

Mojave Jane

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Mojave Jane Brands says Bravo acquisition reversal cuts costs and allows it to focus on direct-to-consumer model

Mojave Jane Brands Inc (CSE:HC) (OTCMKTS:HHPHF), the California-focused cannabis group, said it has agreed to the terms with Bravo Distribution to reverse its acquisition of the latter, a move the company says will save it over US\$500,000 a year.

The firm originally bought Bravo in 2018 to provide distribution capabilities to dispensaries in California, but the reversal reflects the strategic shift by Mojave Jane from low-margin distribution to a higher-margin direct-to-consumer model.

It will also continue its strategy that combines manufacturing and premium brands with a direct to consumer distribution (D2C) model through its investment in SpeedWeed, which was announced on October 25, 2019.

READ: Mojave Jane Brands uplists US-traded shares to the OTCQB Venture Market

Bravo will now return the 4.5 million shares issued in consideration and Bravo principals will take on all financial commitments and liabilities related to the Bravo operation.

Consequently, Mojave anticipates ongoing cash savings in excess of \$500,000 per annum, as well as a one-time saving of \$100,000 related to these liabilities, it said in a statement.

The firm recorded a non-cash impairment charge of \$500,000, representing the remaining goodwill on its balance sheet related to Bravo.

"The reversal reduces our OpEx spend and shares outstanding, and enables us to focus fully on our manufacturing, brands and direct to consumer (D2C) business model, a positive outcome for us and our shareholders," said Mojave Jane chief executive Gary Latham.

"We anticipate our D2C model will deliver significantly higher margins compared to the Bravo model, and helps us establish even stronger ties with brands, dispensaries and consumers.

"With our recently increased investment in SpeedWeed, we are well positioned to execute on this model, and we look forward to updating shareholders regularly on our progress."

SpeedWeed has over 200,000 registered users and an expansive data set on consumer preferences that provides valuable intel on marketing and production logistics.

Mojave Jane has increased its position in SpeedWeed to nearly 25% and has the option to further increase it to 40%.

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Price: 0.01

Market Cap: \$1.23 m

1 Year Share Price Graph



Share Information

Code: JANE

Listing: CSE

52 week	High	Low
	0.33	0.01

Sector: Cannabis

Website: www.mojavejane.com

Company Synopsis:

Mojave Jane Brands Inc. is a Canadian-based cannabis sector brand and distribution company emerging as a true vertical integrator in California's legal cannabis space serving recreational and wellness markets. The Company's U. S.

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