

CB2 Insights Announces Record Annual Revenue of \$13.4 million for FY 2019 Sequential Growth of 25%

TORONTO, ON – June 18, 2020 – CB2 Insights (CSE: CBII; OTCQB: CBIIF) (“CB2” or the “Company”), one of the largest integrative healthcare system in the United States, today reported its audited consolidated financial results for the year ended December 31, 2019. Additional information concerning the Company, including its unaudited condensed consolidated interim financial statements and related management’s discussion and analysis (“MD&A”) for the year ended December 31, 2019, can be found at www.sedar.com and on the Company’s website (www.cb2insights.com). All amounts are expressed in Canadian dollars unless otherwise noted.

Prad Sekar, Chief Executive Officer of CB2 stated “2019 was a building year for the Company. Shortly after going public, we made four acquisitions, streamlined our product offering, accelerated our proprietary technology offerings and grew our valuable data capabilities. As reported in previous releases, our preliminary unaudited financial results for April and May 2020 demonstrate strong revenue growth and the turn to EBITDA positive. These results demonstrate that the foundation we laid in 2019 has been quick to yield results. We are excited for the growth we expect in 2020 and in building long-term value for our shareholders.”

Summary of 2019 Key Milestones and Consolidated Annual Results

- Total revenue for FY2019 was \$13.4 million, up from \$10.8 million from the prior year; an increase of 25%;
- Gross profit of \$9.3 million in FY2019 compared to \$7.9 million from the year prior; an increase of 19%;
- Adjusted EBITDA loss of \$2.8 million in FY2019 versus adjusted EBITDA loss of \$1.9 million from the prior year
- Completed a reverse takeover on February 27, 2019 and subsequently began trading on the Canadian Securities Exchange and OTCQB in the US;
- Completed a financing round of approximately CAD \$5.5 million, led by Merida Capital Partners in a combination of debt and equity financing;
- Completed the acquisitions of Relaxed Clarity, Medeval Clinics and New Jersey Alternative Medicine reaching 100,000 patients in 12 States with over 30 clinical locations;
- Established an operating model that is designed to support profitability in 2020 and beyond through improved efficiencies and processes, and deployment of proprietary technology;
- Appointed as the exclusive technology and data partner for Project Twenty21 in the UK led by Drug Science – a leading UK registry study enrolling up to 20,000 patients;
- Validated data and technology Agreements with Canadian based VIVO Cannabis, US based Vireo Health and UK based My Access Clinics; and
- Launched the industry’s first full-scale hemp-based Cannabidiol (CBD) prospective trial with GL Brands (Formerly Freedom Leaf Inc.).

FY2019 Financial Highlights

	31-Dec-19	31-Dec-18
Revenue	\$13,423,747	\$10,768,011
Gross Profit	\$9,323,075	\$7,905,262
Gross Margin	69.45%	73.41%
Operating Expenses	\$18,607,626	\$10,777,297
Net Loss	-\$10,974,452	-\$3,656,744
Adjusted EBITDA loss	-\$2,768,258	-\$1,908,556
Basic and diluted net loss per common share	\$(0.142)	\$(0.065)
Weighted average common shares outstanding – basic and diluted	77,196,975	56,165,850

2020 Year to Date Highlights:

- 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;
- In March 2020, the Company launched the industry's first medical cannabis insights dashboard - <https://cb2insights.ca/data>;
- In April 2020, the Company launched Skylight Health Group (“SGH”) 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;
- In April 2020 and May 2020, the Company saw two consecutive months of profitability on an unaudited basis driven by improved operating margins from efforts in 2019 and Q1 2020,
- In June 2020, the Company amended its promisory 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.

Mr. Sekar continued, “What we have built in 2019 and the first quarter of 2020, allows us to accelerate our growth moving forward forecasted to yield a growth of 2x or more in the next 18 months. Additionally, with a restructured debt note, we are in a strong position today to execute on our three-pronged growth model. Our focus in 2020 will be on growth from same services, growth from new services (SHG), and growth through accretive acquisitions.”

The Company has scheduled its earnings call to Friday June 19, 2020 at 9am ET.

Conference call details:

DATE: Friday, June 19, 2020

NEWS RELEASE



TIME: 9:00 am ET
US/Canada Toll Free Dial In: 1-800-319-4610
Toronto Local Dial In: 1-416-915-3239
International Toll: 1-604-638-5340
CALL NAME: CB2 Insights Earnings Call

Rae of Sunshine Health Services LLC (ROSH), operating as Relaxed Clarity has achieved their final payment for milestones and will be issued 1,006,578 shares of CB2 Insights and completed the transaction. ROSH contributed approximately \$1,188,602 in revenue.

Non-GAAP Financial Measures

This Press Release contains references to Adjusted EBITDA and Gross Margin. These financial measures are not measures that have any standardized meaning prescribed by IFRS and are therefore referred to as non-GAAP measures. The non-GAAP measures used by the corporation may not be comparable to similar measures used by other companies. Adjusted EBITDA is defined as “income (loss) before interest expenses, taxes, expenses related to listing on the Canadian Securities Exchange, depreciation, foreign exchange and financial expenses.

The Company uses these non-GAAP measures because they provide additional information on the performance of its commercial operations. Such tools are frequently used in the business world to analyze and compare the performance of businesses; however, the Company’s definition of these metrics may differ from those of other businesses. CB2 Insights will, at times, use certain non-GAAP financial measures to provide readers with additional information in order to assist investors in understanding our financial and operating performance. CB2 Insights believes that these non-GAAP measures provide readers with useful information about the Company’s operating results, enhance the overall understanding of past financial performance and future prospects, and allow for greater transparency with respect to key metrics used by management in its financial and operational decision making.

Adjusted EBITDA excludes the effect of share-based compensation expenses and related payroll taxes as well as removes substantial one-time costs for unusual business activities. Within the 2018 reporting period, one-time costs associated with fees pertaining to the Company’s public listing are excluded from this figure. Additional discussion on this can be found in CB2 Insights’ Management Discussion and Analysis filed on SEDAR.

Such non-GAAP financial measures should be considered as a supplement to, and not as a substitute for, the corresponding measures calculated in accordance with IFRS. See the Company’s audited Financial Statements for a reconciliation of the non-GAAP measures.

Please refer to “Non-GAAP Financial Measures” in this press release.

About CB2 Insights

CB2 Insights (CSE:CBII) CB2 Insights is a healthcare services and technology company, working to positively impact patient health outcomes. Our mission to mainstream alternative health treatments into traditional healthcare by recognizing the need for patient treatment diversity, and the impacts of integrating alternative and conventional medicine. The Company works primarily to roster and treat patients who are seeking alternative treatments due to the ineffectiveness of conventional medicine, and the inability to find support through their existing care network, or in some cases, inability to access a primary care network. Medical services offered by the Company are defined as Integrative medicine, where we work to understand the real world evidence for the safety, impact and effectiveness of medical treatments including plant based medicines that often lack sufficient research and therefore adoption by conventional healthcare providers.

To support patient care and positive health outcomes, the Company is also focused on advancing safety and efficacy research surrounding alternative health treatments by monitoring and assessing Real-World Data (RWD) and providing Real-World Evidence (RWE) through our proprietary technology, data analytics, and a full service contract research organization. .

The Company's primary operations are in the United States, with application to its insights, technology and research services deployed in other International markets including Canada, United Kingdom and Colombia.

The Company's disciplined operating model, allows patients to receive access to care in a time efficient and cost-effective manner. Utilizing virtual telehealth and over 31 physical brick and mortar clinics, the Company currently treats over 100,000 patients across 12 States. Utilizing proprietary technology and data analytic platforms, the Company is able to monitor, study and assess a variety of healthcare treatments and products for the safety, efficacy and effectiveness. The Company believes it is well positioned to be the research and technology partner of choice for multiple stakeholders including Big Pharma, Life Sciences, Regulatory Bodies and Payors within the traditional and integrative medical industry.

For more information please visit www.cb2insights.com.

For additional information, please contact:

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Forward Looking Statements

Statements in this news release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed here and elsewhere in CB2's filings with Canadian securities regulators. When used in this news release, words such as "will, could, plan, estimate, expect, intend, may, potential, believe, should," and similar expressions, are forward-looking statements.

Forward-looking statements may include, without limitation, statements regarding the Company's unaudited financial results and projected growth.

Although CB2 has attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those contained in the forward-looking statements, there can be other factors that cause results, performance or achievements not to be as anticipated, estimated or intended, including, but not limited to: dependence on obtaining regulatory approvals; investing in target companies or projects which have limited or no operating history and are subject to inconsistent legislation and regulation; change in laws; reliance on management; requirements for additional financing; competition; hindering market growth and state adoption due to inconsistent public opinion and perception of the medical-use and recreational-use marijuana industry and; regulatory or political change.

There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize. As a result of these risks and uncertainties, the results or events predicted in these forward-looking statements may differ materially from actual results or events.

Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this news release are made as of the date of this release. CB2 disclaims any intention or obligation to update or revise such information, except as required by applicable law, and CB2 does not assume any liability for disclosure relating to any other company mentioned herein.

No securities regulator or exchange has reviewed, approved, disapproved, or accepts responsibility for the content of this news release.