

Press Release

## **Bionorica sells cannabis business to Canopy Growth**

### **Parties agree to collaborate on long-term research**

**Neumarkt | Smiths Falls, Canada, 2 May 2019.** Effective 1 May 2019, Bionorica SE has sold its cannabis business to Canopy Growth Corporation, a world-leading diversified cannabis and hemp company based in Smiths Falls, Canada and with operations in 13 countries across five continents. The selling price amounts to 225.9 million euros. The existing facilities in Neumarkt, Frankfurt and Vienna will continue to operate. The strategic goal is to quickly and consistently develop and expand the international markets to meet the needs of a steadily growing number of patients. Bionorica SE will support Canopy Growth in this regard in future. Both parties see great opportunities in the further clinical research of the cannabis plant and its constituents. To this end, Bionorica SE and Canopy Growth have agreed to collaborate in long-term research.

The shared fundamental understanding of an evidence-based cannabinoid medicine and intensively developing it to the highest pharmaceutical standard is the crucial factor in this collaboration. For Professor Michael A. Popp, owner and CEO of Bionorica SE, the research partnership with Canopy Growth provides an opportunity to continue to pursue his vision. The aim is to develop a wide range of new therapies for critically ill patients on the basis of a broad clinical research programme. "On the one hand, Canopy Growth, one of the most dynamic companies in the industry worldwide, will expand on what we have achieved in a congenial manner. On the other hand, we will use the resulting injection of funds to develop at full speed our successful and clearly focused core business," says Professor Popp.

“It was very important to us to find a buyer who shares our commitment to developing evidence-based cannabinoid medicine and meets the requirements for the associated sustainable research strategy, because this is one of the core promises of our brand.”

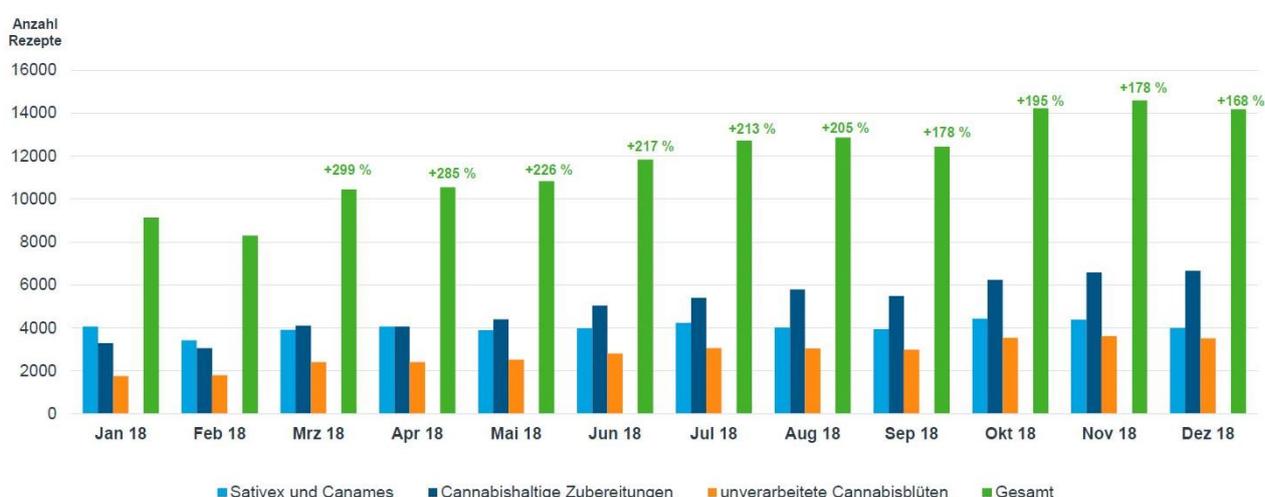
“What this boils down to is greater choice,” said Bruce Linton, Chairman & Co-CEO, Canopy Growth. “This acquisition will allow us to offer more options to physicians across Europe, accelerate our commercial sales and increase our economic footprint on the continent, and drive forward new innovations. Our goal is to build on Bionorica’s extraordinary reputation and decades of success as we move to an innovative continuum of medical cannabis therapies that will enable physicians globally to better treat their patients.”

*For more information, please see <http://english.bionorica.de/en/service/press-media.html>*

## Information about the market

### Germany:

- Approximately two thirds of applications to have the costs for “cannabis on prescription” reimbursed are now approved by the public health insurance funds (GKV) in Germany
- According to the IQVIA\*, in 2018, the majority of GKV prescriptions for cannabis were for extemporaneous preparations (which includes Dronabinol), with a share of 42%, followed by finished medicinal products (34%) and cannabis flowers (24%)
- Cannabis prescriptions reimbursed by the GKV in 2018 – increase from the previous year\*



\* Vergleich mit Vorjahresmonat ab März 2017 möglich  
 Quelle: Sonderdatenbank IMS NPA® (National Prescription Audit): Messung der abgerechneten GKV-Rezepte auf Basis der Abgaben der öffentlichen Apotheken; Importe nicht berücksichtigt

\*Source: IQVIA press release “Cannabis-Rezepte in Deutschland 2018: deutliche Zunahme” (Cannabis prescriptions in Germany 2018: a significant increase) (1 March 2019)

### Bionorica – Market leader with Dronabinol

- Bionorica SE’s cannabis business is operated by C<sup>3</sup> Cannabinoid Compound Company GmbH, founded in 2014 (“C<sup>3</sup>”)
- C<sup>3</sup> can manufacture Dronabinol and cannabidiol both synthetically and naturally
- The holding company C<sup>3</sup> includes Bionorica ethics GmbH, based in Neumarkt in Bavaria’s Oberpfalz region, THC Pharm GmbH with headquarters in Frankfurt am Main, and C3 Ethics Austria GmbH, with locations in Innsbruck and Vienna
- C<sup>3</sup> is the market leader and only manufacturer of Dronabinol in Germany and Austria
- In Germany, C<sup>3</sup> has a market share of over 50% with Dronabinol (pharmacy purchases, calculated number of patients, MAT February 2019)
- C<sup>3</sup> supplied approximately 19,500 patients in Germany with Dronabinol in 2018 (+85% on the previous year, 2017: 10,500 patients)
- C<sup>3</sup> planning 2019: approx. 33,000 patients (+70% compared to 2018) in Germany
- In 2018, C<sup>3</sup> achieved sales of approximately EUR 27 million with cannabinoids worldwide (Dronabinol: approx. EUR 22 million, CBD: approx. EUR 5 million)
- It is expected that C<sup>3</sup>’s global sales of cannabinoids will increase to approximately EUR 43 million in 2019
- C<sup>3</sup> sees potential for THC-based active substances such as Dronabinol to treat about 800,000 patients in Germany alone

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**Bionorica SE company profile**

Patients want effective and tolerable medications and so herbal medicines are the preferred option. Bionorica, located in Neumarkt in Bavaria's Oberpfalz region, is one of the world's leading manufacturers of scientifically researched herbal medicines. Doctors, pharmacists and patients in more than 40 countries trust in our effective products with few side effects. In 2018, the Bionorica Group achieved sales of EUR 337.9 million\*. The company's equity ratio is more than 74 percent. Every day, over 1,700 employees at 20 Bionorica locations worldwide work on the continuation of this success story, which began in Nuremberg 86 years ago.

Based on the "phytoneering" strategy, Bionorica decodes the extensive active ingredient potential of plants (phytos) using state-of-the-art research and technology (engineering). The result: highly effective medicines with few side effects. Our research and development priorities involve the treatment of symptoms in the respiratory tract, urinary tract, women's health and the immune system. Our range also includes products for the liver and for treating sleep disorders.

*\*preliminary sales figures for the Bionorica Group, subject to confirmation by auditors*

### **Canopy Growth company profile**

Canopy Growth (TSX:WEED, NYSE:CGC) is a world-leading diversified cannabis and hemp company, offering distinct brands and curated cannabis varieties in dried, oil and Softgel capsule forms. Canopy Growth offers medically approved vaporizers through the Company's subsidiary, Storz & Bickel GmbH & Co. KG. From product and process innovation to market execution, Canopy Growth is driven by a passion for leadership and a commitment to building a world-class cannabis company one product, site and country at a time. The Company has operations in over a dozen countries across five continents.

The Company is proudly dedicated to educating healthcare practitioners, conducting robust clinical research, and furthering the public's understanding of cannabis, and through its wholly owned subsidiary, Canopy Health Innovations ("Canopy Health"), has devoted millions of dollars toward cutting edge, commercializable research and IP development. Canopy Growth works with the Beckley Foundation and has launched Beckley Canopy Therapeutics to research and develop clinically validated cannabis-based medicines, with a strong focus on intellectual property protection. Canopy Growth acquired assets of leading hemp research company, ebbu, Inc. ("ebbu"). Intellectual Property ("IP") and R&D advancements achieved by ebbu's team apply directly to Canopy Growth's hemp and THC-rich cannabis genetic breeding program and its cannabis-infused beverage capabilities. Through partly owned subsidiary Canopy Rivers Corporation, the Company is providing resources and investment to new market entrants and building a portfolio of stable investments in the sector.

From our historic public listing on the Toronto Stock Exchange and New York Stock Exchange to our continued international expansion, pride in advancing shareholder value through leadership is engrained in all we do at Canopy Growth. Canopy Growth has established partnerships with leading sector names including cannabis icon Snoop Dogg, breeding legends DNA Genetics and Green House seeds, Battelle, the world's largest nonprofit research and development organization, and Fortune 500 alcohol leader Constellation Brands, to name but a few. Canopy Growth operates ten licensed cannabis production sites with over 4.3 million square feet of production capacity, including over one million square feet of GMP certified production space. The Company operates Tweed retail stores in Newfoundland and Manitoba and has entered into supply agreements with every Canadian province and territory. For more information visit [www.canopygrowth.com](http://www.canopygrowth.com)