

Investor Presentation

TSX Venture (OGI)

OTCQX® Best Market (OGRMF)



ORGANIGRAM

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Readers are cautioned against comparing cost of cultivation per gram harvested with cost of sales for the same period for at least two reasons. 1. Cost of sales includes packaging costs which “cost of cultivation” does not. 2. There is a delay between when product is harvested and when it is sold and cost of cultivation does not include indirect production costs.

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Organigram at a Glance

- Leading licensed producer (LP) of premium quality product for Medical & Adult Recreational Markets
- Market cap of ~\$1 Billion
- Expanding indoor, unique three-level production facility in Moncton NB
- Supply agreements with 9/10 provinces
- Expanding global footprint with international partnerships

Investment Thesis

- ✓ Premium quality product at the **lowest cost of production** amongst Canadian LPs
- ✓ Executing on opportunities to **further drive down costs** and **support leading gross margins**
- ✓ **Increasing indoor production capacity to 113,000 kg/yr** by end of 2019 from 36,000 kg/yr
- ✓ **International business partnerships** incl. Germany, the largest federally legalized medical market
- ✓ **Invested in disruptive technology** to biosynthesize cannabinoids for fraction of costs
- ✓ **Positioned well for new edibles legislation** with expanding production/extraction capabilities and exclusive consulting agreement with proven market leader in the US
- ✓ **Q1 FY'19 excellent results expected to be sustained to improved** - strong EBITDA & positive free cash flow

Investment Thesis cont'd...

- ✓ **Sufficient cash on hand** to fund entire facility (Moncton Campus) expansion
- ✓ **Experienced management team** with deep expertise in cannabis, pharma & alcoholic beverages
- ✓ **Superior inventory build to retain market leadership** in servicing sales channels
- ✓ **External branding research** and **ongoing exclusive consulting agreement** with proven market leader in the US to build brand equity
- ✓ Agreement with a hemp co. **to support R&D on the genetic improvement of hemp** and **gain access to a secure supply of hemp flower**
- ✓ **Attractive relative valuation** – EV/EBITDA for majority of peers significantly higher than 40x and vs low teens for us

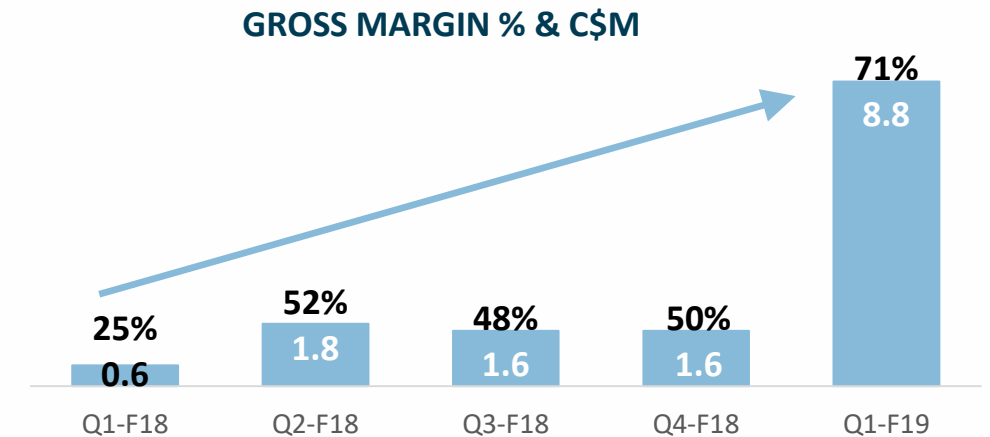
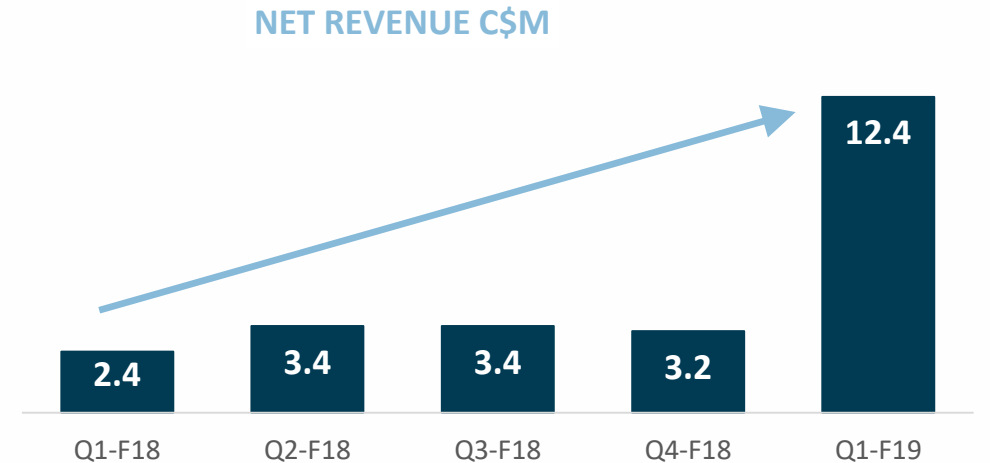
Q1 FY'19 Results Reflect Excellent Execution

- **Net revenue of \$12.4M**, incl. only partial quarter of adult recreational sales
- **Cultivation cash costs of \$0.56/gram¹**
- **Adjusted gross margin of \$8.8M or 71%²**
- **Adjusted EBITDA of \$5.0M or 40%**
- **Free Cash Flow of \$2.9M**

¹ Excludes non-cash costs, packaging, and shipping costs

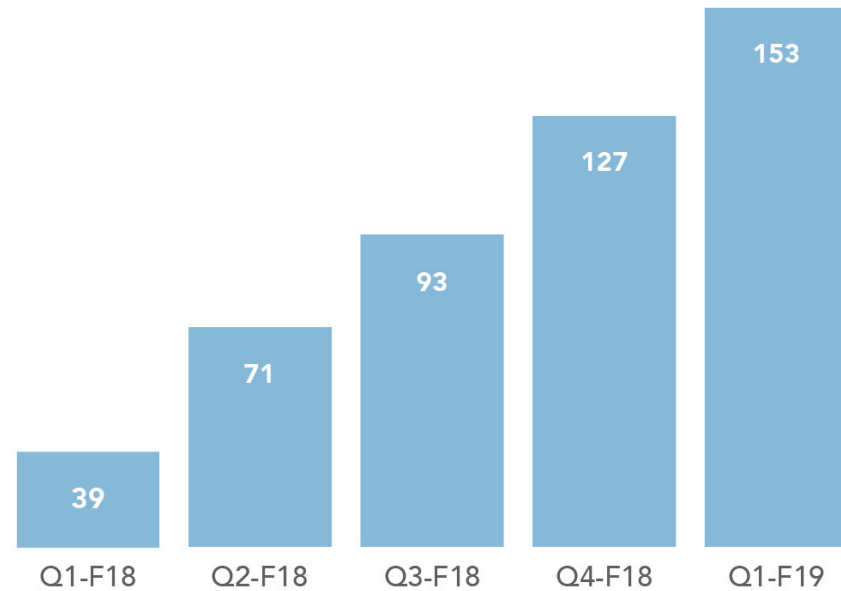
² Excludes fair value adjustments

Note: all figures are non-IFRS measures defined in the Company's Q1 FY'19 MD&A

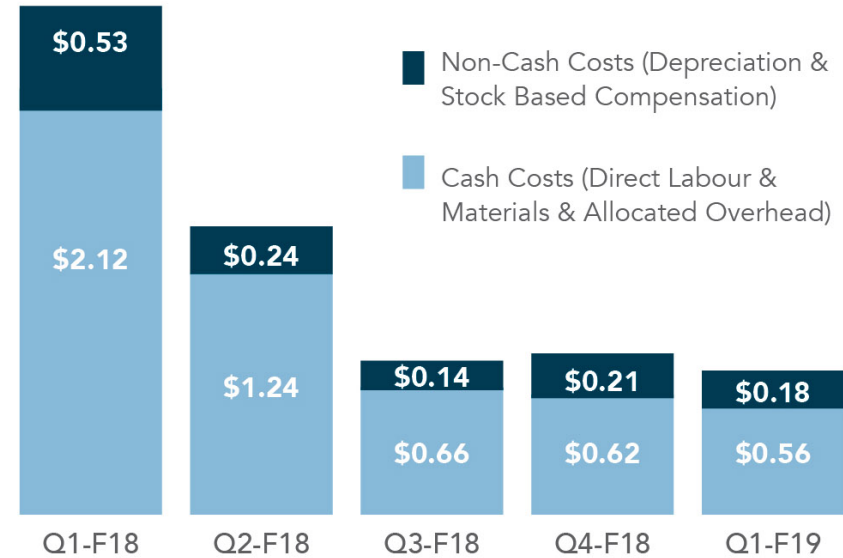


Industry Leading Yields Driving Down Costs

AVERAGE GRAMS PER PLANT HARVESTED



COST OF CULTIVATION PER DRIED FLOWER HARVESTED





New Brunswick

- One of the lowest cost in Canada
 - Operating cost
 - Real estate
 - Utilities
 - Wages
- Lowest general corporate income tax in Atlantic Canada
- Low and predictable base power rate of 5.2/kWh
- Skilled & motivated workforce
- Bilingual branding and services
- Significantly cheaper than Ontario

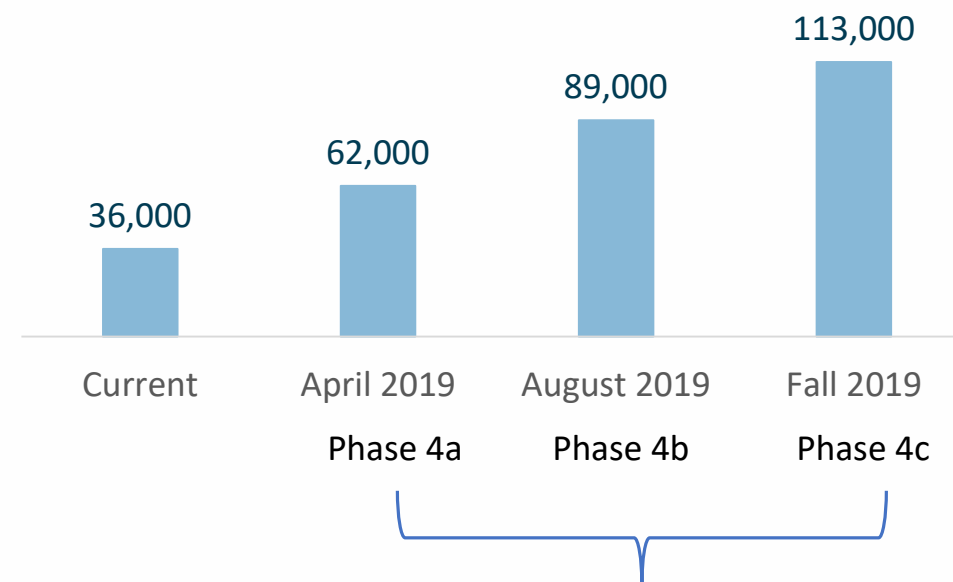
Executing on cost improvement opportunities

- Lag impact - higher cost inventory in Q1 FY'19 results and scale benefits to come
- Yield has continued to improve to date
- Custom automated packaging equipment only online at the end of fiscal 2018
- Bespoke automated pre-roll machine in final commissioning and validation stages
 - One of the national leaders in preroll -surpassed 1M to date
- Currently optimizing automated labelling and excise stamp application equipment
- Ramping up hiring to control and optimize process and quality of product

Increasing Indoor Production Capacity

- Fully funded facility expansion with construction underway expected to increase capacity to 113,000 kg/yr by Fall 2019
- Phase 4 expansion includes:
 - state of the art mechanical system
 - improved irrigation system expected to be one of the most sophisticated in North America
- Beyond the Phase 4 expansion underway, the company owns an additional:
 - adjacent 56,000 sq. ft adjacent to the existing facility expected to be refurbished for edibles, vaporizable products and extraction in preparation for the new edibles legislation in Oct 2019
 - 9.1 acres across the road from Moncton Campus

PRODUCTION CAPACITY (KG/YR)¹



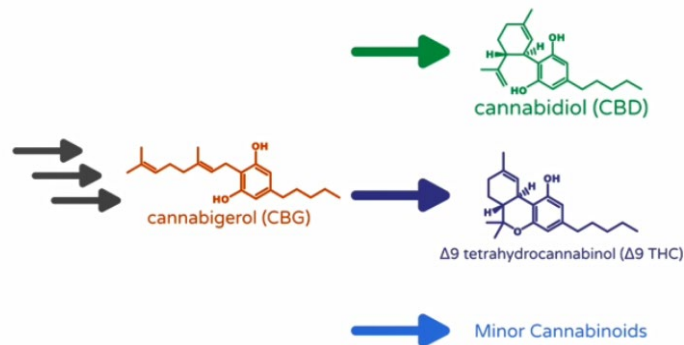
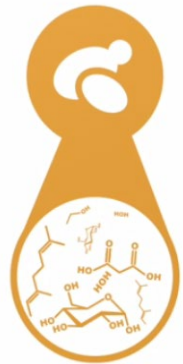
Total Phase 4 capex expected \$120-\$125M

¹ Expected pro-forma target production capacity



Three Level Growing Technology

- Maximize footprint
- 100% larger rooms in new expansion



Investment in Disruptive Technology

- Investment in Hyasynth, a biotech company in Montreal and leader in the field of cannabinoid science and biosynthesis
- Hyasynth developed a disruptive technology to naturally produce cannabinoids without growing cannabis plant
- Process has the potential to create a global supply of pure cannabinoids **at a fraction of the cost of traditional cultivation**
- Process begins by inserting genes into the yeast's natural metabolism causing the production of cannabinoids within the yeast
- Via this process, Hyasynth has developed patented enzymes that convert from natural precursors to CBG, CBD and THC
- Each new yeast strain can be scaled to millions of litres of fermentation

International Markets



- Alpha-cannabis® is a German company that is strategically positioned to serve the German medical cannabis market
- The company's principal owners have strong networking ties and knowledge in the German scientific and regulatory environment

As Partners we see the following collaboration possibilities:

1. Jointly bidding on the public tender by the German Cannabis Agency/Authority (BfArM) for the cultivation of Cannabis flower in Germany
2. Exporting of Cannabis flowers from Organigram Canada for distribution through a series of over 5,000 German pharmacies nationwide
3. Production of Cannabis extracts in Germany using GMP approved facilities and processing of CBD products from Organigram Canada and OGI's partner company (Eviana)



- Eviana Health Corp is a publicly-listed company (CSE: **EHC**) that was established with the aim of delivering consumer health care goods using natural hemp strains for CBD based products
- Eviana is based in Serbia, where the Company has completed three years of progressively larger outdoor hemp farming and harvesting

As Partners we see the following collaboration possibilities:









1. Company currently owns a 40,000 sq. ft. hemp processing facility in agricultural zone and leases 22,000 sq. ft. CBD extraction facility in Belgrade
2. Offtake agreement allows Organigram to purchase up to 25% of Eviana's raw CBD oil at a 5% discount to the wholesale price
3. Strategic location allows for potential supply into Germany and other EU markets



Well-positioned for New Edibles Legislation

- Exclusive consulting agreement with **The Green Solution (TGS)**, a proven market leader based in Denver, CO with 16 retail locations, for development of:
 - ▶ Commercial scale extraction and product processing
 - ▶ Derivative product development (e.g. edibles, vaporizable products, and beverage product mix)
- Partnership with **Canada's Smartest Kitchen**, a leader in food product development, to develop premium chocolate products and expand our edibles R&D
- Signed a multi-year extraction contract with **Valens GroWorks Corp.** for Valens to produce extract concentrate for oils and derivative products

Adult Recreational Brand Portfolio

						
Pricing Segment 		Value	Mainstream	Premium	Premium	Ultra Premium
Available Formats 		Pre-Roll, Milled	Pre-Roll	Pre-Roll and Oil	Whole Flower, Pre-Roll and Oil	Large Whole Flower
Tangible Brand Attributes 		Consistent Value Offering	Niche Equity	Organic	High THC Premium Sorted Flower Robust Product Offering	Top Flower Craft Cured Hand Trimmed

Experienced Executive Team



Jeff Purcell
Sr. Vice President of Operations

- 25 years of experience in operations for companies such as Ganong Chocolates and McCain Foods.



Gregory Engel
Chief Executive Officer

- 30 years of experience in the pharmaceutical industry.
- 3+ years of experience as a CEO for a cannabis company.

Paolo DeLuca
Chief Financial Officer

- 20 years of diversified financial business experience including West Face Capital, TD Securities.



Tim Emberg
Sr. Vice President of Sales and Commercial Operations

- 20 years of experience in pharmaceutical sales and marketing in the OTC and consumer packaged goods industry previously working for Roche Diabetes Care Canada, Jamieson Laboratories and Frito-Lay Canada.



Ray Gracewood
Chief Commercial Officer

- Previous Senior Director of Sales and Marketing for Moosehead Breweries Ltd.
- 15 years of experience in the marketing space.



Guillermo Delmonte
President of International Operations

- 2.5 years as CEO of ICC Labs Inc in Uruguay, Mr. Delmonte brings experience in leading a global cannabis company.
- Previously held roles with BBVA Bank, Technit Group, United Nations Uruguay.



Larry Rogers
VP of International Operations

- Previously held roles for Organigram such as a Member of the Board of Directors, Chief Operating Officer and VP, Business Development since 2014.
- Has spent time working for a Swiss private equity firm with offices in Western Europe, Asia and North America.



Michael Tripp
Chief Legal Officer

- Worked for private practices at respected business law firms in Moncton and Toronto where he acted on over \$3 billion in transactions.



Areas of Focus Ahead

- Continuous improvement to high-quality product for adult recreational use and medical markets
- Targeting Quebec to round out supply agreements to all provinces
- Continuing to develop international business partnerships to expand global footprint
- Expanding production capacity and capabilities to introduce a range of derivative products such as edibles and vaporizable products with new legislation
- Translating results into strong margins, EBITDA and free cash flow for increasing shareholder value

Appendix



 **ORGANIGRAM**

Organigram: Investor Highlights

Stock Data (TSXV: OGI)¹

Stock Price	\$7.06
Avg. Daily Vol. (3 mo.)	1.0M
Basic Shares Out.	130M
Fully Diluted Shares (Excl. \$5.42 debentures)	145M
Fully Diluted Shares (w/ \$5.42 debentures)	164M

Valuation Measures

Market Cap	~\$1000M
EV/EBITDA ⁴ 2019	15.7x
EV/EBITDA ⁴ 2020	8.0x

Financial & Operating Highlights - Q1-FY 2019

Revenue	\$12.4M
Adjusted Gross Margin % ²	71%
Adjusted EBITDA ²	\$5.0M
Adjusted EBITDA Margin % ²	40%
Free Cash Flow ²	\$2.9M
EPS from Continuing Operations, Diluted	\$0.195
Cash & Cash Equivalents	\$96M
Inventories	\$91M
Total Assets	\$369M
Debt ³	\$111M
Cash Costs of Cultivation per Gram	\$0.56
Grams Sold – Dried Flower	1.7M
mL Sold – Cannabis Oil	2.5M

Note 1: Stock Data figures as of February 8th, 2019. Financial highlights as of OGI's Q1-2019: November 30, 2018. Valuation measures calculated using January 28th, 2019 share price and November 30th financial statement data.

Note 2: Non-IFRS measures that are defined in the Company's Q1-2019 MD&A

Note 3: Face value of long-term debt and convertible debentures outstanding

Note 4: EV/EBITDA based on consensus from Bloomberg, FactSet

Distribution Deals with Provincial Crown Corporations and other Retailers

