cb2insights

CB2 Insights Announces Record Revenue of $4.2 million for the Third Quarter 2019; Sequential Growth of 29%

TORONTO, Nov. 08, 2019 -- CB2 Insights (CSE:CBII; OTCQB: CBIIF) ("CB2" or the "Company"), a leading data-driven company focused on bringing real-world evidence driven from the point-of-care to the medical cannabis community, announced its results for the three and nine months ended September 30, 2019. All figures are reported in Canadian dollars ($), unless otherwise indicated. CB2 Insights' financials are prepared in accordance with International Financial Reporting Standards ("IFRS").

"This was a milestone quarter for us at CB2, it was the first full reporting period that included the contributions of all three clinical businesses. We now operate one of the largest networks in the US, serving more than 100,000 unique patients annually," said Prad Sekar, CEO of CB2 Insights. "Beyond our clinical business, we started to see our technology and research and development services begin to materialize into revenue-generating divisions. The Company has now booked approximately a quarter of a million in trials that will commence over the next 6 months, with $4 million of opportunities in the pipeline. We continue to blend the three divisions to gather Real-World Data and provide Real-World Evidence with our global partners. Going forward, the Company will remain focused on transformative growth in all areas of our business. Therefore, giving us a clear path to profitability in the near future."

Financial highlights for the third quarter ended September 30, 2019

The following are the major financial highlights of CB2's operating results for the three months ended September 30, 2019 compared to the three months ended June 30, 2019:

- Revenue was $4.2 million for the quarter, compared to $3.3 million in the previous quarter, demonstrating an increase of 29%;
- Gross profit was $2.9 million for the quarter, compared to $2.1 million, demonstrating an increase of 38%;
- Operating expense was $3.7 million for the quarter, compared to $3.8 million, demonstrating a decrease of 2.6%;
- Net loss of $1.1 million, compared to $1.9 million, demonstrating a 43% improvement;
- Adjusted EBITDA[1] loss $288,220, compared to Adjusted EBITDA loss of $790,818, demonstrating an improvement of 64%

Corporate Highlights for the third quarter ended September 30, 2019

For a more detailed overview of the Corporate Highlights, please refer to the Management's Discussion and Analysis for the three and nine months ended September 30, 2019.

- On September 19, 2019, CB2 signed an agreement with UK-based cannabis-evaluation group My Access Clinics to integrate its Electronic Data Capture Technology to assist in management of the clinics as well as extraction of pertinent data surrounding cannabinoid-based treatment among patients in the UK
- On September 3, 2019, CB2 announced the appointment of Dr. Paola Cubillos MD, a prominent Colombian naturopathic and integrative medicine physician, as the Company's Medical Director in Colombia
- On August 1, 2019, CB2 appointed corporate finance executive, Gerry Goldberg to its Board of Directors. Mr. Goldberg will immediately assume the position as Chairman of the Audit Committee.
- On July 31, 2019, CB2 Insights expanded its board of Director with the appointment of a former Johnson and Johnson executive Peter Cummins.
- On July 18, 2019, CB2 was selected as the exclusive research technology platform for leading, and only independent scientific body on drugs in the UK, Drug Science for project TWENTY21.
- On July 9, 2019, CB2 and Premier Health Group successfully completed Phase One of its Clinical Decision Support (CDS) tool integration with Juno, which is an Oscar Service Provider.

Subsequent highlights to the quarter ended September 30, 2019

- On October 29, 2019, CB2 announced it has entered into a technology and multi-phase research agreement with VIVO Cannabis Inc.(TSXV:VIVO) further establishing its leadership position in clinically-validated research support.

Results from Operations

The following table set forth consolidated statements and financial information for the third quarter of 2019 ended September 30, 2019, and second quarter ended June 30, 2019. For further information, please refer to the Company's Management's Discussion & analysis on SEDAR at **sedar.com.**

	Q3 2019	Q2 2019
Revenue	$4,193,138	$3,257,021
Gross Profit	$2,928,842	$2,127,751
Gross Margin	69.80%	65.30%

Operating Expenses	$3,666,092	$3,828,733
Net Loss	$(1,067,997)	$(1,865,895)
Adjusted EBITDA loss	$(288,220)	$(790,818)
Basic and diluted net loss per common share	$(0.013)	$(0.024)
Weighted average common shares outstanding - basic and diluted	79,850,283	78,703,691

** Adjusted EBITDA is defined as earnings before interest, tax, depreciation and amortization, adjusted by significant one off, non-operational expenses and partially offset by the cash impact of certain accounting treatments during the period.*

Financial Measures

This news release makes references to certain non-IFRS measures, including certain industry metrics. These metrics and measures are not recognized measures under IFRS do not have meanings prescribed under IFRS and are as a result unlikely to be comparable to similar measures presented by other companies. These measures are provided as information complimentary to those IFRS measures by providing a further understanding of our operating results from the perspective of management. As such, these measures should not be considered in isolation or in lieu of review of our financial information reported under IFRS. This news release uses non-IFRS measures including "EBITDA", "adjusted EBITDA". EBITDA, and adjusted EBITDA are commonly used operating measures in the industry but may be calculated differently compared to other companies in the industry. These non-IFRS measures, including the industry measures, are used to provide investors with supplementary measures of our operating performance that may not otherwise be apparent when relying solely on IFRS metrics.

Conference Call Details (phone audio only)

CB2 Insights' management team will hold a conference call to discuss our 2019 Q3 Earnings on November 8, 2019 at 9:00am EDT.

Date:	Friday, November 8, 2019
Time:	9:00 a.m. (Eastern Time)
US/Canada Toll Free Dial In:	1-800-319-4610
Toronto Local Dial In:	1-416-915-3239
International Dial In:	1-604-638-5340
Call Name:	CB2 Insights Earnings Call

Milestone Update for Rae of Sunshine Health Services LLC

CB2 is pleased to announce that during the quarter, the acquired assets of Colorado-based medical clinic group Rae of Sunshine Health Services LLC (ROSH), operating as Relaxed Clarity has achieved their milestone and out-performed initial estimates. On September 28, 2019, ROSH was granted 900,380 shares as part of its milestone incentive payments. The team continues to demonstrate that having a strong management team, solid operational platform and economy of scale are key to achieving great success in a mature cannabis market like Colorado.

CB2 Insights Completes Payment Obligation to MedEval Clinics LLC

CB2 is pleased to announce that it has successfully completed its payment obligation to its previously announced acquisition of MedEval Clinics LLC (See April 10, 2019 press release). The initial terms of the agreement included a combination of cash and stock paid on closing of US$150,000 and 450,000 shares of CB2 Insights with a deemed value of US$225,000 and milestone payments up to US$300,000 in additional shares over a full 12-month period, however both parties have agreed to an early payout of 100,000 shares in exchange for a discount on the total value of the acquisition. All shares issued are subject to a minimum hold period of four (4) months plus one (1) day from the date of issuance. By completing these payment obligations early, we can immediately satisfy any additional earn-out payments and are able to concentrate on continuing to grow the Colorado market driving even more impact to our bottom line

Interest Payment to Merida Capital

During the quarter, the Company issued 971,179 shares to Merida Capital as part of its interest payment on a debt note.

About CB2 Insights

CB2 Insights (CSE:CBII) is a global leader in clinical operations, technology & analytics solutions and research and development services with a mission to mainstream medical cannabis into traditional healthcare. Providing immediate market access through its wholly-owned clinical network across 12 jurisdictions, proprietary data-driven technology solutions and comprehensive contract research services designed for those in both the medical cannabis and traditional life sciences industries, CB2 Insights is able to support its partners across the entire data and research spectrum.

CB2's Clinical Operations business unit leverages extensive experience to develop clinical models with standard operating procedures, advanced workflows, training and ongoing management support. CB2 also owns and operates its own speciality clinics including the brands Canna Care Docs and Relaxed Clarity which assess nearly 100,000 patients seeking medical cannabis treatment to provide immediate market access to US-based product manufacturers for clinical trial and research programs.

The Company has built both electronic data capture (EDC) and clinical data management software (CDMS) which work to support its partners of any size to execute their data and clinical strategies.

CB2 also offers comprehensive contract research organization (CRO) services including full scale clinical trial management, trial design, monitoring and other key research functions used by licensed producers, multi-state operators and traditional pharmaceutical companies entering the medical cannabis space.

For more information please visit www.cb2insights.com.

For additional information, please contact:

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Disclaimer Regarding Financial Information

The financial information presented in this press release is based on preliminary, unaudited financial statements prepared by management, for the third quarter ended September 30, 2019. Accordingly, such financial information may be subject to change. All information contained in this press release will be qualified with reference to the interim/ unaudited financial results for the three- and nine-month period ending September 30, 2019, which will be released on November xx.2019, and will be posted on ***sedar.com.*** *While the Company does not expect there to be any material changes to the financial information provided in the press release. Any variation between the Company's actual results and the preliminary financial information set forth herein may be material.*

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 opportunity to provide services and software to the U.S. cannabis industry.

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.