

## FORM 7

### MONTHLY PROGRESS REPORT

Name of Listed Issuer: CB2 Insights Inc. (the "Issuer").

Trading Symbol: CBII

Number of Outstanding Listed Securities: 97,608,122

Date: July 31, 2020

#### **Report on Business**

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

*On July 9, 2020 the issuer announced that it had launched the first in a series of monthly medical reports derived from real-world clinical treatments on a variety of healthcare conditions and modalities across the United States, Canada and United Kingdom.*

*The Issuer currently monitors, assesses, and treats over 100,000 patients in the US, and partners with clinical groups in Canada and the UK to help unlock the power of clinical data. Using proprietary technology at the point of care, the Company analyzes this information to support patients and clinicians understand what therapies work versus non-effective treatments. Routine access to this data enables patients and clinicians to better optimize treatment plans to achieve goals and overall health outcomes.*

*Clinical trials continue to be the number one source of validation for product efficacy. However, more companies including regulators and payors are turning to routine clinical data to understand the impact of products post-approval. Products commercialized typically do not follow the same controls used during the clinical trials, thus may have varying results when prescribed to patients.*

*The Company expects to release Health Pulse monthly, each targeting various aspects of conventional and integrative medicine. The goal of these reports will be to help stakeholders from a variety of verticals including patients and clinicians, apply evidence-based medicine to their practice. Over the past year, the Company has received over 200 requests for data, ranging from Academia to Industry; which it aims to use this as a platform for distribution. Future learnings from these stakeholders will enable customized reports for targeted customer groups, and opportunities to commercialize on a subscription basis.*

*Reports can be accessed and downloaded by visiting <https://cb2insights.com/datareports>.*

*On July 14, 2020 the Issuer reported its Q1 2020 consolidated financial results for the period ended March 31, 2020.). All amounts are expressed in Canadian dollars unless otherwise noted.*

- *CB2 has continued to see growth in patient visits and registrations, while ongoing improvements to its business model and operating structure have led to reduced costs for delivery of services;*
- *The Company is weathering the COVID-19 pandemic well and operational performance has materially improved subsequent to the end of Q1 2020;*

- The Company has begun its expansion to traditional healthcare services including urgent and primary care, insurable services focused on Medicaid and Medicare eligible patients; representing the largest proportion of healthcare spending in the US;
- With CAD \$1.2 million in cash at the end of June 2020, the Company is well positioned and focused now on growth through a 3-pronged approach including same services, new services (direct primary care) and accretive acquisitions.

### **Summary of Q1 2020 Key Milestones and Consolidated Results**

- Total revenue for Q1 2020 was \$2.93 million, up from \$2.8 million from the prior year;
- Gross profit was \$1.9 million in Q1 2020 compared to \$2.2 million from the year prior; a decrease of 13.6% due to the addition of the three new acquisitions in 2019 not reflected at the same period last year. Some of these clinics operate with provider hours paid on an hourly basis. With seasonality impact, we see higher cost of delivery during this time but expect that the negative impact on gross margin will be short-term in nature
- Adjusted EBITDA loss was \$0.6 million in Q1 2020 versus adjusted EBITDA loss of \$0.7 million from the prior year due to continued improvements to the operating model and top line growth;
- In January 2020, the Company was selected by Vireo Health to support a US FDA application for a study on the safety and efficacy of cannabis-based topical treatments developed by Vireo Health;
- In January 2020, the Company appointed Mr. Tom Brogan as independent Director who brings over 40 years of experience in aggregating and commercializing anonymized healthcare data; and
- In March 2020, the Company launched the industry's first medical cannabis insights dashboard - <https://cb2insights.ca/data>;

### **Q1 2020 Financial Highlights**

<b>3 months ended</b>	<b>31-Mar-2020</b>	<b>31-Mar-2019</b>
<b>Revenue</b>	<b>\$2,932,026</b>	<b>\$2,849,811</b>
<b>Gross Profit</b>	<b>\$1,901,695</b>	<b>\$2,194,123</b>
<b>Gross Margin</b>	<b>64.9%</b>	<b>76.9%</b>
<b>Operating Expenses</b>	<b>\$3,046,820</b>	<b>\$3,194,089</b>
<b>Net Loss</b>	<b>-\$983,181</b>	<b>-\$2,146,203</b>
<b>Adjusted EBITDA loss</b>	<b>-\$603,134</b>	<b>-\$712,252</b>
<b>Basic and diluted net loss per common share</b>	<b>\$0.011</b>	<b>\$0.031</b>
<b>Weighted average common shares outstanding – basic and diluted</b>	<b>90,620,904</b>	<b>68,963,299</b>

### **Highlights from Q2 2020:**

- In April 2020, the Company launched Skylight Health Group (“SHG”) as part of its clinical operations in the US to focus on integrated healthcare and providing low cost insurable services to patients;

- In April 2020, the Company qualified and received USD \$652,500 from government funds in the US as part of the COVID-19 pandemic. As of June 30, 2020, the Company has approximately CAD \$1.2 million in cash;
- In April, May and June 2020, the Company saw 3 consecutive months of profitability on an unaudited basis driven by improved operating margins from efforts in 2019 and Q1 2020, as well as growth in top line revenues;
- In June 2020, the Company amended its promissory note held by Merida Capital Partners, extending it to December 2022, reducing its interest rate of from 12% to 8%, payable in shares or cash and the company's option and a forced conversion at a premium to the current market price;
- In July 2020, the Company launched the first in a series of monthly medical reports derived from real-world clinical treatments on a variety of healthcare conditions and modalities across the United States, Canada and United Kingdom.

The Issuer held its earnings call on Wednesday July 15, 2020 at 9am ET.

On July 16, 2020 the issuer announced, that its Skylight Health Direct Primary Care service is now available for patients in Florida who have lost healthcare coverage due to job losses during the Covid-19 Pandemic.

- Skylight Health ("Skylight") is a Direct Primary Care ("DPC") that provides unlimited telehealth access for patients seeking urgent and primary care services starting at \$16.50 a month (\$199/year);
- Florida is among 5 US States that have seen a dramatic increase in over 5.4 million American uninsured-laid-off workers since the Pandemic started in February 2020; nearly 40% higher than the record set during the recession of 2008/2009;
- Florida broke the national record for a state's largest single-day increase in positive cases;
- Skylight's DPC model will aim to fill the gap in care for millions of Florida residents who have lost access to healthcare services.

Skylight DPC is an open membership platform for any American seeking access to affordable and integrative healthcare. Patients can subscribe easily by visiting <https://skylight.health> and signing up for an annual membership. Alternatively, patients can call 844-644-8880 to speak with a live patient care representative who can assist them with their registration. Patients of the DPC model get access to same or next day care from licensed healthcare providers across a variety of acute, chronic and mental health services including urgent and primary care. The program is offered via virtual telemedicine making it easy for patients to connect from the convenience of their home, minimizing exposure and risk to contracting the virus. In addition to Florida, the program is currently live in Pennsylvania, New Jersey, New York and Massachusetts.

A July 2020 study released by Families USA identifies that 25% of nonelderly adults in Florida are uninsured. Further, increases in uninsured rates are happening during the country's worst public health crisis in more than a century. There has not been any COVID-19 legislation signed into law which attempts at restoring or preserving comprehensive health insurance. Florida is one of the 13 states that did not expand Medicaid under the Affordable Care Act, which is the public health insurance program that provides coverage to low-income families or individuals. A link to the study can be found [here](#).

Skylight DPC will be effective immediately for residents in Florida. Patients looking to register or learn more can visit <https://skylight.health> or call 844-644-8880 to speak with a live patient care representative.

*Skylight Health is a Direct Primary Care service and is not a health plan. Members are encouraged to obtain a low cost high-deductible health plan or other coverage in the case of emergencies or large medical expenses.*

- 2. Provide a general overview and discussion of the activities of management.  
*None other than as described above.*
- 3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.  
*n/a*
- 4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.  
*n/a*
- 5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.  
*n/a*
- 6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.  
*n/a*
- 7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.  
*n/a*
- 8. Describe the acquisition of new customers or loss of customers.  
*n/a*
- 9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.  
*n/a*
- 10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

n/a

11. Report on any labour disputes and resolutions of those disputes if applicable.

n/a

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

n/a

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

n/a

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>
Common Shares	41,750	Exercise of Stock Options	N/A

15. Provide details of any loans to or by Related Persons.

n/a

16. Provide details of any changes in directors, officers or committee members.

n/a

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

*We are adapting our business given current market and regulatory conditions throughout the US and beyond. It is true that COVID-19 is affecting each and every State that we operate in within the US.*

*Our clinical services remain open to servicing patients in each of our States – whether currently in mandatory closure or not. As a medical service, our business is permitted to continue to operate through this crisis, to support patients in need. However, we have had to make changes to our operating model to manage the safety of our clinicians, staff and patients. We have been approved by all States to provide telemedicine and telehealth services to all existing patients. This change has been quite seamless. We are limited in our ability to service net new patients in certain States due to telemedicine regulations, but we are hopeful those will be amended, and we will be able to serve all patients in the near-term.*

*Additionally, while we have had to make temporary layoffs for some clinical staff due to the shut down of physical locations, we have maintained most employees to continue to support the increase in patient volumes.*

*We also see this as an opportunity to expand our services in markets we are not currently serving. With new telemedicine regulations in place for non-CB2 operating States, we expect to mobilize services to these States in short order.*

## Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated August 5 , 2020.

Kash Qureshi  
Name of Director or Senior  
Officer

"signed"  
Signature  
COO  
Official Capacity

<b><i>Issuer Details</i></b> Name of Issuer CB2 Insights Inc.	For Month End July, 2020	Date of Report YY/MM/DD 20/08/05
Issuer Address 5045 Orbitor Drive, Building 11, Unit 300		
City/Province/Postal Code Mississauga, ON L4W 4Y4	Issuer Fax No. ( )	Issuer Telephone No. (855) 874-4999
Contact Name Catherine Beckett	Contact Position Manager Corporate Affairs	Contact Telephone No. 416-642-1807