

**Management's Discussion of Quarterly Report
for Period Ending August 31, 2016**



Herborium Group, Inc.

October 15, 2016

The following statements are of importance to current and potential investors regarding Herborium's quarterly report ending August 31, 2016.

Achievements during the Third Quarter of 2016:

- Herborium's revenue for Q3 increased 12.5% (\$45,200) in comparison to the same period of 2015.
- The Company's margin grew from 64.5% in 2015 to 67% in 2016.
- The Company's gross profit increased by more than 10% in comparison to the 3rd quarter of 2015.
- This marks the 15th consecutive quarter of growth.
- The Company's total revenues to date in 2016 increased 12% in comparison to the same three cumulative quarters of 2015.
- The AcnEase® Blog won the Best Skincare Blog for the second consecutive year (2015 & 2016).
- No capital was raised by selling shares.

Outlook for 2016:

Herborium remains very optimistic about achieving its goals for 2016. The Company continues its efforts to increase market penetration in both retail and wholesale sectors and to decrease costs and retire debt. There is a rising interest in Botanical Therapeutics® among consumers and the financial community that is expected to prevail.

/s/ Dr. Agnes P. Olszewski
Dr. Agnes Olszewski
President & CEO