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Golden Leaf eyes joint listing a

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A cannabis company is poised to become the first marijuana producer with a joint listing in Europe and the US as it seeks to take advantage of shifting attitudes to the drug that are spawning a new industry.

Golden Leaf Holdings, one of the largest cannabis oil producers in the US, has said it will list on London's Aim or in Germany early next year — and in New York within a month.

Pot has been moving from the black market to mainstream as some US states have gradually relaxed laws around the use of cannabis. Alaska, Colorado, Oregon and Washington have over the past three years legalised cannabis production and consumption for medical and recreational use for adults. As a result, a lucrative marijuana-based industry, with products ranging from foodstuffs to oils, has sprung up.

Alaska on Friday voted to allow consumption of marijuana at retail stores in designated areas, while earlier this month rap artist Snoop Dogg launched a line of cannabis flowers and concentrates in Colorado, called Leafs by Snoop.

Golden Leaf, which focuses on the production of cannabis oils is listed in Canada where medicinal marijuana is legal. This month it said third-quarter revenues were estimated to be roughly \$3m, "representing year-on-year growth of 900 per cent".

Like competitors including Canopy Growth Corp, previously Tweed Marijuana, the largest medicinal marijuana manufacturer in the US, it makes the bulk of its sales in authorised US markets. As voters prepare for a ballot on legalisation in California — which some say could turn the tables in favour of federal legalisation — Golden Leaf hopes European interest will follow.

“We want to have first-mover advantage,” said Don Robinson, chief executive of Golden Leaf. “More liberalisation could happen, so now is the time to grow our presence abroad.”

In June a number of obstacles to privately funded medical marijuana research in the US were removed by the Obama administration. At present the bulk of research and development in the industry is done outside the US, in countries such as Israel.

Aaron Salz, equity analyst at Dundee Capital Markets, said that investor interest in Europe was an indication that the market for cannabis products was maturing.

“You’re seeing investor appetite everywhere crop up for this,” he said. “As you progress into a more legalised framework, cannabis will start mimicking other industries — in Canada it’s already worth around \$5bn.”

According to Golden Leaf Holdings, a quarter of its existing investors are from Europe.

One, Kiran Sidhu, who has previously invested in technology and biotech ventures, as well as online gambling, and put \$500,000 into Golden Leaf, said he had reservations about regulatory risk in the industry.

“Since 2003 I’ve been dealing with markets that were black that went grey and then went white and the grey to white period is a tricky one,” he said. “But it’s also a period of massive opportunity.”

According to Mr Salz, growth opportunities may not materialise if marijuana remains illegal under US federal law, but the growing number of manufacturers could still become targets for tobacco companies that have similar business models and are struggling with falling demand.

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