



BUSINESS REPORT

Date: **1st February 2026**

Business Reference: **37925**

About the Business:

Ready-to-Operate Cannabis Business with Established Offtake Agreements

With SAPHRA and cGMP compliance, modern equipment, and established clients in the UK, Germany, and Australia, this facility is positioned for growth and profitability. The licence also allows processing of third-party product, creating additional revenue streams.

Ready-to-Operate Cannabis Business with Established Offtake Agreements



Sector: **Manufacturing**

Asking Price:

R **8,900,000**

Monthly Profit:

R **321,600**

Asset Value:

R **4,500,000**

Stock Value:

R **0**

Yearly Net Profit :

R **3,859,199**



Business Report

Fully describe the business's activities?

Soon to be licensed medical cannabis cultivation operation supplying pharmaceutical-grade flower for regulated markets.

Will hold a cGMP licence, positioning the business at the top end of compliance and quality standards required by pharmaceutical and export markets.

Core activities focus on controlled indoor cultivation, ensuring consistency, repeatable yields, and regulatory alignment.

End-to-end growing process includes:

- Mother plant management and cloning
- Vegetative growth and flowering cycles
- Harvesting, drying, curing, and primary post-harvest handling

Operations are conducted within a secure, access-controlled facility, aligned with South African medical cannabis regulations.

Cultivation protocols are driven by:

- * Documented SOPs
- * Environmental controls (lighting, humidity, temperature, airflow)
- * Strict hygiene, bio-security, and quality control measures

The business supplies, or is positioned to supply:

Licensed processors

Pharmaceutical distributors

Export markets where regulations permit

Strong focus on:

Batch traceability and audit readiness

THIS FACILITY'S SAPHRA cGMP LICENCE HAS BEEN FULLY APPROVED, WITH THE OFFICIAL CERTIFICATE EXPECTED BEFORE THE END OF FEBRUARY 2026.

Pharmaceutical-grade quality assurance

Scalable production systems

Designed as a turnkey, investment-ready platform with clear upside through increased production, strain diversification, and international demand.

How does the business operate on a daily basis?

The business operates under structured daily SOPs, aligned to medical cannabis and cGMP compliance requirements.

Daily operations are managed by a trained cultivation and compliance team, ensuring consistency, quality, and regulatory adherence.

Daily operational activities include:

- Environmental monitoring and adjustment:
- Lighting cycles
- Temperature and humidity control
- Airflow and filtration checks

Plant health inspections:

- Growth stage assessments
- Pest and disease prevention
- Nutrient and irrigation management

Cultivation tasks:

- Cloning, transplanting, pruning, and training
- Stage-specific feeding schedules

Quality and compliance processes:

- Record keeping and batch traceability
- Hygiene protocols and controlled access
- cGMP documentation and audit logs

Post-harvest and facility management:

- Harvest scheduling and controlled drying and curing
- Equipment calibration and cleaning
- Security monitoring and access control
- Management focuses on yield optimisation, quality consistency, and compliance, allowing the operation to function efficiently without owner dependency.

This creates a repeatable, scalable, and investment-grade operation suited to regulated medical and export markets.

What Advertising/Marketing is carried out?

None

What competition exists?

The business operates in a regulated and highly controlled industry, with limited licensed competitors.

There are approximately 120 SAPHRA licence holders nationally, but the majority face restrictions that limit their operations.

Competitive landscape:

Around 100 licence holders are only permitted to export product, restricting their ability to supply the local South African market or conduct small-scale processing.

Only a few operators hold licences that allow both:

Local distribution

Small-batch processing and value-add opportunities

Competitive advantages of this business:

Versatile licence enabling both local and international market access

Ability to process small batches, adding flexibility and potential for higher-margin products

cGMP compliance, which many competitors lack, positioning the business for premium pharmaceutical and export markets

Established offtake agreements with international clients, giving a clear advantage over newer or export-only competitors

Overall, while the sector is growing, barriers to entry are high, and this business is positioned in a select, high-value segment with limited direct competition locally.

How could the profitability of the business be improved?

Profitability can be significantly enhanced through small-batch processing, leveraging the facility's licence and cGMP compliance.

Opportunities for improvement:

Value-added processing: Converting raw flower into higher-margin products for pharmaceutical or specialised markets.

Premium pricing: Small-batch, high-quality production can attract up to 80% higher margins compared to bulk sales.

Third-party processing: The licence allows processing of product from other licensed facilities, creating additional revenue streams without increasing cultivation costs.

Flexible production: Adjusting batch sizes to match client demand reduces waste and improves cash flow.

Brand and market positioning: Offering processed, cGMP-compliant products strengthens reputation and opens additional export and local distribution channels.

Operational efficiency: Integrating small-batch and third-party processing with current SOPs maximises existing infrastructure without major capital expenditure.

These strategies position the business as a high-margin, value-driven operation with multiple revenue streams, making it highly attractive to investors seeking scalable growth in the medical cannabis sector.

Give a breakdown of staff/ functions/ length of service?

- 1 - Head of cultivation
- 2 - Assistant Cultivator
- 3 - Locum Responsible Pharmacist
- 4 - Authorized representative / quality and production control

Do any have management potential?

Yes

How involved is the Owner in running the business?

100%, he is the Authorized representative / quality and production control

When does the current lease end?

3 years remaining on a 5-year lease.

What are the trading hours?

07:30 - 16:00

What are the main assets of the business?

The business's main assets are valued at approximately R4,5 million and include:

Key assets:

Secure, cGMP-compliant cultivation facility with controlled environment systems

Advanced indoor growing equipment (lighting, HVAC, irrigation, and filtration systems)

Processing and post-harvest equipment for drying, curing, and small-batch production

Environmental monitoring and compliance systems for quality assurance and traceability

Established SOPs, documentation, and licences enabling immediate operation

These assets create a turnkey, investment-ready operation, allowing new owners to step in and scale production without significant additional capital expenditure.

Strengths?

cGMP-compliant licence, enabling local and international distribution

Secure, turnkey facility with all new equipment

Established offtake agreements with clients in the UK, Germany, and Australia

Fully controlled indoor environment, allowing year-round production

Opportunity for high-margin small-batch processing and third-party processing

Weaknesses?

High operational and regulatory costs

Small current staff complement may limit capacity without additional hires

Reliance on specific licensed channels for distribution

Opportunities?

Expand small-batch and value-added processing, potentially increasing profit by ~80%

Process product from other licensed facilities to create additional revenue streams

Grow export and local market share in a rapidly expanding industry

Scale up cultivation cycles and diversify strains without seasonal constraints

Threats?

Strict regulatory environment and licence renewal requirements

Competition from other SAPHRA licence holders entering the market

International market fluctuations affecting offtake agreements

Operational risks associated with compliance and quality control

What is the reason for the sale?

Reason for sale: The business is fully set up and operational, but the family trust has decided to invest in a different sector for the time being.

This sale provides new investors or operators the opportunity to acquire a turnkey, cGMP-compliant facility with established international clients and significant growth potential, without the initial setup risk or regulatory hurdles.