



October 20,2020

CBD Global Sciences Reports Second Quarter 2020 Results with Anticipated Downturn in Revenues Due to the Covid-19 Pandemic

Denver, Colorado, October 20, 2020 – CBD Global Sciences, Inc. (OTC: CBDNF) (CSE: CBDN) (Frankfurt:GS3), “CBD Global” or the “Company”), today announced the release of financial and operational results for the second quarter ended June 30,2020. These filings are available for review on the Company’s SEDAR profile at www.sedar.com. All amounts are expressed in U.S. dollars.

Financial Highlights

- Despite gross sales being down \$1.5M from previous 3-months ending in 2019, the Company was able to achieve a decrease in cost of sales of 90% through adjustments to the business supply chain and increased cost reductions of the active ingredients in its finished product lines.

Assets and inventory:

- CBD prices for biomass and oils that go into the Company’s finished products (www.aethics.com or www.cannaoilshop.com) have continued to commoditize as large agriculture and industrial sized processing continues to come on line.
- The Company has ample inventory in both biomass and refined distillate to support continued growth of both branded products and its growing white label partnerships. We forecast that the inventory on hand should supply enough CBD to support sales and distribution through Q2 of 2021.
- The Company continues to identify suppliers that meet or exceed the Strasburg Pharms quality control requirements with the intent to augment the supply chain with anticipated growth of the distribution channel and its demand for the commodity product, all while continuing to reduce the cost of goods sold.

Second QTR 2019 Business Highlights:

- The preferred supplier agreements that have been and are continuing to be forged enable the Company to focus more on its core strengths (takeout sales and distribution channel growth) and enable the Company to achieve better cost of sales with volume discounting being applied to the CBD commodity.
- Despite the anticipated downturn in sales due to the impact of the Covid-19 pandemic on many of our significant retailer and distribution channel partners in Q2, the Company remains optimistic about 2021 as orders continue to build for our products.

Farm and Balance Sheet Adjustments:

- The Company has decided to divest its large-scale farming and processing of CBD biomass and distillate due to the sharp decline in the commodity prices. We have sold 140 acres of its current farmland which in turn has removed \$590,000.00 in related debt from the balance sheet. We have also decided to outsource processing to trusted Colorado based supply chain partners rather than maintaining less efficient in-house processing activities.
- The main reason for these decisions are to address the continued downward price compression on the commodity which has induced the Company to secure the commodity from trusted supply chain partners at a cost lower than the cost of cultivating and/or processing internally.
- The Company will maintain its greenhouses on 25 acres in Strasburg where it will continue R&D plant breeding and cultivation for high-end smokable product.

Brad Wyatt, CEO of the Company stated “We knew going into the COVID-19 shutdown that we’d need to prepare the Company for unprecedented times and unknown circumstances. The good news is that we were able to maintain solid relations with our retail and distribution partners, focus on key endorsements of our brands, and create new opportunities for growth in sales with our finished product lines. We are excited about the opportunities in front of us and we believe, with our current efficiencies, 2021 will be an incredible sales year for the Company.”

ABOUT CBD GLOBAL SCIENCES INC.

CBD Global Sciences, Inc., is a vertically integrated hemp-based CBD producer, extractor, and branding investment vehicle which currently owns two product categories, branded under the name AETHICS (www.aethics.com) and CANNAOIL (www.cannaoilshop.com), which include CBD Oil tinctures (liquid products), CBD capsules, CBD topicals. CBD Global Sciences hemp-derived CBD extracts are sold through select distributors, brick and mortar retailers, and online.

CBD Global Sciences, through its wholly owned subsidiary, Strasburg Pharms, grows and operates irrigated land in Colorado, that grows hemp with only all-natural Colorado water, soil, sun and nutrients and NEVER sprayed with pesticides or chemicals. Our genetics are hand selected and maintained to present the best cannabinoid profile with extremely high CBD. The extraction/processing facility, operated by CBD Global Sciences, is located approximately 40 minutes from the farm.

For further information, please contact Investor Relations, (888) 401-2239, info@cbdglobalsciences.com

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