

# Namaste Technologies Inc

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## Namaste strikes share purchase agreement to acquire remaining 49% interest in CannMart Labs for full ownership

Namaste Technologies Inc (CVE:N) (OTCMKTS:NXTTF) (FRA:M5BQ) has entered into a share purchase agreement to acquire the remaining 49% interest in CannMart Labs Inc for full ownership of the cannabis extractor.

Under the terms of the proposed transaction, it will acquire the remaining stake from MKD Holdings Inc and JLLS Holdings Inc in exchange for a purchase price of \$4,034,000, Namaste said in a statement Wednesday.

The company noted that CannMart Labs facility in Ontario has been completed for BHO (butane hash oil) extraction using leading extraction technology, making it one of only a few facilities in Canada with such capabilities. The lab's application is in the final phase for a processing license from Health Canada.

### READ: Namaste Technologies posts C\$5.6M in 3Q revenue on the back of online cannabis platform CannMart

CannMart Labs is set to produce in-house branded Cannabis 2.0 products for medical channel customers at CannMart.com and recreational customers across Canada through sister company CannMart Inc.'s network of provincial sales partners. Cannabis 2.0 products initially planned include shatter and live resin with capabilities to expand future distillate product offerings to vape cartridges, gel capsules, tinctures, and edibles.

In May 2018, Namaste acquired a 51% interest in CannMart Labs and agreed to finance the construction of its facility in Etobicoke, a purpose-built oil extraction facility that incorporates a leading extraction technology facility designed to meet EU Good Manufacturing Practice (EU-GMP) certification requirements.

"Acquiring the remaining interest in CannMart Labs is another important milestone achieved in establishing Namaste as a leading company within the Canadian cannabis sector," said Namaste CEO Meni Morim.

"CannMart Labs is in the final stage of its application for an important processing licence from Health Canada. It has installed state-of-the-art extraction technology in its facility, which when granted a licence, will be able to produce an array of cannabis products including shatter and live resin, as well as future distillate products such as vape cartridges, gel capsules, tinctures and edibles."

Morim added: "This transaction is advantageous to Namaste shareholders as the Vendors will continue to provide management services and will receive earn-out payments in the form of Namaste common shares or cash only upon the successful achievement of certain revenue and gross profit targets and if the targets are met, the cash payment option allows Namaste to minimize dilution associated with the acquisition."

**Price:** 0.305

**Market Cap:** \$121.04 m

### 1 Year Share Price Graph



### Share Information

**Code:** N

**Listing:** TSX-V

52 week	High	Low
	0.53	0.19

**Sector:** Cannabis

**Website** [www.namastetechnologies.com](http://www.namastetechnologies.com)

### Company Synopsis:

*With headquarters in Toronto, ON, and offices in both B. C. and around the globe, Namaste Technologies is a leading online platform for cannabis products, accessories, and responsible education. The company's 'everything cannabis store', CannMart.com, provides customers with a diverse selection of hand-picked products from a multitude of federally-licensed cultivators, all on one convenient site.*

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## Financial terms

According to the proposed deal, the first tranche of \$4 million-plus purchase price will be \$1,608,500 to be paid to the vendors in common shares of Namaste issued at a deemed price equal to the seven-day, volume-weighted average price of Namaste's common shares on the TSX Venture Exchange on the closing date of the transaction.

The remaining \$2,425,500 is payable in equal tranches over the next nine fiscal quarters beginning on the fiscal quarter ending February 28, 2021, on the exchange on the date of issuance required within five days of the end of the applicable fiscal quarter.

The vendors are also entitled to earn-out payments in the form of Namaste common shares, on a sliding scale, upon the achievement of pre-determined revenue targets, which are also payable over the next nine fiscal quarters beginning on the fiscal quarter ended February 28, 2021. The maximum amount of each payment is capped at about \$1.94 million of Namaste common shares at the exchange on the date of issuance required 15 days from publication of Namaste's applicable quarterly financial statements. There is no minimum quarterly earn-out payment.

Namaste has the option of paying any of the purchase price and any earn-out payment (if any), in cash, subject to a 5% discount. The maximum number of common shares which may be issued to the vendors is 64,466,942, representing 19.9% of Namaste's currently outstanding common shares.

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