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## Press Release

Date: 06 December 2022

### **HEADLINE:**

**SOUTH AFRICA'S CANNABIS GIANT, LABAT AFRICA, LISTS ON THE FRANKFURT STOCK EXCHANGE AND SECURES R300M INVESTMENT**

### **BODY:**

South Africa's Cannabis Holdings Group Labat Africa Limited, has listed its shares as a dual listing on the Frankfurt Stock Exchange (FSE). The shares were admitted to trading when the market opened today, without restriction.

Labat listed on the Johannesburg Stock Exchange in 1996, repositioned and made a strategic shift to become a fully integrated cannabis healthcare company in 2019, and thus becoming the first of its nature to be listed in South Africa.

Speaking on behalf of the Group, Labat Africa Chief Executive Officer, Brian van Rooyen said, "the FSE listing is an exciting move for the group. It comes off the back of Germany's new coalition government planning to legalise cannabis for medicinal and recreational purposes. The FSE listing will allow us to accelerate our cannabis goals in the European market, particularly now with robust negotiations currently underway in the growing cannabis economy of the European economic powerhouse, Germany."

Germany is set to legalise cannabis nationwide after major parties reached an agreement. There will also be provisions related to advertising, with the intent being to restrict the promotion of cannabis, tobacco and alcohol to deter youth use, as reported by Der Spiegel. "We measure regulations again and again against new scientific findings and align measures for health protection," the report states. "This reform has been a long time coming in Germany. The timing was strategic for us, we intend to capitalise



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on the proverbial first mover advantage, while also taking advantage of the receptive and bullish European investor climate”, van Rooyen adds.

Chief Executive Officer of Labat Healthcare, Stanton van Rooyen said, “our intention is to offer South African and international investors exposure to high growth investments in the cannabis value chain. The listing on the FSE enables Labat Healthcare, access to capital from retail and institutional investors in international markets. It also affirms our long-standing confidence that Labat Africa, through the healthcare business would find a smart and sustainable solution to meeting the global demand of the EU-GMP (good manufacturing practice) certification standard, which we are well positioned for as a supplier of Pharmaceutical Grade Medicinal Cannabis and Industrial Hemp.”

Operationally, Labat Africa has secured funding from California based GR Global Ventures (GRGV). GRGV has committed to invest an amount of up to ZAR300 million over the next three years in cash for equity (“Capital Commitment”) in exchange for new ordinary shares in Labat Africa. The Capital Commitment will be drawn down by Labat Africa by way of capital calls which the company has the right to exercise with the timing and pricing at Labat’s sole discretion, subject to trading volumes and pricing in accordance with the JSE Listings Requirements.

As part of the Capital Commitment, GRGV is also entitled to receive warrants for up to 30 million new Labat Africa ordinary shares at an exercise price of ZAR0.50 per ordinary share representing more than a 100% premium on the current Labat Africa trading price.

Labat Healthcare Group Executive, Herschel Maasdorp said, “the listing on the FSE and the Capital Commitment bolsters Labat’s position on a global scale, and puts drive behind our strategy, which is intended to support the commercialisation of the company’s cannabis focus. The funding enables the company, whilst it continues to maintain focus on strict cost controls, to tailor the timing and size of each capital call to support its ongoing research through clinical trials, its growth, customer engagements, operating costs and planned manufacturing as well as the export of medicinal cannabis into the European Market, whilst safeguarding shareholder value”.



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“We expect that the funding will enable the business to successfully navigate tough South African trading conditions and secure a prime spot for the business in the growing cannabis sector,” Maasdorp adds.

The Capital Commitment will allow the Company to deploy cash on an as-needed basis rather than fully diluting existing shareholders for an amount of capital the Company may not require at present. The Capital Commitment is a strong complement to other financing options available to Labat Africa such as debt financing, further equity funding, rights issues, or a combination thereof.

The expected financing mix, enhanced by the Capital Commitment, will be implemented over time in way that is most optimal to the company considering the near- and medium-term growth objectives, which were announced in June 2021 as well as in the Company’s 2021 Interim Results.

“We are pleased to have a very high caliber and sector focused USA based institutional investment group as one of our key stakeholders. As Labat Africa comes to market in both Healthcare and Wellness with a Cannabis focus, a partner such as GRGV is a key component to supporting our winning efforts especially now that we are participating in Europe’s largest cannabis market,” concludes Brian Van Rooyen.

ENDS

**NOTE TO EDITORS:**

Labat Africa Limited is a leading black owned and managed Investment holdings group, headquartered in South Africa. The Group, founded in 1995 by Brian Van Rooyen and Victor Labat. We have been listed on the JSE since 1996. With investments in various sectors. Our vision is to be the number one healthcare company in South Africa with a focus on medicinal Cannabis. To utilize current skills and build on new skills to deliver world class products. Execute product and process innovation through to market consumption and everything in between, we are driven by a passion for leadership, a commitment to drive the industry forward, and above all else, providing medical and wellness cannabis consumers the best possible solution

For more information visit [www.labat.co.za](http://www.labat.co.za)



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**FSE LISTING INVESTMENT INFORMATION:**

The application was for the dual listing of the equity that shall be quoting under the ISIN ZAE000018354 on the open market segment "Quotation Board" of the FSE. Labat Africa, under the laws of South Africa, with the LEI NO 9845000R73DF5EE41J88, will remain primary listed on the JSE under the Ticker Symbol "LAB", with the stock price in Frankfurt linked to the stock price in Johannesburg. Further, the issuance shall be placed as a private placement.

The listing was handled and successfully concluded by Renell Bank, a CRR credit institution, in line with and compliant to Section 1 Paragraph 3d Sentence 1 KWG in conjunction with Article 4 Paragraph 1 No. 2 of Regulation (EU) 575/2013 of the European Parliament and of the Council of June 26, 2013.

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