Visionstate Corp. portfolio company Freedom Cannabis completes acquisition

written by Raj Shah | September 20, 2022

Acquisition to boost Freedom's revenue and market share

September 19, 2022 (Source) – Visionstate Corp. (TSXV:VIS) (OTC:VSSSF) ("Visionstate" or the "Company") is pleased to announce that portfolio company Freedom Cannabis Inc., a Canadian producer of premier cannabis products, has signed a definitive agreement to acquire the assets of Calgary-based Boaz Pharmaceuticals Inc. (boazpharm.com).

The acquisition of Boaz is expected to double the revenue for Freedom Cannabis as it expands its growing footprint. Visionstate is an early investor in Freedom Cannabis and owns approximately 3.2 million shares.

With 126,000 square feet of cultivation and manufacturing space, the Boaz assets are expected to double the production capacity of Freedom's existing facility and provide entrance into cannabis 2.0 products. The Boaz assets consist primarily of 44 specially repurposed shipping containers equipped with new technologies to produce superior quality crops and higher yields. The containers provide opportunities for scalability and ease of installation and allow for expansion of new cannabis strains. Each container is expected to hold approximately 850 cannabis plants and yield approximately 40,000 grams.

Key Transaction Highlights:

- Expands production capacity: The containers are expected to double the production capacity of the existing

facility.

- Lower production costs: The containers are outfitted with innovative technology which will increase yields and lower operating costs to contribute to cost efficiencies.
- Enhances branded product: Boaz has a series of cannabis 2.0 products which will be integrated and expanded upon to provide diversification in Freedom's product offering to retail consumers. In addition, Boaz has an extensive catalog of cannabis strains with the ability to supply those strains to customers.
- Shareholder value: The transaction will deliver additional EBITDA to shareholders through synergies and other strategic initiatives.
- Equity Investment: The principal shareholders of Boaz have committed to investing $1.8 million into Freedom Cannabis providing the Company additional working capital and demonstrating Boaz's commitment to Freedom Cannabis.

"This is an exciting step toward our vision of expanding the scale of our quality cannabis products, while contributing to overall shareholder value," explained Johnfrank Potestio, CEO of Freedom Cannabis. "Boaz has a demonstrated history of producing quality craft cannabis and will integrate seamlessly with our own products."

The acquisition will provide Freedom Cannabis with additional packaging equipment for the Company's fast-growing services division, additional growing capacity to meet the rising demand for retail products across Canada and secure a foothold into the cannabis 2.0 market.

Additionally, Freedom will acquire all inventory for Boaz and product SKUs currently offered throughout Canada, including in provinces currently not served by Freedom Cannabis, particularly in the Maritimes where Boaz has a strong market presence.

Freedom Cannabis will also be acquiring important intellectual property assets, including IP associated with Boaz's extracts division and K-Cup product which is a unique cannabis-infused coffee drink.

"This acquisition demonstrates our commitment to revenue growth and increasing shareholder value," explained Potestio. "Freedom Cannabis is quickly becoming one of the most well recognized and respected brands in the cannabis sector, and the acquisition of Boaz is another step in that direction."

About Freedom Cannabis

Freedom is a leader in the cannabis industry with a focus on servicing the adult recreational market. Headquartered in Acheson, Alberta, Freedom is focused on changing lives and becoming a cult-like brand through growing quality cannabis. Driven by science and innovation, and with a focus on high quality cannabis products, Freedom continues to focus on meeting the needs of the adult cannabis recreational market.

About Visionstate Corp.

Visionstate Corp. (TSXV: VIS) is a growth-oriented company that invests in the research and development of promising new technology in the realm of the Internet of Things, big data and analytics, and sustainability. Through Visionstate Inc., it helps businesses improve operational efficiencies, reduce costs and elevate customer satisfaction with its state-of-the-art devices that track and monitor guest activities and requests. The footprint of its WANDA™ smart device now extends to hospitals, airports, shopping centres and other public facilities across and beyond North America. Through building up a collection of synergistic technologies, Visionstate Corp. will continue to innovate, reduce environmental impact and transform consumer experiences.

Issued on behalf of the Board of Directors,

“John A. Putters”

Visionstate Corp.

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