

CB2 Insights Inc.

07:50 21 Apr 2020

CB2 Insights completes purchase of Colorado-based Relaxed Clarity

CB2 Insights Inc (CSE:CBII) (OTCQB:CBIIF) announced on Tuesday that it has completed the purchase of Colorado-based medical cannabis clinic group Rae of Sunshine Health Services (ROSH) LLC.

On April 4 last year, CB2 said it would acquire 100% of ROSH and its subsidiaries in a cash and stock deal, and took over operations for the multi-location clinic group. As per the agreement, CB2 will issue 882,978 shares to complete the purchase and the shares will be subject to a four-month hold.

ROSH, operating under the name Relaxed Clarity, has four physician-staffed clinics in Colorado specializing in medical cannabis therapy. Last year the company posted nearly C\$1.1 million in revenue and C\$200,000 in positive earnings before interest, taxes, depreciation, and amortization (EBITDA). In 2019, the US medical cannabis therapy group added 11,000 patients through Relaxed Clarity.

READ: CB2 Insights acquires Colorado-based Relaxed Clarity in a cash and stock deal; shares rise

"Our clinic activity in Colorado, which includes both Relaxed Clarity and MedEval have added a significant amount of strength to our business over the past year, and have surpassed initial targets forecasted for the state with proven growth already within the first quarter of 2020," CB2 Insights CEO Prad Sekar said in a statement.

"In particular, Colorado illustrates a strong medical cannabis market in a state that has heavy recreational penetration, proving that in a well-evolved, adult-use market, patients still rely on comprehensive consultation and education services from specialty clinics," he added.

The company also announced an interest payment to Merida Capital related to its outstanding debt note in a share-only payment of 1,213,443 shares.

And CB2 has also issued 1,393,777 shares as part of a non-executive Employee Stock Option Program (ESOP), which vests over four years. The CB2 boss said the team at the company continued to "go above and beyond" despite navigating the coronavirus (COVID-19) pandemic.

"Our business remains strong and that is a direct reflection of our hard-working teams. This new non-executive ESOP will help illustrate at least a portion of our gratitude for those efforts and aligns all internal stakeholders towards the long-term growth of the company," Sekar added.

Lastly, the company said it will issue an additional 831,287 shares in lieu of certain accounts payable which will allow CB2 to conserve its cash resources as it enters the second quarter. As part of this share issuance, co-founders Sekar and Kash Qureshi, who is CB2's president and CTO have agreed to take 30% of their compensation in shares in lieu of salaries to support of cash management and long-term growth. Both executives have not sold any shares in the

Price: 0.19

Market Cap: \$18.54 m

1 Year Share Price Graph



Share Information

Code: CBII

Listing: CSE

52 week High Low
0.2 0.055

Sector: Cannabis

Website: cb2insights.com

Company Synopsis:

Our mission is to deliver the industry's most comprehensive, data-driven software and services - transforming the way the global cannabis industry evolves through actionable insights.

action@proactiveinvestors.com

company so far.

The Toronto-based data analytics company anticipates achieving its stated 2019 revenue goal of more than C\$20 million, giving year-over-year growth of more than 80% compared to 2018, it added in the statement.

CB2 gathers data and creates objective evidence in an effort to bring medical cannabis into traditional health care.

In March, the company acquired MedEval Clinic LLC, a medical cannabis evaluation and education center group with locations in Colorado and Arizona.

Contact the author Uttara Choudhury at uttara@proactiveinvestors.com

Follow her on Twitter: [@UttaraProactive](https://twitter.com/UttaraProactive)

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.

In exchange for publishing services rendered by the Company on behalf of CB2 Insights Inc. named herein, including the promotion by the Company of CB2 Insights Inc. in any Content on the Site, the Company receives from said issuer annual aggregate cash compensation in the amount up to Twenty Five Thousand dollars (\$25,000).