

Israel's Together Pharma to buy 50 percent stake of German cannabis

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Together Pharma, which produces medical cannabis had signed a deal to buy a controlling 50.01 percent stake in an unnamed German company, which is one of its customers, for 2 million euros.

Together said it had already signed an agreement to supply about 12.5 tonnes of medical cannabis worth up to 50 million euros (US\$58 million) to the German company, which also holds a R&D license for medical cannabis in Germany.

Together said it would finance the deal from cash and assets, which will be recorded as an owner's loan. It said the parties will work towards signing a final deal within 90 days.

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The price in Europe per gram of medical cannabis is relatively high compared with the price in North America and stems from expectation for high demand, due to regulatory proceedings as well as low supply of produce throughout Europe, Together said.

The German firm, Together said, expects to receive an import and distribution license for medical cannabis in Germany next month.

"On completion of the deal, Together will operate throughout the value supply chain in the cannabis sector – from R&D of unique strains as IP, through cultivation, manufacturing products, marketing and distribution and on to reaching the end-user customer," said Together CEO Nissim Bracha.

Together last month signed a deal with an entity in the European Union to set up 30,000 square meters of greenhouses and a processing facility for the export of medical cannabis from Europe. It has said it would seek to set up additional farms outside of Israel since it had yet to receive an export license from the Israeli government.