

OGI Investor Presentation

NASDAQ (OGI)

TSX (OGI)



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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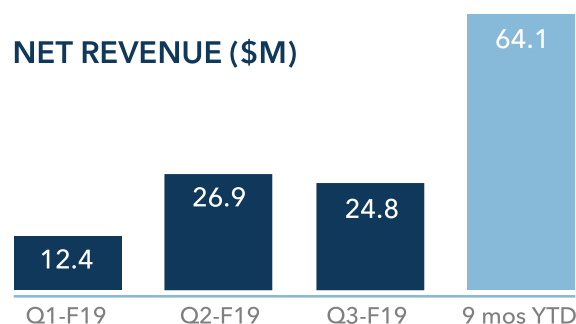
Organigram at a Glance

- Leading licensed producer (LP) of premium quality product for Medical & Adult Recreational Markets
- World's largest indoor cannabis cultivation facility with 3 level growing technology, in Moncton NB
- 1 of only 3 LPs with distribution agreements in all 10 provinces
- Expanding global footprint with international partnerships
- 1 of only 2 LPs invested in biosynthesis disruptive technology
- Market cap of ~\$600 Million

Q3 and YTD Fiscal 2019 Highlights

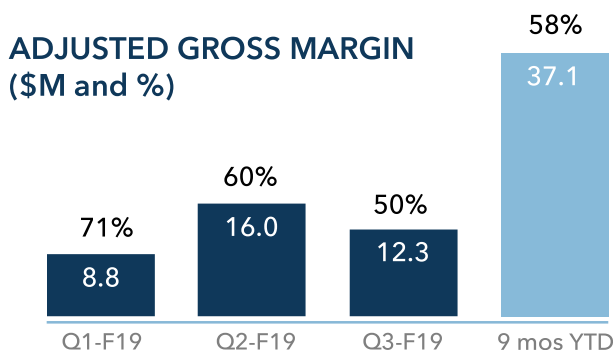
NET REVENUE

- Q3 net revenue from:
 - 3,926 kg of dried flower and 5,090 L of oil sold
 - \$21.8M in adult-use rec sales and \$2.8M in medical sales¹



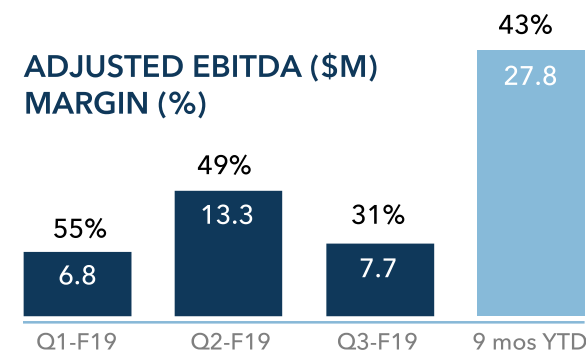
ADJUSTED GROSS MARGIN²

- Q3 adjusted gross margin impacted by higher production costs, temporary decline in yields and write-offs of legacy packaging
- Yields have returned to previous levels in Q4 2019



ADJUSTED EBITDA²

- Q3 marks fourth quarter in a row of positive adjusted EBITDA
- Q3 SG&A³ at 37% of net revenue
- Q3 net loss of \$10.2M or \$0.068 per share (fully diluted) largely due to FV changes to bio assets and inventory



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1 Negligible amount of net revenue coming from other items

2 Adjusted gross margin and adjusted EBITDA are non-IFRS measures with no standardized meaning under IFRS. See the Q3 2019 MD&A

3 Sales & Marketing and General & Administrative excluding share-based compensation



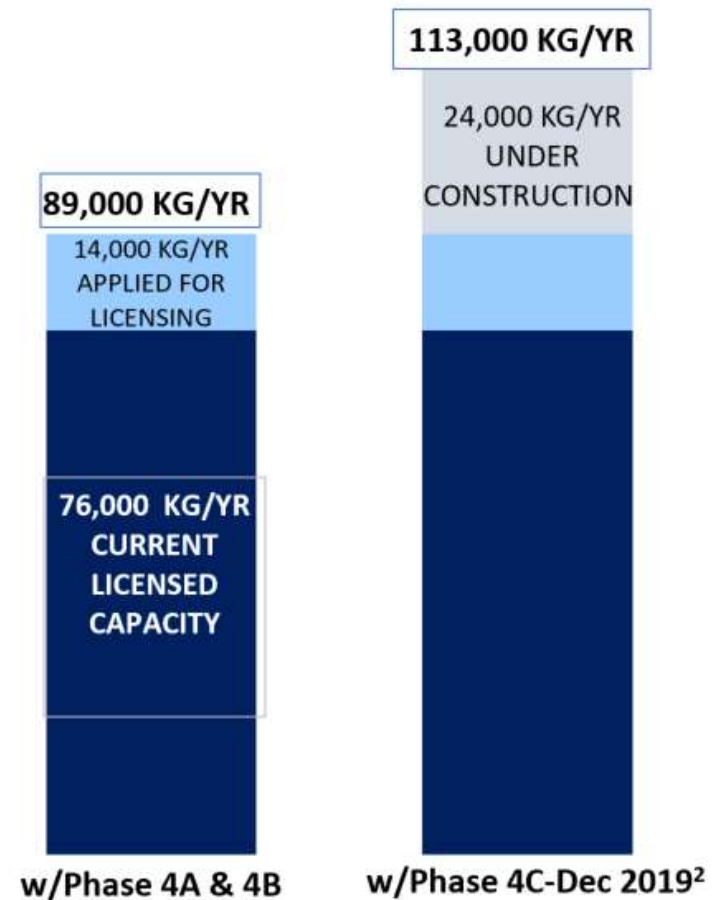
Three Level Indoor Cultivation Technology

- 3 levels of growing maximizes footprint
- Control all critical facets of environment with state-of-the-art technology and innovation
- Data driven decisions

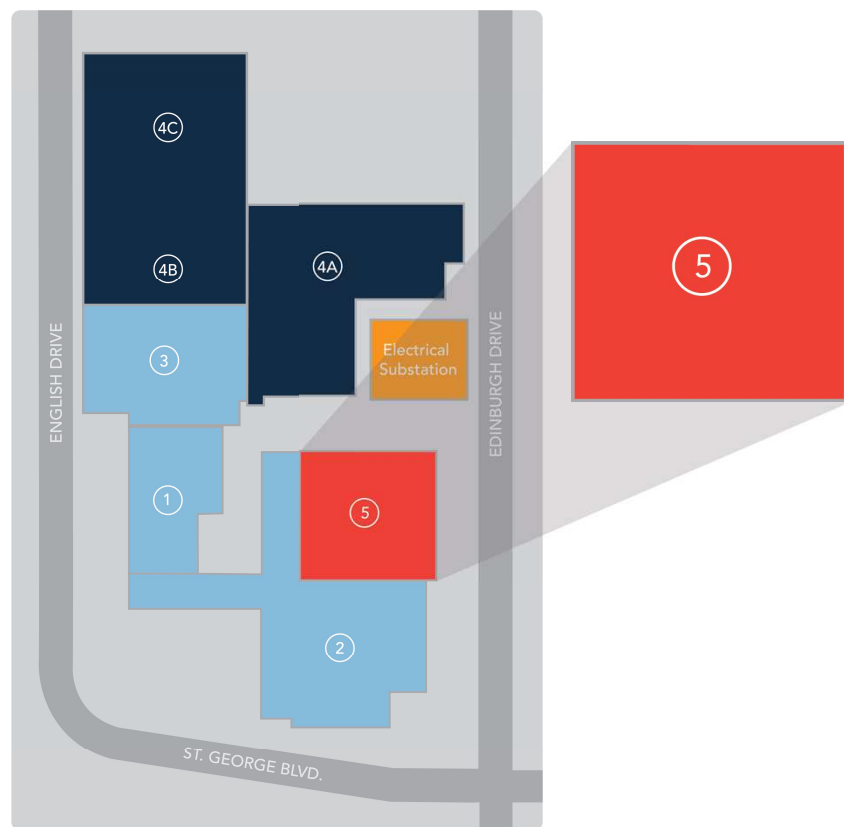
Phase 4 Expansion on Schedule

- **Current licensed production capacity is 76,000kg/yr¹**, with all Phase 4A and ~50% of Phase 4B rooms licensed
- Phase 4B construction was largely completed or schedule in Sept 2019; awaiting licensing amendment for remaining Phase 4B rooms for ~14,000 kg/yr
- Entire Phase 4 remains on schedule to be completed in December 2019 for **total target production capacity of 113,000 kg per year¹**, once fully licensed and operational, for total capex of \$125M¹

**TARGET
PRODUCTION
CAPACITY¹**



Phase 5 - Refurbishment for Edibles and Derivative Products



- 56,000 square feet within existing Moncton Campus facility being refurbished and designed under EU GMP standards for:
 - **An edibles and derivative production facility; and**
 - **Additional extraction capacity**
- Primary construction expected to be done in October 2019 at estimated capex of ~\$48M¹

Well-positioned for Edibles and Derivatives



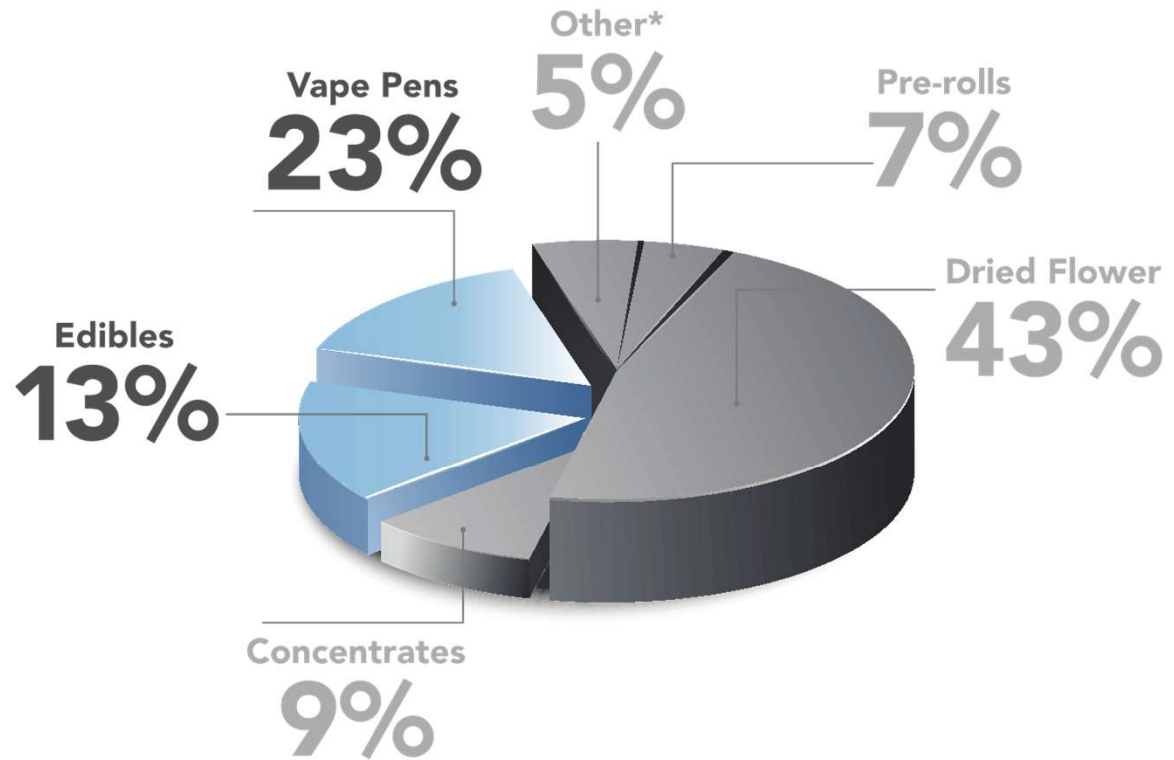
Exclusive agreement with **The Green Solution**, a proven market leader in the US for consulting services re: product processing and development as well as market segmentation and trends



Immediate increased extraction capacity from **Valens GroWorks** agreement and Phase 5 refurbishment underway

Well-positioned for Edibles and Derivatives

Initial OGI focus on two largest segments in edibles and derivative market - **vaporizer pens and edibles, including beverages**, representing 23% and 13%, respectively of total US recreational cannabis state sales¹



*Tinctures & sublingual, topicals, and capsules.

PAX



feather



Innovative Vaporizer Experiences

- Selected as **one of only four Canadian partners of PAX Era**, the premium oil vaporizer created by PAX Labs, Inc.
- Pax Labs, Inc. - a leader in the design and development of premium app-controlled vape technologies for cannabis
- Plans to offer Edison Cannabis Co. brand PAX Era pods
- Selected as **exclusive Canadian supplier of Feather Company's** design-patented vaporizer hardware and technology
- Plans to offer the disposable vaporizer pen and 5/10 thread cartridges
- Plan to launch a variety of vaporizer pens in **December 2019** as soon as authorized for sale

The image on the left side of the slide features a vertical arrangement of three elements. At the top is a pile of dark brown, chunky chocolate pieces. Below this is a pair of round, dark brown chocolate spheres, each with a black line-art of a cannabis leaf. At the bottom is a circular logo for 'CANADA'S SMARTEST KITCHEN', which has a red center with a white maple leaf and the text 'CANADA'S SMARTEST KITCHEN' in white, surrounded by a grey ring of stylized hands.

Investment in Innovative Chocolate production line

- **\$15 million investment** commitment in a high-speed, high-capacity, fully-automated production line with capacity of up to 4 million kg of chocolate cannabis edibles per year
- OGI product development and production team with more than **25 years of chocolate experience** and expertise
- Plans to introduce chocolate **innovations** unique not only to the cannabis industry, but **to the chocolate industry as a whole**
- Partnering with **Canada's Smartest Kitchen** to develop premium chocolate products and expand edibles R&D
- Plans to begin selling chocolate in **early calendar 2020**



Proprietary Nano-Emulsification Technology

- Planning to **launch dried powder formulation beverage products** in **early calendar 2020 in Canada**
- Proprietary nano-emulsion technology, developed based on analytical testing, used to create products with **an initial onset of 10-15 minutes**
- Shelf-stable, thermally-stable, water-soluble and palatable cannabinoid nano-emulsion formulation allows for the production of both liquid and powdered beverage products
- Actively seeking experienced beverage partner for global product development and to take advantage of the liquid form developed



Investment in Disruptive Technology- Biosynthesis

- Investment in Hyasynth, a biotech company and leader in the field of cannabinoid science and biosynthesis
- Hyasynth developed a disruptive technology - **biosynthesis** - to naturally produce cannabinoids without growing cannabis plant
- Process has the **potential to create a scalable 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 patent-pending enzymes that allow for the production of CBG, CBD and THC

International Markets



- Alpha-cannabis®, a German company strategically positioned to serve the German medical market
- Strong networking ties and knowledge in the German scientific and regulatory environment

As Partners we see the following collaboration possibilities:

1. Jointly bidding on future public tenders by the German Cannabis Agency/Authority (BfArM) for the cultivation of Cannabis flower in Germany
2. Exporting of Cannabis flowers from Organigram 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 and OGI's partner company (Eviana)



- Eviana Health Corp is a publicly-listed company (CSE: **EHC**) focused on delivering consumer health care goods using natural hemp strains for CBD products
- Based in Serbia, where it has completed 3 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



Global CBD Market

\$22B
in 2022¹

Seizing the Significant Hemp-CBD Opportunity

- CBD increasingly being used in a number of health and wellness products worldwide
- Agreement with **1812 Hemp**, an industrial hemp research company, to secure supply and support R&D on the genetic improvement of hemp to maximize yields and reduce costs
 - OGI has access to as much as **60,000kg** of secure supply with significant levels of CBD (4% to 8%) and right-of-first refusal on future hemp harvests
- Partnered with **Eviana**, a Serbian-based public company, focused on CBD based products
 - OGI can purchase up to 25% of Eviana's raw CBD oil at a 5% discount to wholesale

Strong Balance Sheet and Liquidity

- **Cash and short-term investments of \$87.8M** as at Q3 2019
- **YTD adjusted EBITDA of \$27.8M¹** for 9 months ended May 31, 2019
- **Positive adjusted EBITDA for the fourth consecutive quarter**
- **Eliminated \$49.3M in current liabilities** from the balance sheet with conversion of all convertible debentures
- In May, **closed \$140M credit facility maturing 2022** - comprised of \$115M term loan and \$25M revolver
 - Proceeds of term loan for Phase 4 and 5 and to refinance existing long-term debt
 - Interest rate expected to be in the high 4% to low 5% per annum range
 - Includes an option to increase facility to \$175M²

¹ Non-IFRS measure - see Company's Q3 2019 MD&A

² Subject to agreement from BMO and certain legal and business conditions
Note: additional details on credit facility on sedar.com

A Sustainable Long-term Strategy

CANADIAN, US and INTERNATIONAL MARKETS

Indoor Facility

High Quality Dried Flower

- Indoor grown means higher quality product and higher yields for lower cultivation costs
- Little price compression seen in US mature markets for high-quality dried flower
- Attractive return on investment/short payback period on Moncton facility

Biosynthesis

Input to Derivative Products

One of only two Canadian LPs invested in biosynthesis through Hyasynth Biologicals Inc.

Biosynthesis Vs. Traditional Cultivation

- Significantly lower opex and capex costs
- Scalable, consistent, superior purity of product
- Smaller environmental footprint
- Ability to meet rigorous standards of CPG and Pharma

Investment Thesis

- ✓ **Low cost of cultivation¹**, debunking claims indoor high quality production = high cost
- ✓ **Increasing target production capacity to 113,000 kg/yr²** - construction expected to be completed in December 2019
- ✓ **One of only three Canadian LPs** with distribution agreements in all 10 provinces
- ✓ **Strong Q3 & YTD Fiscal 2019 results** - positive Q3 adjusted EBITDA¹ for 4th quarter in a row
- ✓ **Positioned well for edibles and derivative products** with investments in innovative products and refurbishing for own edibles and derivatives facility and more in-house extraction capacity
- ✓ **Invested in biosynthesis** to produce cannabinoids **at a fraction of traditional cultivation costs**
- ✓ **International partnerships in Europe** and strategic priority to enter CBD markets beyond Canada
- ✓ **Attractive market valuation** relative to Canadian LP peers
- ✓ **Disciplined capital allocation** focused on maximizing **return on investment for shareholders**

18 ¹ Cost of cultivation per gram and adjusted EBITDA are non-IFRS measures. See Company's Q3 2019 MD&A

² Several factors can cause actual capacity to differ - please see Company's Q3 2019 MD&A

Appendix



ORGANIGRAM

Q3 2019 and YTD Fiscal 2019 Metrics

C\$M unless otherwise indicated

Q3 and YTD for 9 Months Ended May 31, 2019	Q3	YTD
Net Revenue	24.8	64.1
Cost of Sales and Indirect Production	12.5	27.0
Adjusted Gross Margin ¹ (before fair value adjustments)	12.3	37.1
Adjusted Gross Margin ¹ %	50%	58%
Gross Margin	(0.2)	59.5
Adjusted EBITDA ¹ (before fair value adjustments)	7.7	27.8
Adjusted EBITDA margin ¹ %	31%	43%
Sales & Marketing and General & Administrative ("SG&A") ²	9.1	19.3
SG&A as a % of Net Revenue	37%	30%
Net (Loss) Income from Continuing Operations	(10.2)	12.9
Cash Cost of Cultivation per gram ¹	0.95	
All-in Cost of cultivation per gram ¹	1.29	
Kilograms sold (dried flower)	3,926	9,910
Liters sold (oils)	5,090	13,373

Q3 and 2018 Fiscal Year-End	Q3	Aug 31, 2018
Cash & Short Term Investments	87.8	130.0
Inventories	94.2	45.0
Biological Assets	20.1	19.9
Debt (carrying value) ³	49.5	99.2

- 1 Non-IFRS measures that do not have any standardized meaning under IFRS. See the Q3 2019 MD&A.
- 2 Excluding share-based compensation expense.
- 3 2019 includes initial \$50M advance of BMO senior secured credit facility. 2018 includes carrying value of unsecured convertible debentures.

Experienced Management Team

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.



Gregory Engel

Chief Executive Officer

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



Ray Gracewood

Sr. Vice President Marketing & Communications

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



Jeff Purcell

Sr. Vice President of Operations

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











Paolo DeLuca

Chief Financial Officer

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



Adult Recreational Brand Portfolio

					
Pricing Segment 	Value	Mainstream	Premium	Premium	Ultra Premium
Available Formats 	Whole Flower, Pre-Roll and 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

Fully Automated Labeling and Excise Stamp Application



Fully Automated Flower Packing Line

