

# HERBERT SMITH FREEHILLS ADVISES BAT ON TRANSFORMATION-LED ACQUISITION IN ORGANIGRAM

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Deals and cases

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Herbert Smith Freehills has acted on behalf of its long-standing client British American Tobacco (BAT) in relation to the acquisition of a minority stake of 19.9% in leading Canadian cannabis licensed producer, Organigram Holdings Inc. (Organigram), for approximately £126 million to become the largest shareholder in Organigram, and the signing of a strategic collaboration agreement with a wholly owned subsidiary of Organigram focused on research and product development activities of next generation adult cannabis products, with an initial focus on cannabidiol (CBD).

Organigram has a track record of consumer-led innovation and developing adult-use recreational and medical cannabis products, which are legally available in Canada. The collaboration reinforces BAT's consumer-centric multi category approach and will allow BAT to gain access to R&D technologies, product innovation and cannabis expertise, complementing BAT's plant-based expertise and development capabilities. Both companies will grant each other a licence to certain intellectual property to enable the development of new products and will have the ability to independently commercialise any products developed as a result of the collaboration under their own brands.

The Herbert Smith Freehills team was led by Corporate partner Alex Kay and IP partners Joel Smith and Jonathan Turnbull. They worked closely with the BAT M&A Legal team, Alastair Duncan and Kashmira Halai and Canadian firm Stikeman Elliott (lead partners Evan Marcus and Colin Burn). The team included senior associates Robin Morris (Corporate) and Victoria Horsey (IP) and associate Sophie Stevens (Corporate). The wider team included Susan Black and Max Kaufman (Competition) and Dinesh Banani and Dennis Hermreck (US Securities). OGI were represented by Goodmans LLP.

Alex Kay, partner in the London Corporate team, commented: “We are delighted to have worked with the BAT team and its other advisers on this important transaction which underlines BAT’s commitment to accelerating its transformation and expansion of its portfolio ‘beyond nicotine”.

## KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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