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Canopy Growth acquires C3 Cannabinoid compound company

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The acquisition brings together Canopy Growth's medical business with Europe's largest cannabinoid-based pharmaceuticals company. C3 is a leading manufacturer and distributor of dronabinol, a registered pharmaceutical drug in Germany, Austria, Switzerland, and Denmark



Canopy Growth Corporation has acquired German-based, Bionorica SE-founded C^3 Cannabinoid Compound Company ("C^3") in a transformative deal that will see established single cannabinoid medicines brought together with the world's leading full-spectrum medical cannabis offering.

The all cash-acquisition for €225.9 million (CDN $342.9 million) furthers Canopy Growth's expansion into European markets with prescription medicines and gives the Company immediate access to a wealth of knowledge and intellectual property that C^3 has developed in its nearly 20 years of research and development into synthetic and natural cannabis medical products.

C^3's primary medicinal offering is dronabinol, a pure chemical compound with standardized concentrations of tetrahydrocannabinol (THC), one of the active ingredients found in cannabis plants that is responsible for various pharmacological effects. Dronabinol is available in Austria, Denmark, and Germany for nausea and vomiting refractory to conventional treatment in oncology and palliative care, and for cancer pain. In Germany, dronabinol can be prescribed for any type of chronic pain and for any condition in palliative care. C^3 has a total of five medicines in the market and its commercial operations generated €27.1 million (CDN $41.5 million) in 2018.

The acquisition will allow Canopy Growth to further empower European physicians with the knowledge and therapies drawn from the full range of synthetic to naturally-derived cannabinoid-based medicines. Adding dronabinol to Canopy Growth's product offering in Europe and potentially other key markets will allow the Company's medical division, Spectrum Cannabis, to present an expanded, medically validated suite of cannabinoid therapies to the benefit of healthcare professionals and patients. Furthermore, C^3's infrastructure including production, distribution, and sales & marketing significantly adds to the Spectrum Cannabis footprint in Europe, including an expanding product line and additional reach into pharmacy and medical specialists' networks.

C^3's clinical research programs currently underway are expected to complement Canopy Growth's own clinical activities and provide data that could potentially be applied to emerging product lines, enhancing the Company's prospects for bringing new approved products to market sooner. C^3's founding company, Bionorica SE, one of the world's leading manufacturers of scientifically researched herbal medicines and Canopy Growth have also entered into a separate cooperation agreement and will be collaborating in areas spanning clinical research, IP development and distribution opportunities.

With its substantial cash reserve, Canopy Growth will continue to make strategic investments and acquisitions that will drive growth, create competitive advantage, enhance Canopy's IP portfolio, and accelerate development and approval of cannabis-based therapeutics to continue to better serve its patients globally.