

Cabbacis Inc. (CABI)

Investment Thesis

Cabbacis is positioned to become an early mover in the emerging reduced-nicotine + hemp tobacco/harm-reduction category with patented technology and near-term commercialisation and licensing potential.

Company Overview

Cabbacis Inc. is a U.S. federally-licensed tobacco-product manufacturer developing its flagship iBlend™ brand: cigarettes and vaporizer pods featuring reduced-nicotine tobacco blended with non-intoxicating hemp. The company’s mission is to provide less harmful alternatives for the world’s ~1 billion smokers.

The Problem & The Solution

The Problem

Conventional combustible cigarettes contain addictive levels of nicotine and are increasingly regulated; global pressure is mounting for nicotine reduction and harm-reduction alternatives.

The Solution

Cabbacis’ iBlend™ products combine ~95% reduced-nicotine tobacco (versus major U.S. brands) with hemp blends, offering an alternative that may better satisfy smokers, align with regulatory trends, and enable licensing/roll-out globally.

Market Opportunity

The global tobacco market is measured in the hundreds of billions of dollars (often cited above \$1 trillion) and faces shifting regulation toward nicotine caps and harm-reduction products. Cabbacis positions itself ahead of a potential U.S. rule reducing nicotine levels ~95% in cigarettes. The opportunity: converting or licensing in global tobacco/hemp sectors across large markets (U.S., China, Europe, Brazil, Japan) where two-thirds of smokers reside.

Business Model

Revenue is expected to come from:

- Sales of iBlend™ branded reduced-nicotine/hemp cigarettes and vaporizer pods (once regulatory approvals are secured).
- Licensing and partnership agreements (domestic and international) for the patented tobacco-hemp technology and manufacturing know-how.
- Possibly contract manufacturing and IP monetisation (patents across 30+ countries) as the company scales. Currently the company is pre-commercial and generating no revenue yet, but funds are being raised via Regulation A offering to support commercialisation.

Competitive Positioning

Cabbacis offers a differentiated combination:

- A robust global issued patent portfolio (35+ issued patents) covering blends of reduced-nicotine tobacco + hemp in cigarettes and vaporizer pods across key global markets.
- First-mover advantage ahead of proposed regulatory changes (e.g., expected filing of the first U.S. Premarket Tobacco Product Application (PMTA) around January 2026) which aligns it with regulatory tailwinds.
- A dual strategy: develop own brand (iBlend™) while pursuing international licensing/partnerships, enabling capital-efficient scaling. That gives Cabbacis a credible niche “moat” in a high-barrier industry (regulated manufacturing + IP) rather than trying to compete broadly with major tobacco companies from day one.

Financial Snapshot & Traction

- **Revenue (Latest Fiscal Year/Quarter)**
 - Zero revenue so far (development stage) for first half 2025 and similar to 2024.
- **Profitability/Margins**
 - Currently operating at a net loss: for the six-months ended June 30, 2025 the net loss was approx USD \$735,560 vs \$299,480 in same period in 2024.
- **Key Performance Indicators (KPIs)**
 - Completed pilot clinical trial: the iBlend™ cigarettes were rated highly on satisfaction and significantly reduced cravings compared to usual brand cigarettes.
 - Patent issuance: U.S. Patent No. 12,349,724 issued for vaporizer pods blending tobacco/hemp.
 - Regulation A offering qualified: seeking up to \$7 million to fund development & commercialization.
- **Balance Sheet Health**
 - Low debt (virtually none reported); assets modest (~US\$1.9 million in 2024) but a clean balance sheet. Cash situation: as of mid-2024 approx US\$1.03 million cash on hand with plan to cover next 12 months.

Investment Highlights

- Pioneering in a potentially high-growth regulatory era: positioned to benefit from nicotine-cap mandates and increasing demand for harm-reduction alternatives.
- Strong IP foundation and global patent coverage, creating a barrier to entry and licensing potential across key international markets.
- Near-term commercialisation roadmap: plan to file U.S. PMTA ~Jan 2026 and actively exploring licensing/partnerships internationally and marketing tech/products in parallel.
- Capital-raise underway: Qualified for Regulation A offering, opening investment to broad audience, raising funds explicitly for commercialisation and regulatory process.
- Dual strategy (own brand + licensing) offers scalability and flexibility: can monetise technology through partnerships while stretching internal resources.

The Vision

Looking ahead, FET aims to capitalise on a recovery in offshore drilling, deeper subsea interventions, and replacement / lifecycle spend in mature fields. As this cycle unfolds, FET’s backlog, global platform and cost leverage position it to translate order momentum into strong earnings & free cash flow growth. Over the next 12-24 months, the company’s vision is to transform from a turnaround story into a cash-generating, shareholder-returning microcap—delivering outsized gains for investors who identify it early.