

Redfund Capital Corp.

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Redfund Capital betting on demand for CBD-infused beverages, strikes deal to acquire Florida-based tea company

Redfund Capital Corp (CSE:LOAN) (OTCMKTS:PNNRF) announced Wednesday it had signed a letter of intent to acquire Florida-based Sunshine State Tea Company, part of an effort to develop CBD-infused tea brands.

Redfund's CEO Meris Kott told shareholders that the deal will give the investment company a path to its first direct revenue stream in the CBD-infused beverage market.

"We will continue to expand our reach into profitable revenue streams as the CBD market expands and is given more exposure promoting its health and wellness benefits," Kott said in a statement.

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The letter of intent to acquire Sunshine State was signed on November 7 and gives the two companies 60 days to finalize the deal. Under the terms of the proposed agreement, Redfund will purchase 100% of the tea company, including all formulas, rights, licenses and concessions owned by Sunshine State.

Redfund said it will fund the infusion project for a three-year period to an initial tune of C\$500,000 and raise additional funds to support product expansion.

Vancouver-based Redfund said it also agreed to a purchase price with consideration in common shares, the amount and valuation of which will be decided after the completion of due diligence.

The agreement comes amidst a potentially booming market for CBD in the US, according to Redfund. Zenith Global estimates that the US CBD-filled market could hit an estimated US\$1.4 billion by 2023, making it one of the fastest-growing sectors in the cannabis industry.

"We are hoping to sign the definitive in the next few weeks and look forward to pushing this CBD tea brand forward," Kott said in a statement.

Redfund also said that it granted 100,000 options to an unnamed director, exercisable at C\$0.17 over a five-year period.

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Share Information

Code: LOAN

Listing: CSE

Sector: Banks

Website: www.redfundcapital.com

Company Synopsis:

Designed by bankers and entrepreneurs with years of experience in business, consulting, capital markets, corporate finance, healthcare services, and the cannabis industry, Redfund Capital provides a debt financing facility to help companies build their valuation and get to the next level in their financing cycle without giving away equity prematurely in their growth cycle.

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