

# Distell & Invenfin invest in RETHINK: SA's top cannabis wellness brand

Distell, Africa's leading producer of spirits, fine wines, ciders and ready-to-drinks (RTDs), and Invenfin, venture capital arm of Remgro, have announced a partnership with Releaf Pharmaceuticals to share ownership in South Africa's cannabis wellness brand, RETHINK.

Distell and Invenfin have each purchased a 20% stake in RETHINK and its range of products to establish a three-way partnership, with a vision of building a compelling portfolio of cannabis-based brands across categories in this growing sector.

Releaf Pharmaceuticals has successfully grown RETHINK into South Africa's leading cannabis wellness brand through its deeply experienced and specialized team. Releaf contributes strong technical skills and regulatory expertise in the cannabis industry combined with a broad market footprint of their products. RETHINK is the first cannabis wellness brand to be endorsed by the Cannabis Research Institute, producing scientifically formulated, purest quality CBD products.

With a worldwide shift toward the legalization of cannabis, the sector is poised for growth, with an estimated global market size of \$166B. In South Africa, CBD preparations containing no more than 20-mg per daily dose have been allowed to be sold legally since 2019.

CBD is a naturally occurring chemical in cannabis plants, which has gained recognition as a natural alternative to conventional medicine for a variety of health concerns. Its application is expanding to cover different wellness needs such as the relief of minor symptoms such as pain, inflammation, restlessness and anxiety, made available in different products such as daily oils, capsules and teas.

The Department of Trade and Industry and the Agricultural Research Council have estimated that the current informal and formal cannabis industry in South Africa is worth R14 billion and by 2024 this could rise to R28 billion, 70% of the R44 billion estimated African market.

Martin Coetzer, MD & Responsible Pharmacist, Releaf Pharmaceuticals, shares that the backing of two reputable investors in Distell and Invenfin serves as a strong vote of confidence in the company's future, which would enable it to increase development of new opportunities for cannabis wellness in South Africa and beyond.

"Distell is committed to investing in growth on the principle of 'shared value.' The cannabis sector is still in its infancy and is primed for growth as legislation to control and legalize certain aspects of usage is developed. Our investment in the RETHINK brand, in partnership with Releaf Pharmaceuticals and Invenfin, is a great fit with Distell's strategy to explore new growth opportunities.

We will contribute our existing supply chain and marketing expertise to help grow RETHINK and collaborate with stakeholders to build this emerging sector, with significant economic potential for South Africa," shares Richard Rushton, CEO, Distell.

"We see RETHINK as an attractive opportunity to build brands by leveraging the established expertise and market leadership position within RETHINK and its partners. The business has big growth plans in a sector that is still in the very early stages of development and we believe the team has the experience, vision and technical skills to achieve those objectives. COVID-19 has brought wellness even more rapidly into people's daily consciousness and having access to trusted products in that space will be increasingly key for South African consumer," adds Stuart Gast, CEO, Invenfin.

Launched in October 2019, RETHINK quickly established an early CBD category advantage, with products ranging from CBD oils, capsules and teas to skin-care products, which are available in all leading national and independent pharmacies.