

CB2 Insights Announces Quarterly Revenue of \$2.93 million for Q1 2020. EBITDA Nears Breakeven.

July 14, 2020, Toronto, ON, Canada – CB2 Insights Inc. (“CB2” or the “Company”) (CSE: CBII; OTCQB: CBIIIF), one of the largest integrative healthcare systems in the United States, today reported its Q1 2020 consolidated financial results for the period ended March 31, 2020. Additional information concerning the Company, including its unaudited condensed consolidated interim financial statements and related management’s discussion and analysis (“MD&A”) for the period ended March 31, 2020, 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.

- 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.

Prad Sekar, Chief Executive Officer of CB2 stated “Entering into Q1 2020, we remained committed to strengthening the foundation and fundamentals of the business to help us achieve profitability by Q2 2020. Our focus was on preserving capital and ensuring continued improvements to our operating model through process optimization and proprietary technology. We saw growth in new patient visits, technology contracts and were able to quickly adjust and stabilize our business from the impact of the COVID-19 Pandemic. We are now positioned to realize accelerated growth over 2020 and 2021.”

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

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

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.

Mr. Sekar continued, “What we have built in 2019 and the first quarter of 2020, allows us to accelerate our growth moving forward. We believe the expansion into traditional healthcare verticals is both accretive and prudent given the future role this company can play in the real-world evidence space. It also provides a huge opportunity to further grow and capitalize on one of the largest and underserved segments of healthcare spending in the US. Our focus in 2020 and 2021 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 Wednesday July 15, 2020 at 9am ET.

Conference call details:

DATE: Wednesday, July 15, 2020

TIME: 9:00 am ET

US/Canada Toll Free Dial In: 1-800-319-4610

NEWS RELEASE



Toronto Local Dial In: 1-416-915-3239
International Toll: 1-604-638-5340
CALL NAME: CB2 Insights Earnings Call

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:

Investor Relations Department

1.855.847.4999 ext. 212

investors@cb2insights.com

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.