

## FORM 7

### MONTHLY PROGRESS REPORT

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

Trading Symbol: CBII

Number of Outstanding Listed Securities: 79,997,556

Date: September 5, 2019

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

#### **General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

#### **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 August 1, 2019 the Issuer announced that it had appointed corporate finance executive and cannabis industry expert, Gerry Goldberg as Director on its Board. Mr. Goldberg will immediately assume the position of Chairman of the Audit Committee, replacing David Danziger who will remain in position as Chairman of the Board. The Company also announced that Mr. Goldberg will be replacing outgoing Director Dr. Danial Schecter.*

*“Gerry’s deep-rooted financial background and experience in the Canadian cannabis industry are a fantastic addition at this stage in the Company’s growth,” said David Danziger, Chairman of the Board, CB2 Insights. “His skills and connections perfectly complement the strengths of our current Directors. On behalf of the entire Board, I would like to welcome Gerry to the team.”*

*Mr. Goldberg is a CPA and Interim CEO and Chairman of Osoyoos Cannabis Inc., a cannabinoid extraction company based in Oliver, British Columbia. He previously served as CEO at Canada House Wellness Group, a licensed cannabis cultivator and is Director of FSD Pharma Inc., a licensed cannabis cultivator. Mr. Goldberg was also a Director of Gravitass Financial and is currently and has been both Director and Audit Committee Chair to various other Canadian and US Public Companies. Mr. Goldberg also served as Senior Partner at two major accounting firms with over 30 years of total audit experience between the two and was head of the Public Company Audit division at one of the firms.*

*Mr. Danziger continued, “On behalf of the entire Board, I would like to extend my deepest gratitude to Dr. Danial Schechter who will be stepping down to pursue new endeavours. His contributions have been critical to establishing CB2’s leadership in the collection and analysis of real-world evidence within the medical cannabis community.”*

*“I have been extremely impressed with everything that CB2 Insights has built and am beyond confident that they are set to have a major impact on the medical cannabis industry,” said Dr. Danial Schechter. “While I am stepping away from the Board of Directors at this time, I will remain a true ally to this company and champion all of their efforts in the future. I look forward to watching CB2’s leadership position expand within this space.”*

*On August 28, 2019 the Issuer reported its results for the second quarter of 2019. Additional information concerning the Company, including its unaudited financial statements and related management’s discussion and analysis (“MD&A”) for the quarter ended June 30, 2019, can be found at [www.sedar.com](http://www.sedar.com) and on the Company’s website. All amounts are expressed in Canadian dollars unless otherwise noted.*

## **Q2 2019 Financial Highlights**

- Revenue for the quarter was \$3.3 million, a 14.3% increase over the previous quarter and did not include revenue from its recent [New Jersey Alternative Medicine acquisition](#), which would have added an estimated \$700 thousand for the quarter;;
- Gross profit of \$2.1 million or gross margin of 65.3%. The Company believes that gross margin will increase within the next quarter by way of economies of scale from its recent acquisitions which generally have a 3-6 months period to reflect in the Company’s results;
- Operating expenses increased quarter over quarter by \$671 thousand, due in large part to the [newly acquired clinics in Colorado and Arizona](#); as well as certain legacy expenses related to these clinics which the Company has since centralized and will see reflected in Q3;
- At quarter-end the Company had cash of \$1.3 million on hand;
- Adjusted EBITDA<sup>1</sup> loss of \$790 thousand in Q2 2019 versus Adjusted EBITDA<sup>1</sup> loss of \$712 thousand in Q1 2019\*. The Company expects further improvements in EBDITA through continued scalability, new revenue from New Jersey operations, new opportunities related to clinical trials and research activity; and,
- Net loss improved to \$1.9 million versus \$2.2 million the prior quarter, a 14% improvement.

*\*Note: Q2 2019 Adjusted EBITDA<sup>1</sup> from US clinical operations remains positive. CB2 currently uses this surplus in cash flow to fuel its Research & Insights business, which includes but is not*

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<sup>1</sup>See note on Non-GAAP Financial Measures.

limited to clinical trials and research projects, software development, product development, analytical and commercialization teams.

“Our Clinical business continues to grow within our US patient registry, and we are also unlocking opportunities to leverage our experience in new international markets. There is now substantial demand in the market for solutions related to clinically-driven product research. Our expansive patient registry, cannabis-focused data collection technology, multi-jurisdiction experience and data analytics teams are allowing us to solidify research technology partnerships with the likes of the UK’s [Drug Science](#),” said Prad Sekar, CEO, CB2 Insights. “While our newly acquired New Jersey operations are showing very promising patient volume and revenue contribution in early Q3, we are excited to see the investment made into our clinical research and technology divisions over the last few years will soon be starting to show a material return, and we look forward to making announcements in this regard within the quarter.”

### Q2 2019 Operational and Strategic Highlights

- [Completed acquisition of Relaxed Clarity Clinics](#) in Colorado;
- [Completed acquisition of MedEval Clinics LLC in Colorado and Arizona](#); and
- Company announced its listing in the US on the OTCQB Markets Exchange (Symbol CBIIF).

### Operational and Strategic Highlights Subsequent to Quarter End

- [Completed an asset purchase of New Jersey Alternative Medicine LLC](#);
- With Premier Health Group, [moved to second phase of primary care physician tools](#) for medical cannabis evaluations
- Selected as the [exclusive research technology platform for the UK’s largest medical cannabis pilot program](#) led by Drug Science; and
- Expansion of the Board of Directors with the addition of [former Johnson and Johnson Executive, Peter Cummins](#) as Director and Corporate Finance and Cannabis Industry Leader, Gerry Goldberg.

	Quarter ended June 30, 2019	Quarter ended March 31, 2019	Quarter ended December 31, 2018
Revenue	\$3,257,021	\$2,849,811	\$2,449,020
Cost of sales	\$1,129,270	\$655,688	\$747,496
Gross Profit	\$2,127,751	\$2,194,123	\$1,701,524
Gross Margin	65.3%	76.9%	69.5%
Adjusted EBITDA <sup>1</sup>	\$(790,818)	\$(712,582)	\$(1,811,463)
Net Income (Loss)	\$(1,865,895)	\$(2,161,546)	\$(2,539,776)
Basic and diluted net loss per share	\$(0.024)	\$(0.031)	\$(0.0452)

### Earnings Conference Call

CB2 Insights’ management team held a conference call to discuss our 2019 Q2 Earnings on August 28, 2019 at 4:30pm EDT.

An archived replay of the conference call is available on the Company’s web site.

2. Provide a general overview and discussion of the activities of management.  
*None other than as described in 1 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.  
*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.  
*On August 1, 2019 the Issuer announced that Danial Schechter was stepping down as director and was replaced by Gerry Goldberg. See 1 above.*
17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

## **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 were 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 September 5, 2019.

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 August	Date of Report YY/MM/D 19/09/05
Issuer Address 5045 Orbitor Drive		
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