

Canopy Growth Corporation

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Canopy Growth completes strategic extract supply agreement with MediPharm Labs

Canadian cannabis company Canopy Growth Corp (TSX:WEED) (NYSE:CGC) said Thursday that it had entered into a strategic supply agreement with specialized cannabis extractor MediPharm Labs Inc for value-added products.

Under the terms of the 18-month agreement, MediPharm will supply up to 900 kilograms of cannabis extract for sale to Canopy Growth and its subsidiaries. Canopy Growth has committed to purchasing a minimum of 450 kilograms with an option to purchase an additional 450 kilograms.

"As the industry matures we are seeing exciting businesses like MediPharm establish specialized skill sets that will drive the industry forward. Extraction is now and will continue to be an opportunity to develop expertise and intellectual property," said Canopy Growth chairman and co-CEO Bruce Linton.

"We continue to develop our own capacity in this area and are pleased to work with MediPharm," he added.

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Canopy said the agreement will establish "an early-mover advantage" for both companies to meet an immediate need across Canada for value-added products such as soft gels.

"We are thrilled to work with Canopy Growth, the world's leading cannabis producer, to deliver the highest quality cannabis oil concentrates for medical patients and recreational consumers," said MediPharm Labs CEO Pat McCutcheon.

"This sales agreement serves as a strong endorsement of MediPharm's industry-leading extraction-only business model," added McCutcheon.

As MediPharm finalizes its Good Manufacturing Practice certification, Canopy Growth said it will explore export opportunities as a part of the strategic agreement.

During the fiscal second quarter, Canopy sold 2,197 kilograms and kilogram equivalents of cannabis at an average sale price of \$9.87, up from 2,020 kilograms and kilogram equivalents at an average price of \$7.99 in the prior year period. Kilograms of cannabis produced from harvests, meanwhile, soared 265% to 15,127.

Sales of oils, including Canopy's softgel capsules, accounted for 34% of its product revenue, up from 18% in the corresponding period last year.

Canopy was on the receiving end of a \$5 billion investment from the maker of Corona beer Constellation Brands.

Price: C\$59.7

Market Cap: C\$20476.13M

1 Year Share Price Graph



Share Information

Code: WEED

Listing: TSX

52 week High Low
C\$76.68 C\$31.81

Sector: Cannabis

Website: canopygrowth.com

Company Synopsis:

Our vision is to be the number one cannabis company in the world. From product and process innovation to market execution 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 recreational cannabis consumers the best possible experience.

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Shares in Canopy Growth tumbled 4.18% to \$32.58 Thursday in the New York Stock Exchange and were down 3.5% to C\$43.53 on the Toronto Stock Exchange.

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