers and directors with the Company.

Interest Expense — Related Parties

During the nine months ended September 30, 2020, the Company recorded $64,758 of interest expense — related parties, of which $40,565 related to interest on certain convertible notes held by officers and directors of the Company and $24,193 related to interest expense on loans from officers, directors and a greater than 10% investor of the Company. During the nine months ended September 30, 2019, the Company recorded $7,510 of interest expense — related parties, of which $5,018 related to interest on certain convertible notes with officers and directors of the Company and $2,492 related to the loan payable with a greater than 10% investor.

Change in Fair Value of Accrued Issuable Equity — Related Parties

During the nine months ended September 30, 2020 and 2019, the Company recorded a charge of $0 and $3,874,894, respectively, related to the change in the fair value of common stock earned by, but not yet issued to, officers, directors and investors of the Company in exchange for corporate advisory services.

NOTE 12 — SUBSEQUENT EVENTS

Closing of the Business Combination

On November 6, 2020 ("Closing Date"), the previously announced Business Combination was consummated following a special meeting of stockholders, where the stockholders of KBL considered and approved, among other matters, a proposal to adopt the Business Combination Agreement, dated July 25, 2019, entered into by the Company and KBL. Pursuant to the Business Combination Agreement, a subsidiary of KBL merged with 180, with 180 continuing as the surviving entity and becoming a wholly-owned subsidiary of KBL. As part of the Business Combination, KBL issued 17,500,000 shares to the stockholders of 180, in exchange for all of the outstanding capital stock of 180. The Business Combination became effective November 6, 2020 and the Company filed a Certificate of Amendment of its Certificate of Incorporation in Delaware to change its name to 180 Life Corp., and KBL changed its name to 180 Life Sciences Corp. 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.

Conversion of Senior Notes at Close of Business Combination

On November 6, 2020, upon the consummation of the Business Combination, the Company issued 482,894 of common stock, par value $0.0001, to the holders of the Senior Notes, as a result of the automatic conversion of promissory notes in the principal amount of about $2,032,236, as per the closing of the Merger pursuant to the Business Combination Agreement, dated as of July 25, 2019, by and among the Company, KBL Merger Sub, Inc., 180 Life Corp., Katexco Pharmaceuticals Corp., CannBioRex Pharmaceuticals Corp., 180 Therapeutics L.P. and Lawrence Pemble in his capacity as stockholder representative. See Note 12 – Subsequent Events – Closing of the Business Combination.

Extension of the Loan Agreements

On November 27, 2020, the Company entered into amended loan agreements, excluding the Kingsbrook promissory note, PPP loans and BBLS loan, with all parties to modify the terms of those loan agreements (the "Officer Loans"). The loan agreements were extended and modified to mature at the earlier of (a) an S1 Financing; or (b) February 15th, 2021.

On February 10, 2021, the Company entered into amended loan agreements for the Officer Loans. The loan agreements were extended and modified to be paid back at the lender's discretion, either by 1) repayment in cash, or 2) by converting the outstanding amounts to shares at the same price per share as the Company's next financing.

Second Amendment of the Bridge Notes

On October 7, 2020, the Company entered into an additional amendment with each Amended Bridge Noteholder pursuant to which the Amended Bridge Notes will no longer mature upon the date that the Registration Statement is declared effective by the SEC.

Exhibit 99.10

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Introduction

The unaudited pro forma condensed combined balance sheet as of September 30, 2020 and the unaudited pro forma condensed combined statements of operations for the nine months ended September 30, 2020 and for the year ended December 31, 2019, combine the unaudited pro forma condensed combined financial statements of 180 with the financial statements of "KBL" c/k/a 180 Life Sciences Corp, f/k/a KBL Merger Corp IV. to give effect to the business combination. Additionally, the financial statements of 180 (where 180 refers to the post-combination results of 180 Life Sciences Corp. f/k/a CannBioRx Life Sciences Corp.), CBR Pharma, 180 LP and CannBioRx (where CannBioRx refers to the pre-combination results of 180 Life Sciences Corp. f/k/a CannBioRx Life Sciences Corp.) were combined to give effect to the Reorganization. The Reorganization and business combination are reflected as if they had occurred on January 1, 2019 with respect to the unaudited pro forma condensed combined statements of operations and on September 30, 2020 with respect to the unaudited pro forma condensed combined balance sheet.

Accounting for the Merger

The financial statements of KBL, 180, CBR Pharma, 180 LP, CannBioRx and Katexco were prepared in accordance with GAAP. In the Reorganization between 180 (the legal acquiree) and the 180 Subsidiaries (Katexco, CBR Pharma and 180 LP) which was consummated on July 16, 2019, it was determined that Katexco was the accounting acquirer and the remaining companies were the accounting acquirees. In the business combination between KBL and the newly combined 180, the business combination was accounted for as a reverse recapitalization of 180.

The unaudited pro forma condensed combined financial information should be read in conjunction with the financial statements of each of KBL, 180 and the 180 Subsidiaries.

The unaudited pro forma condensed combined financial information includes reclassifications to conform the 180 Subsidiaries' historical accounting presentation to 180's accounting presentation.

The unaudited pro forma adjustments give effect to events that are directly attributable to the transactions and are based on available data and certain assumptions that management believes are factually supportable. In addition, with respect to the unaudited condensed combined statements of operations, the unaudited pro forma adjustments are expected to have a continuing impact on the combined results.

The unaudited pro forma condensed combined financial information is presented for informational purposes only and to aid you in your analysis of the financial aspects of the transactions. The unaudited pro forma condensed combined financial information described above has been derived from the historical financial statements of 180, KBL and the 180 Subsidiaries and the related notes. The unaudited pro forma condensed combined financial information is based on 180's accounting policies. Further review may identify additional differences between the accounting policies of 180, KBL and the 180 Subsidiaries. The unaudited pro forma adjustments and the pro forma condensed combined financial information do not reflect the impact of synergies or post-transaction management actions and are not necessarily indicative of the financial position or results of operations that may have actually occurred had the transactions taken place on the dates noted, or of 180's future financial position or operating results.

Pursuant to KBL's Charter, public stockholders were offered the opportunity to redeem, upon the Closing, shares of KBL Common Stock then held by them for cash equal to their pro rata share of the aggregate amount on deposit in the Trust Account. 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 approximately $9,006,493 was removed from the Trust Account to pay such holders. November 5, 2020 was the last day for stockholders to redeem any shares of the Company. The below pro forma financial statements give effect to this transaction.

180 LIFE SCIENCES CORP.
BUSINESS COMBINATION
Unaudited Pro Forma Condensed Combined Balance Sheet
September 30, 2020

	180	KBL (as restated)	KBL Pro Forma Adjustments		KBL As Adjusted	Pro Forma Adjustments		Intercompany Eliminations	Pro Forma Combined
	Note A	Note B	Note C			Note D		Note E	Note F
Assets									
Current Assets:									
Cash	$ 32,691	$ 473,851	$ 8,996,367	(a),(b), (d),(g)	$ 9,470,218			$ -	$ 9,502,909
Restricted cash	-	179,014	2,820,986	(d),(e)	3,000,000	-		-	3,000,000
Due from related parties	322,085	-	-		-	-		-	322,085
Prepaid income taxes	-	25,633	-		25,633	-		-	25,633
Prepaid expenses and other current assets	167,012	42,665	-		42,665	-		-	209,677
Total Current Assets	521,788	721,163	11,817,353		12,538,516	-		-	13,060,304
Cash and marketable securities held in Trust Account	-	10,303,227	(10,303,227)	(b)	-	-		-	-
Other assets	-	-	-		-	-		-	-
Property and equipment, net	41,134	-	-		-	-		-	41,134
Intangible assets, net	1,985,202	-	-		-	-		-	1,985,202
In-process research and development	12,494,049	-	-		-	-		-	12,494,049
Goodwill	35,799,062	-	-		-	-		-	35,799,062
Total Assets	$ 50,841,235	$ 11,024,390	$ 1,514,126		$ 12,538,516	$ -		$ -	$ 63,379,751
Liabilities and Stockholders' Equity									
Current Liabilities:									
Accounts payable and accrued expenses	$ 7,633,916	$ 2,399,591	$ 1,953,333	(e),(g)	$ 4,352,924	$ 59,668	(b),(c)	$ -	$ 12,046,508
Accrued issuable equity	-	207,397	103,402	(e)	310,799	-		-	310,799
Accounts payable and accrued expenses - related party	551,694	-	-		-	(3,183)	(c)	-	548,511
Convertible promissory note - related party	270,000	287,301	-		287,301	-		-	557,301
Advances due - 180	-	543,161	-		543,161	-		(543,161)	-
Due to related parties, net	25,711	795,003	(795,003)	(c)	-	-		-	25,711
Loans payable	306,113	10,000	-		10,000	-		-	316,113
Loans payable - related parties	460,881	-	-		-	-		-	460,881
Convertible notes payable, net of discount	365,750	1,777,660	-		1,777,660	-		-	2,143,410
Derivative liability	-	256,670	-		256,670	-		-	256,670
Total Current Liabilities	9,614,065	6,276,783	1,261,732		7,538,515	56,485		(543,161)	16,665,904
Loans payable - non current portion	93,029	-	-		-	-		-	93,029
Convertible notes payable - non current portion	1,768,779	-	-		-	(1,768,779)	(c)	-	-
Convertible notes payable - related parties - non current portion	263,457	-	-		-	(263,457)	(c)	-	-
Deferred tax liability	3,635,124	-	-		-	-		-	3,635,124
Total Liabilities	15,374,454	6,276,783	1,261,732		7,538,515	(1,975,751)		(543,161)	20,394,057
Commitments and Contingencies									
Preferred stock, subject to redemption	-	-	2,603,265	(e)	2,603,265	-		-	2,603,265
					-				
Common stock, subject to redemption	-	-	-		-	-		-	-
					-				
Stockholders' Equity:					-				
Preferred stock	-	-	-		-	-		-	-
Common stock	8	547	209	(a),(b), (c),(f)	756	1,790	(a),(c)	-	2,554
Additional-paid in capital	76,293,471	12,680,301	711,420	(a),(b), (c),(f)	13,391,721	(8,940,739)	(a),(c)	-	80,744,453
Accumulated other comprehensive income	(409,823)	-	-		-	-		-	(409,823)
Retained earnings/accumulated deficit	(40,416,875)	(7,933,241)	(3,062,500)	(f),(g)	(10,995,741)	10,914,700	(b)	543,161	(39,954,755)
Total Stockholders' Equity	35,466,781	4,747,607	(2,350,871)		2,396,736	1,975,751		543,161	40,382,429
Total Liabilities and Stockholders' Equity	$ 50,841,235	$ 11,024,390	$ 1,514,126		$ 12,538,516	$ -		$ -	$ 63,379,751

See notes to the unaudited pro forma condensed combined financial information

180 LIFE SCIENCES CORP.
BUSINESS COMBINATION
Unaudited Pro Forma Condensed Combined Statement of Operations
For the Nine Months Ended September 30, 2020

	180 Note A	KBL (as restated) Note B	Pro Forma Adjustments Note C		Pro Forma Combined
Operating Expenses:					
Research and development	$ 1,025,360	$ -	$ -		$ 1,025,360
General and administrative-related parties	221,511	-	-		221,511
General and administrative	1,985,268	5,546,753	(5,581,289)	(a)	1,950,732
Total Operating Expenses	3,232,139	5,546,753	(5,581,289)		3,197,603
Loss From Operations	(3,232,139)	(5,546,753)	5,581,289		(3,197,603)
Other Income (Expense):					
Other income - related parties	240,000	-	-		240,000
Other income	15,208	-	-		15,208
Interest income	-	38,704	(38,704)	(b)	-
Interest expense	(408,404)	(1,821,599)	340,759	(b)	(1,889,244)
Interest expense - related party	(64,758)	-	28,332	(b)	(36,426)
Loss on issuance of convertible promissory note	-	(1,657,522)	-		(1,657,522)
Change in fair value of derivative liability and accrued issuable equity	-	(15,972)	-		(15,972)
Gain on extinguishment, net	491,624	-	-		491,624
Total Other Income (Expense)	273,670	(3,456,389)	330,387		(2,852,332)
(Loss) Income Before Provision for Income Taxes	(2,958,469)	(9,003,142)	5,911,676		(6,049,935)
Income tax benefit (provision)	15,175	-	-		15,175
Net Loss	$ (2,943,294)	$ (9,003,142)	$ 5,911,676		$ (6,034,760)
Loss per share:					
Basic	$ (34.63)	$ (1.90)			$ (0.25)
Diluted	$ (34.63)	$ (1.90)			$ (0.25)
Weighted average common shares outstanding					
Basic	85,004	4,727,424	18,941,492	(c)	23,668,916
Diluted	85,004	4,727,424	18,941,492	(c)	23,668,916

See notes to the unaudited pro forma condensed combined financial information

180 LIFE SCIENCES CORP.
BUSINESS COMBINATION
Unaudited Pro Forma Condensed Combined Statement of Operations
For the Year Ended December 31, 2019

	180 Note A	KBL Note B	Pro Forma Adjustments Note C		Pro Forma Combined
Operating Expenses:					
Research and development	$ 2,794,716	$ -	$ -		$ 2,794,716
Rental income -related parties	(170,872)	-	-		(170,872)
General and administrative	7,976,030	1,208,943	(672,304)	(a)	8,512,669
Modification of stock award - related parties	12,959,360	-	-		12,959,360
General and administrative -related parties	473,425	-	-		473,425
Total Operating Expenses	24,032,659	1,208,943	(672,304)		24,569,298
Loss From Operations	(24,032,659)	(1,208,943)	672,304		(24,569,298)
Other Income (Expense):					
Gain on sale of property and equipment	1,714	-	-		1,714
Other income, net	407,651	-	-		407,651
Other income - related parties	552,329	-	-		552,329
Interest income	4,039	1,374,898	(1,374,898)	(b)	4,039
Interest income -related parties	2,170	-	-		2,170
Interest expense	(160,185)	-	123,112	(b)	(37,073)
Interest expense -related parties	(30,563)	-	9,604	(b)	(20,959)
Loss on extinguishment on convertible notes payable	(703,188)	-	-		(703,188)
Change in fair value of accrued issuable equity	(327,879)	-	-		(327,879)
Change in fair value of accrued issuable equity-related parties	(3,893,086)	-	-		(3,893,086)
Total Other Income (Expense)	(4,146,998)	1,374,898	(1,242,182)		(4,014,282)
Income (Loss) Before Provision for Income Taxes	(28,179,657)	165,955	(569,878)		(28,583,580)
Income tax benefit (provision)	20,076	(257,255)	257,255	(c)	20,076
Net Loss	$ (28,159,581)	$ (91,300)	$ (312,623)		$ (28,563,504)
Loss per share:					
Basic (restated)	$ (281.60)	$ (0.02)			$ (1.24)
Diluted (restated)	$ (281.60)	$ (0.02)			$ (1.24)
Weighted average common shares outstanding					
Basic (restated)	100,000	4,223,791	18,786,263	(d)	23,110,054
Diluted (restated)	100,000	4,223,791	18,786,263	(d)	23,110,054

See notes to the unaudited pro forma condensed combined financial information

Basis of Presentation

The unaudited pro forma condensed combined financial information set forth herein is based on the historical financial statements of 180 and the historical financial statements of KBL. The unaudited pro forma condensed combined financial information is presented as if the business combination had been completed on January 1, 2019 with respect to the unaudited pro forma condensed combined statements of operations for the nine months ended September 30, 2020 and for the year ended December 31, 2019 and on September 30, 2020 in respect of the unaudited pro forma condensed combined balance sheet.

The unaudited pro forma condensed combined financial information is presented for informational purposes only and is not necessarily indicative of the combined financial position or results of operations had the business combination occurred as of the date indicated, nor is it meant to be indicative of any anticipated combined financial position or future results of operations that the combined company will experience after the completion of the business combination.

We have accounted for the business combination in these unaudited pro forma condensed combined financial statements as a reverse recapitalization, in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 805 “Business Combinations” (“ASC 805”). In accordance with ASC 805, this is a capital transaction of 180 (the legal acquiree) and is the equivalent to the issuance of shares by 180 for the net monetary assets of KBL, accompanied by a recapitalization.

Pro forma adjustments reflected in the unaudited pro forma condensed combined balance sheet are based on items that are factually supportable and directly attributable to the business combination. Pro forma adjustments reflected in the pro forma condensed combined statements of income are based on items that are factually supportable, directly attributable to the business combination and are expected to have a continuing impact on the combined results. The unaudited pro forma condensed combined financial information does not reflect the cost of any integration activities or benefits from the business combination, including potential synergies that may be generated in future periods.

Pro Forma Adjustments

Potential Legal Matters

The Company may initiate legal action against former executives of KBL for non-disclosure in its June 30, 2020 and September 30, 2020 financial statements of the matters recently disclosed in the Amended Quarterly Reports on Form 10-Q for such periods (the "Amended Reports"). 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 discussed in the Amended Reports. There can be no assurance that, if such legal action is initiated, that the Company will be successful in its legal actions. The unaudited pro forma combined financial statements do not reflect any potential recovery for such items, given that the realization of cash flows associated with the gain contingency are not relatively certain.

The following pro forma adjustments give effect to the business combination.

Unaudited Pro Forma Condensed Combined Balance Sheet – As of September 30, 2020

Note A Derived from the unaudited condensed consolidated balance sheet of 180 as of September 30, 2020 included elsewhere in this filing.

Note B Derived from the unaudited restated condensed balance sheet of KBL as of September 30, 2020.

Pro Forma Adjustments:

Note C

(a) To give effect to (1) the redemption of 816,461 KBL shares (subtracts par value of $82) for an aggregate cash payout of $9,006,493 on November 5, 2020 at $11.03 per share; and (2) the issuance of 761,062 IPO shares (adds par value of $76) of common stock at $10.00 per share for aggregate gross proceeds of $7,610,619 pursuant to a Guarantee and Commitment Agreement whereby Tyche will purchase enough shares to ensure that KBL has $5,000,001 in net tangible assets at the closing of the Business Combination. It should be noted that, as of the filing date, Tyche has not fulfilled its obligations pursuant to the Guarantee and Commitment Agreement

(b) To give effect to (a) the reclassification of the $10,303,227 in the KBL Trust Account to unrestricted cash; and (2) the issuance of 1,200,250 KBL shares (adds par value of $120) pursuant to certain KBL shareholder rights.

(c) To give effect to the conversion of $795,003 of KBL due to related parties and $0 of accrued interest into 198,751 shares of KBL common stock (adds par value of $20).

(d) To reclassify $179,014 of restricted cash into unrestricted cash at the time of the Business Combination.

(e) On June 26, 2020, KBL entered into a Securities Purchase Agreement (the "SPA") dated June 12, 2020, whereby upon the second closing pursuant to the SPA, upon the completion of the Business Combination and 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. In connection with the issuance of the Series A Convertible Preferred Stock the Company incurred issuance costs of $396,735 in the form of cash ($293,333) and warrants ($103,402) recorded as a discount to the face value of the preferred stock.

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, hence the preferred stock is classified as temporary equity. The Series A Convertible Preferred Stock redemption features require bifurcation, however the value was indeterminable as of the date of the pro forma balance sheet.. As a result, the Company did not recognize a separated component at its fair value related to the redemption features in these pro forma financial statements.

Subsequent to the closing of the Business Combination and prior to the filing date of this report, all of the holders of preferred stock elected to convert their entire preferred stock holdings into shares of KBL common stock. These conversions were not directly related to the Business Combination and have not been reflected in these pro forma financial statements.

(f) To give effect to the issuance of 250,000 shares of KBL common stock to certain vendors at the closing of a Business Combination (adds par value of $25) for total compensation of $1,312,500 based on a $5.25 per share valuation of KBL common stock. Furthermore, to give effect to the issuance of 500,000 shares of KBL common stock (previously recorded as stock-based compensation) pursuant to a severance agreement (adds par value of $50).

(g) To reflect a contractual cash payment of $90,000 to a certain vendor upon transfer of the remaining funds from the trust account into unrestricted cash.

To reflect a $1,750,000 accrual for investment banking success fees due at closing of the business combination.

Note D (a) To give effect to the reverse recapitalization whereby KBL will issue 17,500,000 shares (adds par value of $1,750) of KBL Common Stock to the shareholders of 180 and the elimination of 86,049 shares (subtracts par value of $8) of 180 common stock.

(b) To give effect to an additional $81,041 of 180 merger expenses to be incurred subsequent to September 30, 2020 with an offset to accounts payable. Also, to eliminate KBL's $10,995,741 accumulated deficit.

(c) To give effect to the conversion of $1,768,779 of convertible notes and $21,373 of accrued interest into 419,625 shares of KBL common stock (adds par value of $42). To give effect to the conversion of $263,457 of convertible notes — related parties and $3,183 of accrued interest — related parties into 63,269 shares of KBL common stock (adds par value of $6).

Note E To reverse $543,161 of bad debt allowance on 180's books and then to eliminate the intercompany loans between 180 and KBL.

Note F The below table illustrates the allocation of ownership interests in the combined entity.

September 30, 2020	**Number of Shares**
KBL outstanding shares	5,467,916
Shares issuable to 180 shareholders (1)	17,500,000
Conversion of rights into shares of KBL	1,200,250
Tyche backstop shares, after purchase	761,062
Automatic conversion of debt	681,645
Shares redeemed on November 5, 2020	(816,461)
Shares issued for success fees	250,000
Shares issued pursuant to severance agreement	500,000
	25,544,412

(1) Certain Canadian shareholders have the ability to elect to receive Exchangeable Shares. For pro forma purposes the Company has assumed all Exchangeable Shares have been converted into KBL Common Stock.

Unaudited Pro Forma Condensed Combined Statement of Operations For The Nine Months Ended September 30, 2020

Note A Derived from the unaudited condensed consolidated statement of operations of 180 for the nine months ended September 30, 2020 included elsewhere in this filing.

Note B Derived from the unaudited restated condensed statement of operations of KBL for the nine months ended September 30, 2020.

Pro Forma Adjustments:

Note C

a) To give effect to a new employment agreement whereby a new executive will receive aggregate cash compensation of $270,000 (which represents the nine month effect of base year cash compensation of $360,000). Furthermore, to eliminate $2,726,289 of non-recurring merger related expenses and $3,125,000 of expenses related to the CEO.

b) To eliminate $38,704 of interest income derived from KBL's investment account as the cash within the investment account would have likely been reclassified to a non-interest bearing account upon the Closing. To eliminate aggregate interest expense of $340,759 related to notes payable that were converted upon the close of the business combination. To eliminate aggregate interest expense – related party of $28,332 related to notes payable that were converted upon the close of the Business Combination.

c) The below table illustrates the adjustment to the weighted average shares outstanding used in the earnings per share calculations for the 17,500,000 shares of KBL Common Stock issued as consideration to the 180 stockholders, less the 1,050,000 holdback shares (6% of the 17,500,000 shares issuable to the 180 stockholders, which will be held in escrow for 12 months in order to satisfy any potential indemnification claims of KBL, plus 681,645 shares issuable upon the automatic conversion of certain convertible debt, plus 761,062 shares related to the Tyche backstop, the 1,200,250 shares of KBL Common Stock issued as a result of conversion of rights, the issuance of 250,000 shares of common stock related to investment banking fees, plus the issuance of 500,000 shares related to a severance agreement, less 816,461 shares that were redeemed on November 5, 2020, less the 85,004 weighted average shares outstanding of 180 common stock. The diluted loss per share data is calculated based on net loss divided by the weighted average shares outstanding.

September 30, 2020	**Weighted Average Number of Shares**
Shares issuable to 180 shareholders	17,500,000
Holdback shares	(1,050,000)
Tyche backstop shares, after purchase	761,062
Automatic conversion of debt	681,645
Shares redeemed on November 5, 2020	(816,461)
Shares issued pursuant to severance agreement	500,000
Shares issued for success fees	250,000
Conversion of rights into shares of KBL	1,200,250
Elimination of 180's historical shares	(85,004)
Total adjustment	18,941,492

Unaudited Pro Forma Condensed Combined Statement of Operations For The Year Ended December 31, 2019

Note A Derived from the unaudited pro forma condensed combined statement of operations of 180 for the year ended December 31, 2019 included elsewhere in this filing.

Note B Derived from the audited statement of operations of KBL for the year ended December 31, 2019.

Pro Forma Adjustments:

Note C

a) To give effect to a new employment agreement whereby a new executive will receive aggregate cash compensation of $240,000. Furthermore, to eliminate $922,304 of non-recurring merger related expenses.

b) To eliminate interest income derived from KBL's investment account as the cash within the investment account would have likely been reclassified to a non-interest bearing account upon the Closing. To eliminate aggregate interest expense of $132,716 related to notes payable that will be converted upon close of the business combination.

c) To eliminate the KBL income tax provision as the combined entity is expected to incur a loss during the period.

d) The below table illustrates the adjustment to the 17,500,000 weighted average shares outstanding used in the earnings per share calculations for the additional shares of KBL Common Stock issued as consideration to the 180 stockholders, less the 1,050,000 holdback shares (6% of the 17,500,000 shares issuable to the 180 stockholders, which will be held in escrow for 12 months in order to satisfy any potential indemnification claims of KBL), plus 681,645 shares issuable upon the automatic conversion of certain convertible debt, the 33,618, remaining redeemable shares of KBL Common Stock reclassified from temporary equity, the 1,200,250 shares of KBL Common Stock issued as a result of conversion of rights, the issuance of 250,000 shares of common stock related to the settlement of investment banking fees, plus the issuance of 500,000 shares related to an severance agreement, plus 761,062 Tyche backstop shares, less 990,312 shares that were redeemed during 2020, less the 100,000 shares outstanding of 180 common stock. The diluted loss per share data is calculated based on net loss divided by the weighted average shares outstanding.

December 31, 2019	**(as restated) Weighted Average Number of Shares**
Share consideration for transaction	17,500,000
Holdback shares	(1,050,000)
Shares redeemed	(990,312)
Automatic conversion of debt	681,645
Tyche backstop shares, after purchase	761,062
Reclassification from temporary equity to permanent equity	33,618
Shares issued pursuant to severance agreement	500,000
Shares issued upon settlement of accounts payable	250,000
Conversion of rights into shares of KBL	1,200,250
Elimination of 180's historical shares	(100,000)
Total adjustment	18,786,263

180 LIFE SCIENCES CORP.
REORGANIZATION
Unaudited Pro Forma Condensed Combined Statement of Operations
For the Year Ended December 31, 2019

	180	CBR Pharma	180 LP	CannBioRx	Pro Forma Adjustments		Intercompany Eliminations	Pro Forma Combined
	Note A	Note B	Note C	Note D	Note E		Note F	
Operating Expenses:								
Research and development	$ 1,887,402	$ 623,578	$ 283,736	$ -	$ -		$ -	$ 2,794,716
Rental income - related parties	(25,946)	(186,688)	-	-	-		41,762	(170,872)
General and administrative	5,701,705	2,284,027	882,848	1,730,334	(1,267,662)	(a),(c)	(1,355,222)	7,976,030
Modification of stock award-related parties	12,959,360	-	-	-	-		-	12,959,360
General and administrative - related parties	340,765	132,660	-	-	-		-	473,425
Total Operating Expenses	20,863,286	2,853,577	1,166,584	1,730,334	(1,267,662)		(1,313,460)	24,032,659
Loss From Operations	(20,863,286)	(2,853,577)	(1,166,584)	(1,730,334)	1,267,662		1,313,460	(24,032,659)
Other Income (Expense):								
Gain on sale of property and equipment	1,714	-	-	-	-		-	1,714
Other income, net	-	-	407,651	-	-		-	407,651
Other income - related parties	552,329	-	-	-	-		-	552,329
Interest income	3,727	2,193	-	-	-		(1,881)	4,039
Interest income - related parties	-	2,170	-	-	-		-	2,170
Interest expense - related parties	(23,074)	-	(7,489)	-	-		-	(30,563)
Interest expense	(162,066)	-	-	-	-		1,881	(160,185)
Loss on extinguishment on convertible notes payable	(703,188)	-	-	-	-		-	(703,188)
Change in fair value of accrued issuable equity	(327,879)	-	-	-	-		-	(327,879)
Change in fair value of accrued issuable equity - related parties	(3,881,819)	(11,267)	-	-	-		-	(3,893,086)
Total Other Income (Expense)	(4,540,256)	(6,904)	400,162	-	-		-	(4,146,998)
(Loss) Income Before Provision for Income Taxes	(25,403,542)	(2,860,481)	(766,422)	(1,730,334)	1,267,662		1,313,460	(28,179,657)
Provision for income taxes	9,496	-	-	-	10,580	(c)	-	20,076
Net Loss	$ (25,394,046)	$ (2,860,481)	$ (766,422)	$ (1,730,334)	$ 1,278,242		$ 1,313,460	$ (28,159,581)
Earnings per share:								
Basic	$ (405.52)							$ (281.60)
Diluted	$ (405.52)							$ (281.60)
Number of common shares outstanding								
Basic	62,621				37,379	(b)		100,000
Diluted	62,621				37,379	(b)		100,000

See notes to the unaudited pro forma condensed combined financial information

Basis of Presentation

The unaudited pro forma condensed combined financial information set forth herein is based upon the financial statements of 180 (inclusive of Katexco, the accounting acquirer, plus the historical pre-Reorganization financial statements of CannBioRx, CBR Pharma and 180 LP (collectively the accounting acquirees). The unaudited pro forma condensed combined financial information is presented as if the Reorganization had been completed on January 1, 2019 with respect to the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2019. No 2020 pro forma condensed combined Reorganization financial statements are presented because the June 30, 2020 financial statements of 180, included elsewhere in this filing, represent the June 30, 2020 consolidated balance sheet of 180 and the 180 Subsidiaries following the July 16, 2019 Reorganization.

The unaudited pro forma condensed combined financial information is presented for informational purposes only and is not necessarily indicative of the combined results of operations had the Reorganization occurred as of the date indicated, nor is it meant to be indicative of any anticipated combined future results of operations that the combined company will experience after the completion of the Reorganization.

We have accounted for the Reorganization using the acquisition method of accounting, in accordance with ASC 805. In accordance with ASC 805, we used our best estimates and assumptions to assign fair values to the tangible and intangible assets acquired and liabilities assumed at the acquisition date. Goodwill as of the acquisition date was measured as the excess of the purchase consideration over the fair value of the net tangible and identifiable intangible assets acquired.

Pro forma adjustments reflected in the pro forma condensed combined statements of income are based on items that are factually supportable, are directly attributable to the Reorganization, and are expected to have a continuing impact on the combined results. The unaudited pro forma condensed combined financial information does not reflect the cost of any integration activities or benefits from the Reorganization, including potential synergies that may be generated in future periods.

Pro Forma Adjustments

The following pro forma adjustments give effect to the Reorganization.

Unaudited Pro Forma Condensed Combined Statement of Operations For The Year Ended December 31, 2019

Note A Derived from the unaudited consolidated statement of operations of 180 for the year ended December 31, 2019 included elsewhere in this filing.

Note B Derived from the unaudited statement of operations of CBR Pharma for the six months ended June 30, 2019 included elsewhere in this filing, as adjusted for the results from July 1, 2019 to July 16, 2019.

	Six Months Ended June 30, 2019	Period From July 1, 2019 through July 16, 2019	Period From January 1, 2019 through July 16, 2019
	CBR Pharma	**CBR Pharma**	**CBR Pharma**
Operating expenses (income):			
Research and development	$ 578,216	$ 45,362	$ 623,578
General and administrative	2,100,806	183,221	2,284,027
Rental income - related parties	(182,616)	(4,072)	(186,688)
General and administrative - related parties	121,734	10,926	132,660
Loss from operations	(2,618,140)	(235,437)	(2,853,577)
Interest income	2,186	6	2,193
Interest income - related parties	2,170	-	2,170
Change in fair value of accrued issuable equity-related party	(11,249)	(18)	(11,267)
Net loss	$ (2,625,033)	$ (235,449)	$ (2,860,481)

Note C Derived from the unaudited statement of operations of 180 LP for the six months ended June 30, 2019 included elsewhere in this filing, as adjusted for the results from July 1, 2019 to July 16, 2019.

	Six Months Ended June 30, 2019 180 LP	Period From July 1, 2019 through July 16, 2019 180 LP	Period From January 1, 2019 through July 16, 2019 180 LP
Operating expenses:			
Research and development	$ 246,260	$ 37,476	$ 283,736
General and administrative	824,265	58,583	882,848
Loss from operations	(1,070,525)	(96,059)	(1,166,584)
Other income - related party	340,968	66,683	407,651
Interest expense - related parties	(6,882)	(607)	(7,489)
Net loss	$ (736,439)	$ (29,983)	$ (766,422)

Note D Derived from the unaudited statement of operations of CannBioRx for the six months ended June 30, 2019 included elsewhere in this filing, as adjusted for the results from July 1, 2019 to July 16, 2019, as shown in the table below.

	Six Months Ended June 30, 2019 CBR-LS	Period From July 1, 2019 through July 16, 2019 CBR-LS	Period From January 1, 2019 through July 16, 2019 CBR-LS
Operating expenses:			
General and administrative	$ 1,050,000	$ 680,334	$ 1,730,334
Loss from operations	(1,050,000)	(680,334)	(1,730,334)
Net loss	$ (1,050,000)	$ (680,334)	$ (1,730,334)

Pro Forma Adjustments:

Note E a) To eliminate $1,327,998 merger expenses.

b) To adjust the weighted average shares for the full year effect of the shares issued in the Reorganization, as if the Reorganization occurred on January 1, 2019. The weighted average shares outstanding used in the pro forma combined loss per share calculations reflect 62,621 shares of 180 common stock issued as consideration to the former stockholders of the accounting acquirees and 37,379 shares of 180 common stock issued to the former Katexco stockholders. The diluted loss per share data is calculated based on net loss divided by the weighted average dilutive shares outstanding.

c) To give effect to incremental amortization expense of $60,336 related to the technology licenses and a corresponding income tax benefit.

Note F To eliminate intercompany activity between 180, CBR Pharma, 180 LP and CannBioRx.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF 180

The following discussion and analysis should be read in conjunction with the financial statements and related notes of 180 included elsewhere in this filing. This discussion contains forward-looking statements reflecting the current expectations, estimates and assumptions concerning events and financial trends that may affect the future operating results or financial position of 180. The forward-looking statements are dependent upon events, risks, and uncertainties that may be outside each entities' control. Actual results and the timing of events may differ materially from those contained in these forward-looking statements due to a number of factors, including those discussed in the sections entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements."

Overview

180 is a pharmaceutical company headquartered in Palo Alto, California, focused on the development of therapeutics for unmet medical needs in chronic pain, inflammation, fibrosis and other inflammatory diseases, where anti-TNF therapy will provide a clear benefit to patients, by employing innovative research, and, where appropriate, combination therapy. 180 has three product development platforms:

- fibrosis and anti-tumor necrosis factor ("TNF");
- drugs which are derivatives of cannabidiol ("CBD"); and
- alpha 7 nicotinic acetylcholine receptor ("α7nAChR").

180 has several future product candidates in development, including one product candidate in a Phase 2b/3 clinical trial in the United Kingdom for Dupuytren's disease, a condition that affects the development of fibrous connective tissue in the palm of the hand. 180 was founded by several world-leading scientists, in the biotechnology and pharmaceutical sectors. 180's world renowned scientists Prof. Sir Marc Feldmann, Prof. Lawrence Steinman and Prof. Raphael Mechoulam, have significant experience and significant previous success in drug discovery. The scientists are from Oxford, Stanford University and Hebrew University, and the management team has extensive experience in financing and growing early stage healthcare companies.

180 was incorporated in Delaware on January 28, 2019. Effective with the Reorganization on July 16, 2019, 180 currently operates through three subsidiaries: Katexco, CBR Pharma and 180 LP.

180 intends to invest resources to successfully complete the clinical programs that are underway, discover new drug candidates, develop new molecules to build up on its existing pipeline to address unmet clinical needs. 180's product candidates are designed via a platform comprised of defined unit operations and technologies. Notwithstanding this platform-based model, each product is unique and for each new product candidate, a developmental phase is necessary to individually customize each clinical program and to create a robust procedure that can later be implemented in a GMP environment to ensure the production of clinical batches. This work is performed in 180's research and development environment to evaluate and assess variability in each step of the process in order to define the most reliable production conditions.

180 may rely on third-party CMOs and other third parties for the manufacturing and processing of its product candidates in the future. 180 believes the use of contract manufacturing and testing for the first clinical product candidates is cost-effective and has allowed 180 to rapidly prepare for clinical trials in accordance with its development plans. 180 expects third-party manufacturers will be capable of providing and processing sufficient quantities of its product candidates to meet anticipated clinical trial demands.

Recent Developments

COVID-19 Pandemic. In December 2019, a new strain of the coronavirus (COVID-19) was reported in Mainland China and during the first quarter of 2020 the virus had spread to over 150 countries, resulting in a global pandemic. This COVID-19 pandemic and the public health responses to contain it have resulted in global recessionary conditions, which did not exist at December 31, 2019. Among other effects, government-mandated closures, stay-at-home orders and other related measures have significantly impacted global economic activity and business investment in general. A continuation or worsening of the levels of market disruption and volatility seen in the recent past could have an adverse effect on our ability to access capital, on our business, results of operations and financial condition. We have been closely monitoring the developments and have taken active measures to protect the health of our employees, their families, and our communities. The ultimate impact on the 2020 fiscal year and beyond will depend heavily on the duration of the COVID-19 pandemic and public health responses, including government-mandated closures, stay-at-home orders and social distancing mandates, as well as the substance and pace of macroeconomic recovery, all of which are uncertain and difficult to predict considering the rapidly evolving landscape of the COVID-19 pandemic and the public health responses to contain it. As of September 30, 2020, COVID-19 has delayed and paused patient follow ups in one of the Company's clinical trials to the end of next year.

Closing of the Business Combination. On November 6, 2020 ("Closing Date"), the previously announced Business Combination was consummated following a special meeting of stockholders, where the stockholders of KBL considered and approved, among other matters, a proposal to adopt the Business Combination Agreement, dated July 25, 2019, entered into by the Company and KBL. Pursuant to the Business Combination Agreement, a subsidiary of KBL merged with 180, with 180 continuing as the surviving entity and becoming a wholly-owned subsidiary of KBL. As part of the Business Combination, KBL issued 17,500,000 shares to the stockholders of 180, in exchange for all of the outstanding capital stock of 180. The Business Combination became effective November 6, 2020 and the Company filed a Certificate of Amendment of its Certificate of Incorporation in Delaware to change its name to 180 Life Corp., and KBL changed its name to 180 Life Sciences Corp. 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.

Conversion of the Senior Notes at Close of Business Combination. On November 6, 2020, upon the consummation of the Business Combination, the Company issued 482,894 of KBL common stock, par value $0.0001, to the holders of the Senior Notes, as a result of the automatic conversion of promissory notes in the principal amount of about $2,032,236, as per the closing of the Merger pursuant to the Business Combination Agreement, dated as of July 25, 2019, by and among the Company, KBL Merger Sub, Inc., 180 Life Corp., Katexco Pharmaceuticals Corp., CannBioRex Pharmaceuticals Corp., 180 Therapeutics L.P. and Lawrence Pemble in his capacity as stockholder representative.

Extension of the Loan Agreements. On November 27, 2020, the Company entered into amended loan agreements, excluding the Kingsbrook promissory note, PPP loans and BBLS loan, with all parties to modify the terms of those loan agreements (the "Officer Loans"). The loan agreements were extended and modified to mature at the earlier of (a) an S1 Financing; or (b) February 15th, 2021.

On February 10, 2021, the Company entered into amended loan agreements for the Officer Loans. The loan agreements were extended and modified to be paid back at the lender's discretion, either by 1) repayment in cash, or 2) by converting the outstanding amounts to shares at the same price per share as the Company's next financing.

Second Amendment of the Bridge Notes. On October 7, 2020, the Company entered into an additional amendment with each Amended Bridge Noteholder pursuant to which the Amended Bridge Notes will no longer mature upon the date that the Registration Statement is declared effective by the SEC.

Results of Operations

For the Nine Months Ended September 30, 2020 Compared to the Nine Months Ended September 30, 2019

	For the Nine Months Ended September 30,	
	2020	**2019**
Operating Expenses:		
Research and development	$ 1,025,360	$ 1,765,784
General and administrative	1,985,268	3,511,512
General and administrative - related parties	221,511	365,610
Gain on sale of property and equipment	-	(1,711)
Rental income - related parties	-	(23,532)
Total Operating Expenses	3,232,139	5,617,663
Other Expense:		
Other income	15,208	-
Other income - related parties	240,000	249,863
Interest income	-	1,820
Interest expense	(408,404)	(68,375)
Interest expense - related parties	(64,758)	(7,510)
Gain on extinguishment of convertible note payable, net	491,624	-
Change in fair value of accrued issuable equity	-	(327,294)
Change in fair value of accrued issuable equity - related parties	-	(3,874,894)
	273,670	(4,026,390)
Total Other Expense, Net	273,670	(4,026,390)
Loss Before Income Taxes	(2,958,469)	(9,644,053)
Income tax benefit	15,175	4,309
Net Loss	$ (2,943,294)	$ (9,639,744)

Research and Development Expense

During the nine months ended September 30, 2020, we incurred research and development expenses of $1,025,360 compared to $1,765,784 incurred for the nine months ended September 30, 2019, representing a decrease of $740,424 or 42%. The decrease is attributable to a $1,404,000 decrease in research and development expenses related to drug discovery services provided by Evotec International GmbH in connection with a research and development agreement, partially offset by a new research and development agreement related to the formulation of cannabinoid metal salts of $348,000, an amended research and development agreement related to the evaluation of potential drugs for inflammation and pain of $365,000 and miscellaneous research and development expenses of $49,000.

General and Administrative Expense

During the nine months ended September 30, 2020, we incurred general and administrative expenses of $1,985,268 compared to $3,511,512 incurred for the nine months ended September 30, 2019, representing a decrease of $1,526,244 or 43%. The decrease is attributable to an approximately $1,700,000 decrease due to a swing from bad debt expense to bad debt recoveries, a $340,000 decrease related to stock-based compensation, a $200,000 decrease in professional fees, mainly due to corporate advisory fees and a $230,000 decrease in travel expenses, partially offset by increases in consulting fees of $580,000, increases of approximately $270,000 of salaries and payroll related expenses, increases of $88,000 of patent expenses and increases of $6,000 of miscellaneous costs.

General and Administrative Expenses – Related Parties

During the nine months ended September 30, 2020, we incurred general administrative expenses – related parties of $221,511 compared to $365,610 incurred for the nine months ended September 30, 2019, representing a decrease of $144,099, or 39%. The decrease is primarily related to a decrease in rent expense resulting from the termination of an operating lease in the fourth quarter of 2019.

Gain on Sale of Property and Equipment

During the nine months ended September 30, 2020, there was no gain on sale of property and equipment compared to $1,711 during the nine months ended September 30, 2019. The decrease is due to a sale of office furniture and fixtures with a company that shares common officers and directors with the Company.

Rental Income — Related Parties

During the nine months ended September 30, 2020, we did not have any rental income from related parties during the period compared to $23,532 during the nine months ended September 30, 2019. The decrease is primarily due to the fact that the month-to-month subleases with various companies that share common officers and directors with the Company ended at the end of 2019.

Other Income (Expenses), Net

During the nine months ended September 30, 2020, we generated other income, net of $273,670 compared to other expense, net of ($4,026,390) for the nine months ended September 30, 2019. The change primarily results from charges from changes in the fair value of accrued issuable equity and fair value of accrued issuable equity –

related parties of $4,202,188 in the aggregate during the nine months ended September 20, 2019, of which there was no such charges during the nine months ended September 30, 2020.

Liquidity and Capital Resources

Through September 30, 2020, 180's operations have been financed by both debt and equity offerings. As of September 30, 2020, 180 had $32,691 of cash and cash equivalents. 180 has incurred losses since its inception and, as of September 30, 2020, 180 had an accumulated deficit of approximately $40,417,000. 180's primary use of cash is to fund operating expenses, which consist primarily of research and development expenditures related to its three product platforms: fibrosis and anti-TNF; drugs which are derivatives of CBD, and α7nAChR, and other research efforts, general and administrative expenditures. Cash used to fund operating expenses is impacted by the timing of when 180 pays these expenses, as reflected in the change in its outstanding accounts payable and accrued expenses.

For the nine months ended September 30, 2020 and 2019, cash used in operating activities was $655,569 and $3,174,983, respectively. The net cash used in operating activities for the nine months ended September 30, 2020 was primarily due to cash used to fund a net loss of $2,943,294 adjusted for net non-cash income (net of non-cash expenses) in the aggregate amount of $1,256,706, partially offset by $3,544,431 of net cash provided by the changes in the levels of operating assets and liabilities. The net cash used in operating activities for the nine months ended September 30, 2019 was primarily due to a net loss of $9,639,744, adjusted for non-cash expenses in the aggregate amount of $5,120,187, partially offset by $1,344,574 of net cash provided by the changes in the levels of operating assets and liabilities.

For the nine months ended September 30, 2020 and 2019, cash used in investing activities was $0 and $447,946, respectively. During the nine months ended September 30, 2019, cash used in investing activities consisted of $542,910 of cash used for the issuance of a note receivable, partially offset by $86,078 of cash acquired in connection with the Reorganization and $8,886 of proceeds from the sale of property and equipment.

For the nine months ended September 30, 2020 and 2019, cash provided by financing activities was $491,649 and $3,454,803, respectively. During the nine months ended September 30, 2020, cash provided by financing activities comprised of $72,500 of proceeds from the sale of common stock and $419,149 of proceeds from the issuance of debt, of which $216,556 of proceeds were received from related parties. The net cash provided by financing activities during the nine months ended September 30, 2019 was comprised of $1,254,803 proceeds from the sale and subscriptions for common stock, and $2,200,000 represented cash proceeds from the issuance of loans and convertible notes, of which $225,000 of proceeds were received from related parties.

180's product candidates may never achieve commercialization and it anticipates that it will continue to incur losses for the foreseeable future. 180 expects that its research and development expenses, general and administrative expenses, and capital expenditures will continue to increase. As a result, until such time, if ever, as 180 can generate substantial product revenue, 180 expects to finance its cash needs through a combination of equity offerings, debt financings or other capital sources, including potentially collaborations, licenses and other similar arrangements. 180's primary uses of capital are, and it expects will continue to be, compensation and related expenses, third-party clinical research and development services, costs relating to the build-out of its headquarters and manufacturing facility, license payments or milestone obligations that may arise, laboratory and related supplies, clinical costs, manufacturing costs, legal and other regulatory expenses and general overhead costs.

Further, 180's operating plans may change, and it may need additional funds to meet operational needs and capital requirements for clinical trials and other research and development activities. 180 currently has no credit facility or committed sources of capital. Because of the numerous risks and uncertainties associated with the development and commercialization of 180's product candidates, it is unable to estimate the amounts of increased capital outlays and operating expenditures associated with its current and anticipated product development programs.

We have not yet achieved profitability and expect to continue to incur cash outflows from operations. It is expected that our research and development and general and administrative expenses will continue to increase and, as a result, we will eventually need to raise additional capital to fund our operations. If we are unable to obtain adequate funds on reasonable terms, we may be required to significantly curtail or discontinue operations or obtain funds by entering into financing agreements on unattractive terms. Our operating needs include the planned costs to operate our business, including amounts required to fund working capital and capital expenditures. The conditions outlined above indicate that there is substantial doubt about our ability to continue as a going concern within one year after the financial statement issuance date.

The Company's condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which contemplate continuation of the Company as a going concern and the realization of assets and satisfaction of liabilities in the normal course of business. The carrying amounts of assets and liabilities presented in the condensed consolidated financial statements do not necessarily purport to represent realizable or settlement values. The condensed consolidated financial statements do not include any adjustment that might result from the outcome of this uncertainty.

Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements between us and any other entity that have, or are reasonably likely to have, a current or future effect on financial conditions, changes in financial conditions, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

Critical Accounting Policies

For a description of our critical accounting policies, see Note 3 – Summary of Significant Accounting Policies in Exhibit 99.9 of this amended 8-K.
