

4. PUBLIC MARKETS

Second Wave: UK



THE FIRST CONSUMER CBD LISTING ON THE LSE

- Cellular Good's IPO in February 2021 made it both the first consumer CBD company to list on the London Stock Exchange and the largest cannabis company to list at the time, with the company valued at €29.4 million. The company is backed by the football star David Beckham's investment firm DB Ventures.
- The biggest challenge to listing was the Proceeds of Crime Act. The regulators remain very cautious, even towards companies that don't work with psychoactive or controlled cannabinoids.
- Cellular Goods use lab-manufactured biosynthetic cannabinoids. As no field growing and extraction takes place, many of the potential blockers and concerns from the regulators were removed.
- Cellular Goods went to market with a clear vision to launch new skincare products in Autumn 2021 and open a broader conversation around cannabinoids beyond just CBD. The company will be first to market with CBG at scale, a cannabinoid which they see as a standout in terms of its potential skin benefits.
- While Cellular Goods tapped into a lot of retail demand and excitement, it remains to be seen if they will do the same with consumers of their products.
- Further CBD consumer groups like South West Brands are targeting highly anticipated listings on the LSE in 2021 with differentiated brand offerings.

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Being backed by Beckham and DB Ventures carries a huge amount of prestige and attracted the right kind of attention. Beckham is personally known for his professionalism, the longevity of his career and the fact that he got there through hard work - so it was the right kind of brand association for us. In combination with the LSE main market listing, it was a compelling combination to garner interest and attract staff talent.

We worked with Primary Bid to enable over 6000 ordinary retail investors to get access to the IPO at the same placing price as the institutions. It's something we're very proud of - as a consumer facing business, it's fantastic to have the opportunity for your backers to also be your potential customers and advocates, and to be part of the journey from the very beginning.

ALEXIS ABRAHAM, CELLULAR GOODS