

CANNABIS SECTOR

Labat Africa secures R300 million investment commitment from the US to accelerate growth

PHILIPPA LARKIN
philippa.larkin@inl.co.za

THE SHARE price of Labat Africa, the JSE-listed black-owned listed cannabis Holdings group in South Africa, rose by 4.17 percent to R0.25 after it said on Friday that it had secured a R300 million investment commitment from US-based GR Global Ventures, an entity with expertise in cross border transactions in the cannabis sector, as it sought to accelerate growth.

Labat Africa, with a focus on personal wellness, pharmaceutical grade medicinal cannabis and industrial hemp, said its initial capital raising process had been severely impacted by the Covid-19 pandemic, which had resulted in slowing down the implementation of some of Labat's pioneering cannabis initiatives.

With markets now beginning to reopen and investors on the look-out for new growth segments, this investment would accelerate the implementation and roll out of these sector-leading initiatives. The funding would unlock key opportunities and initiatives for the company including ongoing research through clinical trials, growth in the market, more customer engagements and further manufacturing.

The international investment into the business is a signal of the positive market sentiment when it pertains to the potential for growth in the cannabis sector, it said. Brian Van Rooyen, the chief executive of Labat Africa, said: "We are pleased to have a very high-quality, sector-focused US-based institutional investment group as one of our key stakeholders."