



CSE: TBI
FSE: 1WZ:GR
OTCQB: PEMTF

Thoughtful Brands Acquires American CBD Extraction Corp.

Company also commences vertically integrated model

VANCOUVER, BRITISH COLUMBIA, CANADA (November 13, 2020) – [Thoughtful Brands, Inc.](#) (CSE:TBI FSE: 1WZ1; OTCQB: PEMTF) (the “**Company**” or “**Thoughtful Brands**”), a global natural health products and eCommerce technology company, is pleased to announce that it has acquired all of the outstanding share capital of American CBD Extraction Corp. (“**American CBD**”).

Through its Kentucky-based subsidiary, American CBD has the ability to process over 1,200 lbs. of hemp per day to produce winterized crude. With the acquisition of American CBD, Thoughtful Brands will immediately 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,” said CEO Ryan Dean Hoggan. “With vertical integration taking effect immediately, we look forward to the entire business benefitting through reduced costs, additional expansion opportunities and product innovation.”

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 more than 1,200 pounds of hemp per day. This enables new focuses for Thoughtful Brands across multiple means of production, including the launch of new superior quality, proprietary CBD brands with products made from hemp they extract and produce themselves. In addition, Thoughtful Brands 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 acquisition of American CBD proceeded pursuant to an amalgamation agreement among the Company, a wholly owned subsidiary of the Company (“**Subco**”) and American CBD (the “**Definitive Agreement**”). Pursuant to the Definitive Agreement, American CBD amalgamated with Subco, and the resulting amalgamated entity is now a wholly-owned subsidiary of the Company (the “**Transaction**”). In consideration for the completion of the Transaction, the Company has issued 110,000,000 common shares (“**Consideration Shares**”) to the shareholders of American CBD in exchange for every share of American CBD they held.

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 a release of an additional 25% after each subsequent 90-day period.

In connection with the closing of the Transaction, the Company has also entered into an operating agreement (the “**Operating Agreement**”) with 9112-7258 Quebec Inc. (the “**Operator**”) for the operation of the American CBD assets in Jenkins, Kentucky. Pursuant to the Operating Agreement, the Company has paid the Operator a bonus of Cdn\$1,300,000, which has been settled through the issuance of 13,000,000 common shares of the Company (the “**Bonus Shares**”). In addition to the Bonus Shares, the Operator will be entitled to receive a Cdn\$2,000,000 payment (“**Milestone Payment**”) from the Company upon (i) the achievement of cumulative sales of over USD\$1,000,000 produced from the Kentucky facility acquired as part of the Transaction; or (ii) 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 through the issuance of common shares of the Company (“**Milestone 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 payments becoming payable.

The Company is at arms-length from American CBD and its shareholders. The Transaction neither constitutes a fundamental change nor a change of business for the Company, nor has it resulted in a change of control of the Company within the meaning of applicable securities laws and the policies of the Canadian Securities Exchange. In connection with the completion of the Transaction, the Company has issued 1,100,000 common shares to an arms-length third-party who assisted with facilitating the Transaction.

About Thoughtful Brands Inc.

Thoughtful Brands Inc. is an eCommerce technology company that researches, develops, markets, and distributes natural health products through various brands in North America and Europe. Through continuous strategic acquisitions, the Company has a strong footprint in the CBD market. Thoughtful Brands currently owns and operates multiple direct to consumer CBD brands and is positioning itself to become vertically integrated through the acquisition of American CBD Extraction Corp.

ON BEHALF OF THE BOARD OF DIRECTORS

THOUGHTFUL BRANDS INC.

Ryan Hoggan
Chief Executive Officer

For further information, readers are encouraged to contact Joel Shacker, President at +604.423.4733 or by email at info@thoughtful-brands.com

Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this press release, which has been prepared by management.

Cautionary Note Regarding Forward-Looking Statement

All statements in this press release, other than statements of historical fact, are “forward-looking information” with respect to the Company within the meaning of applicable securities laws, including with respect to its plans to vertically integrate its operations, reduce cost, enhance quality of products, develop new products, expand sales, extract and sell hemp, wholesale hemp, develop superior quality CBD brands, offer products using hemp produced and extracted by the Company’s subsidiaries, formulate products for third-parties, wholesale hemp, utilize American CBD’s technological and scientific expertise to enhance formulations of its existing brands. The Company provides forward-looking statements for the purpose of conveying information about current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. By its nature, this information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. These risks and uncertainties include but are not limited those identified and reported in the Company’s public filings under the Company’s SEDAR profile at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise unless required by law.