

Canopy Growth Corporation

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Buds & Duds: Canopy stock soars as it strikes mammoth \$3.4B deal to buy Acreage after US federal legalization

Cannabis stocks rolled up into the long weekend on the back of boosts yesterday, after a volatile few weeks.

The North American Marijuana Index, which tracks the top cannabis stocks in the US and Canada, was up 1.1% to 294.05 on Thursday. The Horizons Marijuana Life Sciences Index ETF was up 0.05% at C\$20.18.

Buds

Canopy Growth Corporation (TSE:WEED) (NYSE:CGC) was the talk of the town on Thursday after it struck a mammoth US\$3.4 billion deal to buy Acreage Holdings (CSE:ACRG.U) after cannabis has been legalized in the US.

Shares of Canopy soared 4.4% at C\$59.64 in Toronto and up 4.0% at US\$44.56 in New York.

The deal is complicated, and was finalized Thursday morning in New York. It grants Canopy the right to purchase all of Acreage's stock, following legalization in the US. New York-based Acreage Holdings is one of the largest multistate cannabis operators in the US, with a presence in 20 states.

Until then, the two companies will operate independently. The deal will also grant Acreage access to Canopy's brands, including Tweed.

"Today we announce a complex transaction with a simple objective. Our right to acquire Acreage secures our entrance strategy into the United States as soon as a federally-permissible pathway exists," said Canopy co-CEO Bruce Linton in a press release. "By combining Acreage's management team, licenses and assets with Canopy Growth's intellectual property and brands, there will be tremendous value creation for both companies' shareholders."

READ: Next Green Wave kicks off cannabis production in California
Other gainers on Thursday included Next Green Wave Holdings Inc (CSE:NGW) (OTCMKTS:NXXWF) which announced Thursday that it has received an occupancy permit for its first indoor production facility from the City of Coalinga.

Shares popped, up 6.6% at US\$0.38 in New York, up 6.3% at C\$0.51 in Toronto.

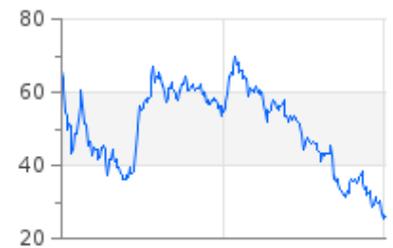
Shares of iAnthus Capital Holdings Inc. (CSE:IAN) (OTCMKTS:ITHUF) gained Thursday, up 3.3% at C\$6.84 in Toronto, up 2.9% at US\$5.12 in New York. The company released news that it is launching the sale of smokable flower and pre-rolled joints in Florida through iAnthus' "GrowHealthy" Florida dispensary brand.

The flower sales will commence on Saturday, April 20, also known as the cannabis holiday "4/20".

Price: 26.86

Market Cap: \$9.34 billion

1 Year Share Price Graph



October 2018 April 2019 October 2019

Share Information

Code: WEED

Listing: TSX

52 week High Low
70.98 25.19

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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Duds

Laggards on Thursday Aphria Inc (TSE:APHA) (NYSE:APHA), which continued to slide, down 2.2% at C\$7.65 in New York, off 2.1% at C\$10.21 in Toronto.

The Canadian producer announced Thursday it was raising US\$300 million in convertible senior notes. It's been a tough six months for the company, which has seen a hostile takeover bid, the departure of two executives, as well as a \$50 million impairment charge.

Tilray Inc (NASDAQ:TLRY) shares lagged on Thursday and the stock has been on a steady decline over the past six months. So far in 2019, the stock is down 30%, including a 7% loss this week on Monday.

Shares were down again Thursday, slipping below the US\$50 threshold, down 3.4% at US\$48.97.

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