



August 25, 2020

## **CBD Global Sciences Reports 2019 YE Results**

Denver, Colorado, August 25, 2020 – CBD Global Sciences, Inc. (**CSE: CBDN**) (**OTC: CBDNF**) (**Frankfurt:GS3**), “**CBD Global**” or the “**Company**”, today announced the release of financial and operational results for the fourth quarter ended December 31, 2019. These filings are available for review on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com). All amounts are expressed in U.S. dollars.

### **Financial Highlights**

- For the twelve months ended December 31, 2019 revenue growth of 290% increase to \$2.3 million from \$592,000 revenue in all of fiscal 2018.
  - The increase is attributed to an increased footprint in distribution channels and store count for major retailers carrying our CBD products.
  - A larger variety of product SKUs sold in 2019 versus 2018.
  - The 2020 crop is expected to be larger and more potent than 2019 with less cost to plant and harvest due to a shift to direct seed planting in 2020.
- Assets and inventory:
  - Larger amounts of biomass were harvested per plant in 2019 versus in 2018.
  - Potency of CBD per plant continues to increase year over year.
  - The higher the potency of the plant generally will lead to more efficient processing of the plant into CBD oil, which may translate to a higher plant value.
  - With the direct seeding for the 2020 crop farming expenses are expected to continue to be reduced with larger volumes of biomass being produced.

### **Fourth QTR 2019 Business Highlights:**

- Aethics brand products launched in over 600+ retail stores with two different retailers in 85 major airports across the US. Reorders are already coming in which presents strong sell through with the selected products.
- Expanded into new US states and locations with current and new retail partners.

- Invested operating dollars into the expansion of our distribution channel that increased distributor and retail store count, work that is expected to show increased revenues in Q3 and Q4 of 2020 despite the impact of COVID-19 in the first half of 2020.
- Increased product depth with new CBD performance drops, hydration drinks, shots and lotions.
- Due to IFRS treatment to include the 'going public process' the company incurred a one-time non-cash accounting charge that amounted to \$3.9 million.
- Adjustments to the inventory value were made to offset the compression in the commodity value of the biomass inventory further defining the need to continue to expand the finished product distribution footprint and sell CBD as a finished good ingredient in those products.
- Additional one-time non-cash write downs on inventory and accounts receivables were taken at the advice of our auditors on certain aging receivables from vendors aligning the company in Q3 with a realistic valuation of inventory and expected receivables putting the company in a solid position to finish out 2020 in an improved manner despite the pandemic impact to the company and the economy.

"We worked diligently on properly preparing the company to be in a favorable position going into 2020 with increased store footprint for our finished goods and improved relations with our preferred manufacturing partners. COVID19 created a challenge for our company going into Q1 and Q2 of 2020 but we firmly believe that the company is positioned well going into the last half of 2020 with our retail partners expanding our footprint and the addition of new and larger distribution channels for our finished goods," said Brad Wyatt, CEO of CBD Global Sciences. "Consumers are becoming more informed on choices of product in the CBD market space and are directing their purchases to the highest quality product and best value proposition."

#### **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](http://www.aethics.com)) and CANNAOIL ([www.cannaoilshop.com](http://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.

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