




# **ORGANIGRAM ACQUISITION OF LAURENTIAN ORGANIC INC.**

**DECEMBER 21, 2021**

NASDAQ (OGI)  
TSX (OGI)



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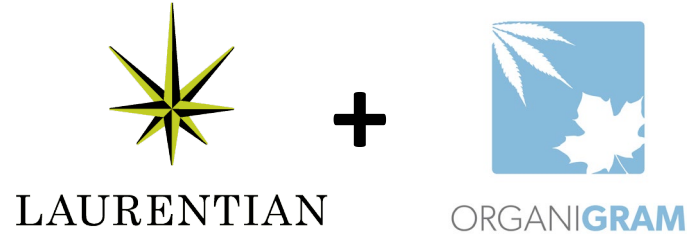
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# KEY TAKEAWAY



Organigram has **acquired all issued and outstanding shares** of Laurentian Organic Inc., a premium-focused, craft cannabis licensed producer in the province of Quebec.

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The acquisition further **strengthens Organigram's position in the Canadian market** and bolsters its position within the premium cannabis segment.

# STRATEGIC RATIONALE

- **Accelerates and strengthens Organigram's presence in the Quebec market** with Laurentian's leading position in the growing hash market
- **Strengthens Organigram's premium portfolio** with the addition of high-margin brands and products
- **Adds Quebec's top selling hash brand to the Organigram portfolio**, with Tremblant Cannabis
- **Adds an artisanal craft brand to the Organigram portfolio** with Laurentian
- **Is highly accretive on both a revenue and EBITDA basis**, expediting Organigram's target timing to EBITDA positivity

# TRANSACTION DETAILS

**Purchase Price:** C\$36 million [\$10 million cash, \$26 million in share consideration]  
+ Earnout Consideration (to be paid in share consideration)

**In Exchange for:** 100% of all the equity in Laurentian Organic Inc.

Organigram expected to invest an additional \$7 million of growth capital expenditure during C2022:

- Completion expected by summer of 2022.
- Production and cultivation capacity expected to more than double.

Earnout Consideration (subject to adjustments in Note A):

- 1<sup>st</sup> Earnout – to be paid on 2022 Calendar EBITDA [7.25 \* 2022 EBITDA \* 30%]
- 2<sup>nd</sup> Earnout – to be paid on 2023 Calendar EBITDA [7.25 \* 2023 EBITDA \* 19%]

**Note A** – 1<sup>st</sup> and 2<sup>nd</sup> Earnouts subject to adjustments for \$7 million of CapEx to be funded by Organigram and \$2 million of working capital. Assuming a rising EBITDA in 2022 and 2023 Organigram expects to reduce the 1<sup>st</sup> Earnout by \$5.5 million (\$3.5 million of the \$7 million CapEx and \$2.0 million for working capital) and the 2<sup>nd</sup> Earnout by \$3.5 million.

# LAURENTIAN AT-A-GLANCE



## COMPANY

- Established in 2020
- Located in Lac-Superieur, QC, near Mont-Tremblant
- Top-selling hash brand in Quebec
- Recently launched in Ontario, expanding from their existing presence in QC, MB and SK






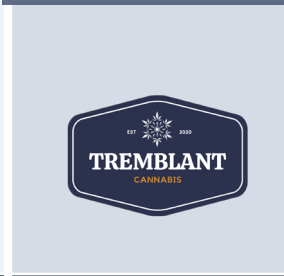




## PORTFOLIO

- Premium Afghan hash – 2g, 3.5g
- Craft flower – Ethos Glue, Planet of the Grapes
- Premium flower & pre-rolls – Mandarin Cookies, Tremblant Kush

## OPERATION AND FACILITIES

- Health Canada licensed
- Greenhouse capacity expanding from 600kg to 3000kg of craft flower by the end of 2022
- Hash capacity expected to increase from 1 million to 2 million units by end of 2022

# ORGANIGRAM'S WELL-ROUNDED BRAND PORTFOLIO

				NEW		NEW	NEW
							
Pricing Segment 	Value	Value	Value	Mainstream	Mainstream	Premium	Craft
Available / Planned Formats 	Pre-Milled Flower, Pre-Roll Joint, Multipacks, Infused Gummies	Whole Flower, Pre-Roll Joints, Chocolate & Vape Pens	Whole Flower	CBD Gummies	Whole Flower, Pre-Roll Joints, Chocolate Truffles, Oils & Vape Pens	Afghan Hash, Premium Flower, Pre-Roll Joints	Craft Flower, Pre-Roll Joints
Tangible Brand Attributes 	Good THC Potency, Great Value, Big Flavour	Good THC Potency, Good Taste, Good Price	Strain Specific Flower, High Quality Genetics, Good value	Assorted Flavours, Vegan & Sugar-Free Offerings	Potent & Flavourful Strains, Unparalleled Genetics, Strain Specific Grow Rooms	Premium Unique Temple Ball format	Rare Genetics, Greenhouse grown, Hang-dried, Hand-trimmed, Cured to Perfection

The addition of Laurentian and Tremblant Cannabis rounds out Organigram's portfolio with **premium brands** and **high-margin products** such as hash, craft flower and premium pre-rolls.

**THANK YOU**

 **ORGANIGRAM**