CORNBREAD HEMP™
2020 Report

Dear investors,

Without our family of Wefunder investors, our growth in 2020 would not have been possible. We remain incredibly grateful at the trust and belief that you showed us during such a trying time as the COVID pandemic. With your investments, we have been able to grow and scale our business to the point of profitability in the second quarter of 2021, with the launch of our organic CBD gummies, the build out of our 40,000 sq. ft. warehouse and distribution center, and the acquisition of our Wefunder investors, we are in a good position to continue acquire customers and gain market share. Thank you!

We need your help!

On the PR front, we always need warm introduction to editors, reporters, podcast hosts, and TV talk show bookers. For our retail expansion, now that the COVID restrictions are lifting, we could use introductions to wellness buyers at health food stores and pharmacies. For online sales, we need introductions to creators and influencers with a large social following to jump-start our self-logging process.

Sincerely,

Eric Zipperle
Co-Founder & CEO

Jim Higdon
Co-Founder & COO

Our Mission

Cornbread Hemp hopes to be the go-to CBD brand for every age group from Boomers to Millennials, and their pets. Our focus is to build a brand that includes audiences across all ages and genders. Our number one goal within this focus is to create a retail account (50+ stores) that will provide the same standard of customer service we have set thus far. In five years, we see Cornbread Hemp as a nationally recognized brand in major retailers like Fresh Market, Whole Foods, and more.

See our full profile

How did we do this year?

Report Card

A-

The Good

- Q4 holiday sales season
- Crowdfund on Wefunder
- Product formulation R&D

The Bad

- Retail sales
- COVID-related hurdles
- Inability to run Facebook ads

2020 At a Glance

January 1 to December 31

$430,334 +138% Revenue

-$5,059 Net Loss

$55,090 +166% Short Term Debt

$392,871 Raised in 2020

$255,659 Cash on Hand As of 05/31/21

INCOME | BALANCE | NARRATIVE

Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and the related notes and other financial information included elsewhere in this annual report. Some of the information contained in this discussion and analysis, including information regarding the strategy and plans for our business, includes forward-looking statements that involve risks and uncertainties. You should review the "Risk Factors" section for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

Cornbread Hemp provides Kentucky-grown USDA certified organic CBD products and other full spectrum CBD products that are shipped directly to customers from our website as well as distributed to top-tier health food stores, pharmacies, and co-ops across America.

Cornbread Hemp hopes to become the go-to CBD brand for every age group from Boomers to Millennials. Our focus is to build a brand that includes audiences across all ages and genders. Our number one goal within this focus is to create an our first major retail account that will provide the same standard of customer service we have set thus far. In five years, we see Cornbread Hemp as a nationally recognized brand in major retailers, pending FDA regulations.

Milestones

Cornbread CBD, PBC was incorporated in the State of Kentucky on January 2019.

Since then, we have:

- Become Kentucky's first provider of USDA organic cannabidiol (CBD) products;
- Established ourselves nationally online with affiliate placements in Healthline, Rolling Stone, Thrillist, Health.com, New York Magazine, and other reputable publications;
- Sold in over 100 retail stores in 10 states.
- Products USDA certified organic
- In addition to our products being certified organic, our brand has received USDA organic certification in Q1 2021 from Ecocert, a third-party certifier.

Historical Results of Operations

Our company was organized in January 2019 and has limited operations upon which prospective investors may base an evaluation of its performance.

- *Revenues & Gross Margin.* For the period ended December 31, 2020, the Company had revenues of $430,334.00 compared to the year ended December 31, 2019, when the Company had revenues of $181,734. Our gross margin was 57.96% in fiscal year 2020, compared to 48.26% in 2019.
- *Assets.* As of December 31, 2020, the Company had total assets of $545,574.00, including $374,480.71 in cash. As of December 31, 2019, the Company had $120,418.31 in total assets, including $111,221 in cash.
- *Net Loss.* The Company has had net losses of $5,059.14 and net losses of $37 for the fiscal years ended December 31, 2020 and December 31, 2019, respectively.
- *Liabilities.* The Company's liabilities totaled $57,358.13 for the fiscal year ended December 31, 2020 and $10,701 for the fiscal year ended December 31, 2019.

Related Party Transaction

Refer to Question 26 of this Form C for disclosure of all related party transactions.

Liquidity & Capital Resources

Before our Wefunder campaign, the company had been financed with $100,000 in equity.

After the conclusion of this annual report, we raised nearly $400,000 to provide us with a projected runway of 12 months before we need to raise further capital.

We plan to use the proceeds as set forth in Form C under "Use of Funds". We don't have any other sources of capital in the immediate future.

We will likely require additional financing in excess of the proceeds from the Offering in order to perform operations for the next 12 months. The Company plans to raise capital in 2022. Except as otherwise described in this Form C, we do not have additional sources of capital other than the proceeds from the offering. Because of the complexities and uncertainties in establishing a new business strategy, it is not possible to adequately estimate the amount of capital we will require to be sufficient to enable us to implement our strategy. This complexity and uncertainty will be increased if less than the maximum amount of securities offered in this offering is sold. The Company intends to raise additional capital in the future from investors. Additional capital may be required for early-stage companies, there is no guarantee that the Company will receive any investments or loans.

Runway & Short/Mid Term Expenses

Cornbread CBD, PBC cash in hand is $255,659, as of March 2021. Over the last three months, revenues have averaged $85,000/month, and cost of goods sold has been averaged $20,000/month, and operating expenses have averaged $50,000/month, for an average burn rate of $6,000 per month. Our intent is to be profitable in 3 months.

Since the beginning of 2021, we have grown month over month. March 2021 was our best month ever, beating the holiday sales season of November 2020.

For the next two quarters, we expect our revenues to grow along with our expenses, as we continue to deploy resources to grow our brand.

Net Margin: -1% | Gross Margin: 58% | Return on Assets: -1% | Earnings per Share: -$7.03 | Revenue per Employee: $143,445

Cash to Assets: 69% | Revenue to Receivables: 10,876% | Debt Ratio: 89%

CBH_Financials_2020_Final.pdf | Cornbread_Hemp_2020_financials.pdf | Cornbread_Reviewed_Financials.pdf | CBH_Financials_Final.pdf

We ♥ Our 856 Investors

Thank You For Believing In Us

Kerstin Capital Investme... Bill Holland Jeffrey Hall Adnan Kutkani Jeffrey Wilson Derek Hanna Elizabeth Lumbatis Ott Ronald Cunningham Pedro E Galarza Jonathan Hughes Zenaida Bulgarac Jeffrey Hall Douglas Andrew Rowley Jeffrey Hall Helen Rowley Lenka Adwood Jeffrey Hall William A Brown Jeffrey Hall Derek Wilkinson Jeffrey Hall Jamie Lee Watkins Jeffrey Hall Jeffrey Hall Jeffrey Hall