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Patricia Olasker Speaks to *The Globe and Mail* About Dealmaking Trends in the Canadian Cannabis Industry

In an [article](#) (available to subscribers) published this week in *The Globe and Mail*, Davies partner [Patricia Olasker](#) shared her insights about the changing M&A landscape in the Canadian cannabis space.

In contrast to the focus on domestic acquisitions one year ago, cannabis dealmakers are now turning their attention to consumer packaged goods partnerships and international acquisitions, akin to Constellation Brands Inc.'s \$5-billion investment in Canopy Growth Corp. and Altria Group Inc.'s \$2.4-billion investment in Cronos Group Inc.

"The Altria investment in Cronos ranked up with there with the Constellation investment in Canopy as being a bellwether event," Patricia explained. "The excitement around vape [Altria invested US\$12.8 billion in e-cigarette maker Juul around the same time], the skills of the tobacco industry in lobbying and managing government relations, all of those things made that a kind of magical combination."

With respect to pursuing opportunities in the United States, the problem is that cannabis remains a schedule 1 drug under the U.S. *Controlled Substances Act* and stock exchanges threaten delisting of companies that are offside this law. "Everyone is looking at how to get into the U.S. market without blowing up their listing, and looking at structures that will work," Patricia said. "They're not easy to do...and that's why we're not seeing a deal a day, but those deals are getting done."