

CB2 Insights

15:00 20 Mar 2019

CB2 Insights strikes deal to acquire MedEval Clinic

CB2 Insights (CSE:CBII), the medical cannabis-focused data firm, said Wednesday that it has struck a binding agreement to acquire MedEval Clinic LLC, a medical cannabis evaluation and education center group with locations in Colorado and Arizona, for about US\$375,000 in cash and stock.

The deal marks the second clinical acquisition for the Toronto company and follows its takeover of Canna Care Docs, the biggest multi-state cannabis clinic group in the US, back in 2017.

MedEval runs two clinics in Colorado with locations in Colorado Springs and Centennial as well as one clinic in Phoenix, Arizona. Set up in 2014, it offers cannabis evaluation and educational services and reported about C\$1 million in revenue last year.

Under the agreement's terms, the acquisition will cost CB2 US\$150,000 in cash as well as 450,000 of its shares worth a deemed value of US\$225,000. Additional milestone incentives are in place, which are valued at up to US\$300,000.

READ: CB2 Insights opens new chapter as medical cannabis data supplier begins CSE trading

In a statement, Prad Sekar, CEO of CB2 Insights, said the company is eager to expand in Colorado and Arizona.

"[T]his acquisition not only increases our data pool but has an accretive lift to our financial performance," said Sekar in a statement. "Colorado plays a vital role in medical cannabis data, representing a very mature recreational market which also sees medical cannabis patient counts continue to grow. ... Additionally, Arizona's untapped market presents a number of opportunities for our company, as the state is primed for growth in the medical cannabis space."

There is a lack of medical cannabis data, according to CB2 Insights, which is aiming to be a front-runner in filling demand. It provides predictive analytics tools as well as data-driven software and services. In addition, the company operates 28 cannabis evaluation and education clinics in 12 states.

When it comes to educating the medical community and having cannabis accepted as a form of medical treatment, clinical trials for cannabis are still years away. For now, much of the data has been anecdotal and, therefore, subjective, according to the company.

CB2 concentrates on gleaning real-world evidence obtained from data outside randomized trials and generated during routine clinical practice. The company has created what it says are game-changing tools that engage the medical community and provide the data doctors and other professionals need to recommend with confidence cannabis-based medicines.

CB2 Insights currently evaluates 65,000 patients annually through its clinic network and handles millions of clinically

Price: C\$0.165

Market Cap: C\$12840400M

1 Year Share Price Graph



Share Information

Code: CBII

Listing: CSE

52 week High Low
C\$0.50 C\$0.15

Sector: Cannabis [T3]

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

validated data points to advance understanding of the effectiveness and risks associated with cannabinoid therapy.

CB2 shares slipped C\$0.015 to hit C\$0.305 in afternoon trade on Wednesday.

Contact Ellen Kelleher at ellen@proactiveinvestors.com

-- This story was updated to include the price of CB2's MedEval acquisition as well as the latest share price movement--

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

Proactive Investors is a publisher and is not registered with or authorised by the Financial Conduct Authority (FCA). You understand and agree that no content published constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value or suitability of any particular security, portfolio of securities, transaction, 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.