

Thoughtful Brands Inc.

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Thoughtful Brands achieves vertical integration with American CBD Extraction Corp acquisition

Thoughtful Brands Inc (CSE:TBI) (OTCQB:PEMTF), a global natural health products and e-commerce technology company, announced on Friday that it has acquired all the outstanding share capital of American CBD Extraction Corp in an all stock deal.

The Vancouver-based company through its Kentucky-based subsidiary, American CBD has the ability to process over 1,200 pounds of hemp per day to produce winterized crude. Thoughtful Brands will now adopt a vertically integrated model, controlling each aspect of its supply chain, including production, logistics and value chain.

"The acquisition of American CBD marks a promising new phase for the Thoughtful Brands," CEO Ryan Dean Hoggan said in a statement.

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"With vertical integration taking effect immediately, we look forward to the entire business benefitting through reduced costs, additional expansion opportunities and product innovation," he added.

Through the acquisition of American CBD, the company has acquired an abundance of hemp biomass along with a fully equipped and licensed 41,000-square-foot facility that can process over 1,200 pounds of hemp per day.

The company said this enables Thoughtful Brands to launch new proprietary CBD brands with products made from hemp that they extract and produce themselves. In addition, the company plans to develop products for future brand clients and will also become a wholesale supplier of hemp biomass. Thoughtful Brands will also utilize American CBD's technological and scientific expertise to enhance the formulations of the direct-to-consumer CBD brands currently under the company's umbrella.

"We look forward to closing 2020 on a high note and an array of new initiatives in 2021," added Hoggan.

The American CBD acquisition is the result of an amalgamation agreement between the company, a wholly-owned subsidiary of the company and American CBD. To complete the deal, the company has issued 110 million common shares to the shareholders of American CBD in exchange for every share of American CBD held by them.

The consideration shares are subject to a voluntary pooling arrangement, from which 25% of the consideration shares were released on the closing date of the transaction, with the release of an additional 25% after each subsequent 90-day period.

Price: 0.055

Market Cap: \$13.57 m

1 Year Share Price Graph



March 2020 July 2020 January 2021

Share Information

Code: TBI

Listing: CSE

52 week High Low
0.295 0.05

Sector: Cannabis

Website: thoughtful-brands.com

Company Synopsis:

Thoughtful Brands Inc. is an eCommerce technology company that develops, produces and markets natural health products through various brands in North America and Europe utilizing its proprietary direct-to-consumer platform. Through continuous strategic acquisitions, the company has a strong footprint in the CBD and nutraceutical product markets.

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In connection with the closing of the transaction, Thoughtful Brands has also struck an agreement with 9112-7258 Quebec Inc for operating the American CBD assets in Jenkins, Kentucky. As part of the deal, the company has paid the operator a bonus of C\$1,300,000, which has been settled through the issuance of 13,000,000 shares of the company.

In addition to the bonus shares, the operator will be entitled to receive a C\$2,000,000 milestone payment from the company on the achievement of cumulative sales of over US\$1 million produced from the Kentucky facility acquired as part of the transaction; or by the entering into of a supply agreement with a third-party to deliver finished product on a wholesale basis at a price less than the manufacturing cost of similar product by the company.

The milestone payment will be settled with the issuance of shares, which shall be valued based on the five-day volume-weighted average closing price of the company's shares on the Canadian Securities Exchange immediately prior to the milestone payouts.

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