
**CURALEAF HOLDINGS, INC.
(FORMERLY LEAD VENTURES INC.)**

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED

**SEPTEMBER 30, 2018
(unaudited)**

NOTICE TO SHAREHOLDERS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of Curaleaf Holdings, Inc. (the “Company”) have been prepared by and are the responsibility of the Company’s management.

The Company’s independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity’s auditor.

CURALEAF HOLDINGS, INC. (FORMERLY LEAD VENTURES INC.)
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	NOTE	September 30, 2018 (unaudited)	December 31, 2017
ASSETS			
CURRENT			
Cash		\$ 57,188	\$ 1,216
GST receivable		19,454	3,921
Prepaid expenses	6	-	1,500
TOTAL CURRENT ASSETS		76,642	6,637
Exploration and evaluation asset	4	-	35,000
TOTAL ASSETS		\$ 76,642	\$ 41,637
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable and accrued liabilities		\$ 45,335	\$ 98,651
Due to related party	6	-	20,774
TOTAL LIABILITIES		45,335	119,425
SHAREHOLDERS' EQUITY			
Share capital	5	940,866	422,866
Contributed surplus		63,644	63,644
Deficit		(973,203)	(564,298)
TOTAL SHAREHOLDERS' EQUITY		31,307	(77,788)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 76,642	\$ 41,637

Approved and authorized by the Board on November 29, 2018

"Joseph Lusardi" Director _____
"Boris Jordan" Director

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

CURALEAF HOLDINGS, INC. (FORMERLY LEAD VENTURES INC.)
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

		Three months ended September 30		Nine months ended September 30	
	NOTE	2018	2017	2018	2017
EXPENSES					
Consulting fees	6	5,000	-	95,000	-
Filing fees		2,150	2,434	8,616	13,118
Management fees	6	70,000	6,000	190,000	18,000
Office and miscellaneous		11,531	4,574	48,930	19,688
Professional fees		43,183	626	27,674	6,256
Property investigation costs		-	-	50,000	-
Income (Loss) before other items		\$ (95,498)	\$ (13,634)	\$ (420,220)	\$ (57,062)
Gain on de-recognition of accounts payable and accrued liabilities		46,315	-	46,315	-
Impairment of exploration and evaluation asset	4	-	-	(35,000)	-
Net and comprehensive income loss		\$ (49,183)	\$ (13,634)	\$ (408,905)	\$ (57,062)
LOSS PER SHARE - BASIC AND DILUTED		\$ 0.01	\$ (0.00)	\$ (0.11)	\$ (0.00)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		4,906,500	1,152,500	3,712,595	1,152,500

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CURALEAF HOLDINGS, INC. (FORMERLY LEAD VENTURES INC.)
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	NOTE	Common Shares		Convertible Debenture	Contributed Surplus	Deficit	Total
		Number	Amount				
Balance, January 1, 2017		1,152,500	420,366	-	63,644	(435,383)	48,627
Net loss and comprehensive loss		-	-	-	-	(57,062)	(57,062)
Balance, September 30, 2017		1,152,000	420,366	-	63,644	(492,445)	(8,435)
Shares issued for exploration and evaluation assets		10,000	2,500	-	-	-	2,500
Net loss and comprehensive loss		-	-	-	-	(71,853)	(71,853)
Balance, December 31, 2017		1,162,500	422,866	-	63,644	(564,298)	(77,788)
Balance, January 1, 2018		1,162,500	422,866	-	63,644	(564,298)	(77,788)
Issuance of convertible debt		-	-	73,244	-	-	73,244
Conversion of convertible debt		2,000,000	300,000	(73,244)	-	-	226,756
Issuance of common stock for cash		1,744,000	218,000	-	-	-	218,000
Net loss and comprehensive loss		-	-	-	-	(408,905)	(408,905)
September 30, 2018		4,906,500	\$940,866	-	\$ 63,644	\$ (973,203)	\$31,307

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

CURALEAF HOLDINGS, INC. (FORMERLY LEAD VENTURES INC.)
STATEMENTS OF CASH FLOWS
FOR NINE MONTHS ENDED SEPTEMBER 30, 2018
(UNAUDITED)
(Expressed in Canadian dollars)

	2018	2017
OPERATING ACTIVITIES		
Net loss	\$ (408,905)	\$ (57,062)
Adjustments for non-cash items:		
Impairment of exploration and evaluation asset	35,000	-
Changes in non-cash working capital balances		
GST receivable	(15,533)	(596)
Prepaid expenses	1,500	1,116
Accounts payable and accrued liabilities	(53,316)	10,005
Due to related party	(20,774)	18,000
Cash used in operating activities	(462,028)	(28,537)
INVESTING ACTIVITIES		
Exploration and evaluation of assets	-	159
Cash used in investing activities	-	159
FINANCING ACTIVITIES		
Private placement, net of issuance costs	218,000	-
Issuance of convertible debt	300,000	-
Cash used in financing activities	518,000	-
CHANGE IN CASH	55,972	(28,378)
CASH, BEGINNING OF YEAR	1,216	29,818
CASH, END OF YEAR	\$57,188	\$1,440

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

CURALEAF HOLDINGS, INC. (FORMERLY LEAD VENTURES INC.)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018**

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS

Curaleaf Holdings, Inc. (formerly Lead Ventures Inc.) (the “Company”) was incorporated on November 13, 2014 under the laws of British Columbia and is a vertically-integrated medical and wellness cannabis operator in the United States. Prior to the completion of the Business Combination (as defined below), the Company was engaged in the acquisition and exploration of exploration and evaluation assets.

On July 26, 2018, the Company entered into a transaction agreement (the “Agreement”) with Curaleaf Inc. (formerly PalliaTech, Inc.) (“Curaleaf”), a private Delaware corporation and vertically-integrated medical and wellness cannabis operator in the United States, whereby the Company and Curaleaf proposed to complete a business combination transaction (the “Business Combination”) pursuant to which, among other things, (i) the security holders of Curaleaf would complete a reverse takeover of the Company, (ii) the notice of articles and articles of the Company would be amended to modify the rights and restrictions of the common shares in the capital of the Company and reclassify such class as subordinate voting shares and to create a class of multiple voting shares, and (iii) the subordinate voting shares of the resulting issuer would be listed for trading on the Canadian Securities Exchange (“CSE”).

The Company and Curaleaf completed the Business Combination on October 25, 2018. Upon closing of the Business Combination on October 25, 2018, the Company’s head office address changed to 666 Burrard Street, Suite 1700 Vancouver, BC V6C 2X8. The Company’s registered and records office address is 666 Burrard Street, Suite 1700 Vancouver, BC V6C 2X8.

On October 29, 2018, the Subordinate Voting Shares of the Company commenced trading on the CSE under the symbol “CURA”.

See Subsequent Events note 7 for details of the Business Combination and related financing activities.

2. SIGNIFICANT ACCOUNTING POLICIES**Statement of compliance**

The condensed interim financial statements (the “Financial Statements”) of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). Therefore, these Financial Statements comply with International Accounting Standard (“IAS”) 34, Interim Financial Statements.

These condensed interim financial statements do not include all of the information required of a full annual financial report and are intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. These condensed interim financial statements follow the same accounting policies and methods of application as the Company’s most recent annual financial statements. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2017.

New standard IFRS 9 “Financial Instruments”

The Company has adopted IFRS 9, Financial Instruments (IFRS 9) effective January 1, 2018 on a retrospective basis and applied the transitional provision, so that any adjustments would be recorded in opening retained earnings at January 1, 2018. IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities the adoption of IFRS 9 supersedes the guidance relating to the classification and measurement of financial instruments in IAS 39, Financial Instruments: Recognition and Measurement (IAS 39).

CURALEAF HOLDINGS, INC. (FORMERLY LEAD VENTURES INC.)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018
(Expressed in Canadian dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition: (i) those measured at fair value through profit and loss, (ii) those measured at fair value through other comprehensive income and (iii) those measured at amortized cost. Measurement and classification of financial assets is dependent on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. For financial liabilities, the IFRS 9 requirements are similar to those of IAS 39. The main distinction is that, in cases where the fair value option is chosen for financial liabilities, the part of a fair value change relating to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

IFRS 9 introduces a single expected credit loss model for calculating impairment for financial assets, which is based on changes in credit quality since initial recognition. The adoption of the expected credit loss impairment model did not have a significant impact on the Company's condensed consolidated interim financial statements and did not result in a transitional adjustment.

The Company has no hedges on its condensed consolidated interim financial statements for the reporting period.

The Company has concluded that the adoption of IFRS 9 did not require any transitional adjustments to the classification or measurement of the Company's financial assets and financial liabilities.

New standard IFRS 15 Revenue from Contracts with Customers

The Company has adopted IFRS 15, Revenue from Contracts with Customers ("IFRS 15") effective January 1, 2018 on a retrospective basis and applied the transitional provisions, so that any adjustments would be recorded in opening retained earnings at January 1, 2018.

IFRS 15 supersedes IAS 18– Revenue, IAS 11 – Construction Contracts, and other revenue related interpretations. The standard outlines the principles that must be applied to measure and recognize revenue and the related cash flows. Revenue is recognized at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 will be applied using the following five steps:

1. Identify the contract(s) with a customer
2. Identify the performance obligation in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognize revenue when (or as) the entity satisfies a performance obligation

The Company has concluded that the implementation of IFRS 15 did not have a material effect on the Company's income statement.

3. NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

New standard IFRS 16 "Leases"

This new standard replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15. Overall, the Company does not expect the implementation of IFRS 16 to have a significant impact on its assets or liabilities.

CURALEAF HOLDINGS, INC. (FORMERLY LEAD VENTURES INC.)**NOTES TO THE FINANCIAL STATEMENTS****FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018**(Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSET

During the period ended September 30, 2018, the Company decided to no longer pursue and assessed that the carrying value of the property was not recoverable and fully impaired the property.

5. SHARE CAPITAL

On March 22, 2018, the Company issued convertible debentures for proceeds of \$300,000. On March 27, 2018, all of the convertible debentures were converted to 2,000,000 common shares and 2,000,000 warrants.

On April 4, 2018, the Company completed a private placement with gross proceeds of \$218,000 by issuing 1,744,000 common shares.

A summary of the Company's warrants are as follows:

	Number of Warrants
December 31, 2017	-
Issued	3,744,000
September 30, 2018	3,744,000

The weighted average life and weighted average exercise price is 1.8 years and \$0.19, respectively.

6. RELATED PARTY BALANCES AND TRANSACTIONS

At September 30, 2018, a balance of Nil (December 31, 2017 - \$20,774) is due to a director.

Key management personnel include the directors of the Company. The remuneration of key management is as follows:

	September 30, 2018	September 30, 2017
Management fees	\$ 190,000	\$ 18,000

7. SUBSEQUENT EVENTS**Completion of Business Combination**

On October 25, 2018, Curaleaf Holdings, Inc. (formerly, Lead Ventures Inc.) (the "Company") and Curaleaf, Inc. ("Curaleaf") completed the combination of their respective businesses (the "Business Combination") that resulted in the reverse take-over of the Company by the security holders of Curaleaf. The Business Combination was structured as a series of transactions, including a Canadian three-cornered amalgamation transaction and a series of U.S. merger and reorganization steps. At the Company's annual general and special meeting of shareholders held on October 12, 2018, the shareholders approved all of the resolutions in connection with the Business Combination. As part of the Business Combination, the Company changed its name from "Lead Ventures Inc." to "Curaleaf Holdings, Inc.", and restructured its existing share capital to, among other things, reclassify its existing common shares as subordinate voting shares (the "Subordinate Voting Shares"), create a class of multiple voting shares (the "Multiple Voting Shares"), eliminate the class of preferred shares and add certain provisions, including a redemption right in favor of the Company to ensure that the Company complies with applicable licensing regulations.

Immediately prior to the Business Combination, 1177687 B.C. Ltd. ("Curaleaf FinCo"), a special purpose

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(Expressed in Canadian dollars)

corporation, completed a brokered and a non-brokered subscription receipt financing at a price of C\$11.45 per subscription receipt for aggregate gross proceeds of approximately C\$520 million (the "Financing").

As part of the Business Combination, the Company, Curaleaf FinCo and 1177679 B.C. Ltd., a wholly-owned subsidiary of the Company, were parties to a three-cornered amalgamation (the "Amalgamation") pursuant to which the shareholders of Curaleaf FinCo (being the investors in the Financing after automatic conversion of their subscription receipts into common shares of Curaleaf FinCo (the "Curaleaf FinCo Shares")) received Subordinate Voting Shares in exchange for their Curaleaf FinCo Shares. Concurrently with the Amalgamation, Curaleaf MergerCo Inc., a wholly-owned subsidiary of the Company, merged with and into Curaleaf, with Curaleaf continuing as the surviving corporation and becoming a wholly-owned subsidiary of the Company.

In connection with the Business Combination, Gociter Holdings Ltd., a corporation of which Boris Jordan, the Executive Chairman of the Company, is the beneficial owner, made a contribution of common stock and cash to the Company in exchange for 122,170,705 Multiple Voting Shares, representing 100% of the issued and outstanding Multiple Voting Shares as of closing of the Business Combination.

Grant of Options

On October 28, 2018, the Board of Directors of the Company approved the following grants of equity incentives to certain directors and senior managers of the Company and its subsidiaries. For the purposes of such grants, the fair market value of the Subordinate Voting Shares of the Company was valued by the Board at CAD\$11.45 ("FMV"). All grants are defined in accordance with the terms of the Company's Long-Term Incentive Plan, adopted October 26, 2018.

Mr. Joseph Lusardi, CEO, was granted Stock Options to purchase 2,288,164 Subordinate Voting Shares of the Company. The strike price of such Stock Options shall be the FMV. The Stock Options shall vest in three equal amounts of 762,761 Subordinate Voting Shares on each October 29, 2019, October 27, 2020 and October 27, 2021. It is a further condition of the exercise of such Stock Options that they may not be exercised unless (i) the closing price of the Subordinate Voting Shares on the Canadian Securities Exchange (or such market on which such shares have the greatest liquidity) on trading day previous to exercise exceeds the option price by 100% (subject to adjustment for splits and combinations); and (ii) the average closing price of the Subordinate Voting Shares on the Canadian Securities Exchange (or such market on which such shares have the greatest liquidity) for the previous 30 trading days exceeds the option price by 100% (subject to adjustment for splits and combinations).

Mr. Boris Jordan, Director and Executive Chairman, was granted Restricted Stock Units representing 114,729 Subordinate Voting Shares. The Restricted Stock Units shall vest on October 27, 2019.

Mssrs. Peter Derby, Steven Paterno and Karl Johansson, Directors, were each granted Restricted Stock Units representing 17,162 Subordinate Voting Shares. These Restricted Stock Units shall vest on October 27, 2019 with respect to each recipient.

Mr. Christopher Melillo, Senior Vice President of Retail Operations, and Mr. Jesse Kater, Senior Vice President of Production, were each granted Stock Option to purchase 114,729 Subordinate Voting Shares. The strike price of such Stock Options shall be the FMV. The Stock Options shall vest with respect to each recipient in equal amounts of 38,243 Subordinate Voting Shares on each October 29, 2019, October 27, 2020 and October 27, 2021.