Q4 and Fiscal 2019 Results

November 25, 2019

NASDAQ (OGI)
TSX (OGI)

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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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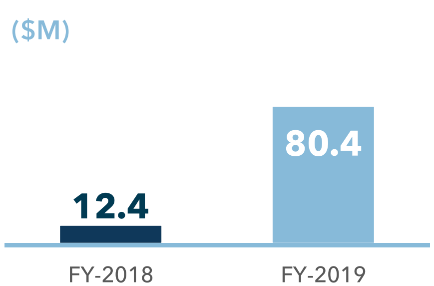
Fiscal 2019 Financial Results

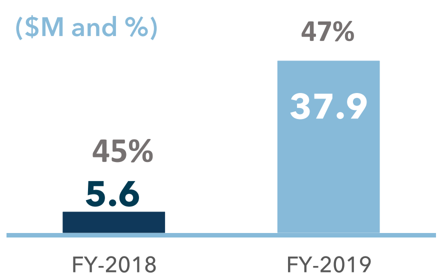
NET REVENUE

- 2019 net revenue grew 547% from 2018
- YTD - estimated national market share of ~10% in the adult-use recreational cannabis market[1]



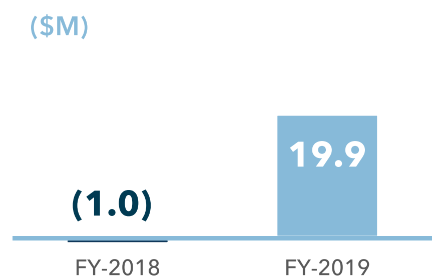
GROSS MARGIN
before FV CHANGES to BIO ASSETS & INVENTORIES

- Gross margin before fair value changes to bio assets and inventory sold increased 575% from 2018



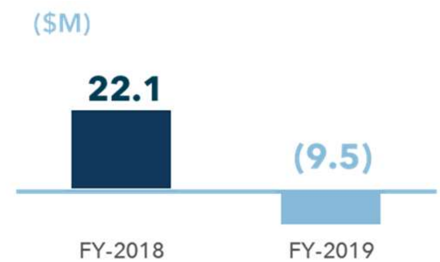
ADJUSTED EBITDA[2]

- 2019 adjusted EBITDA margin[2] of 25% as a percentage of net revenue
- 2019 SG&A[3] at 41% of net revenue



NET INCOME (LOSS)[4]

- 2019 net loss of $9.5M or $0.07 per share (fully diluted) largely due to FV changes to bio assets and inventory



1 Based on the Company's analysis of available data including, but not limited to, market share data from select provinces and various public data
2 Adjusted EBITDA is a non-IFRS measures with no standardized meaning under IFRS. See final slide.
3 Sales & Marketing and General & Administrative excluding share-based compensation
4 From continuing operations

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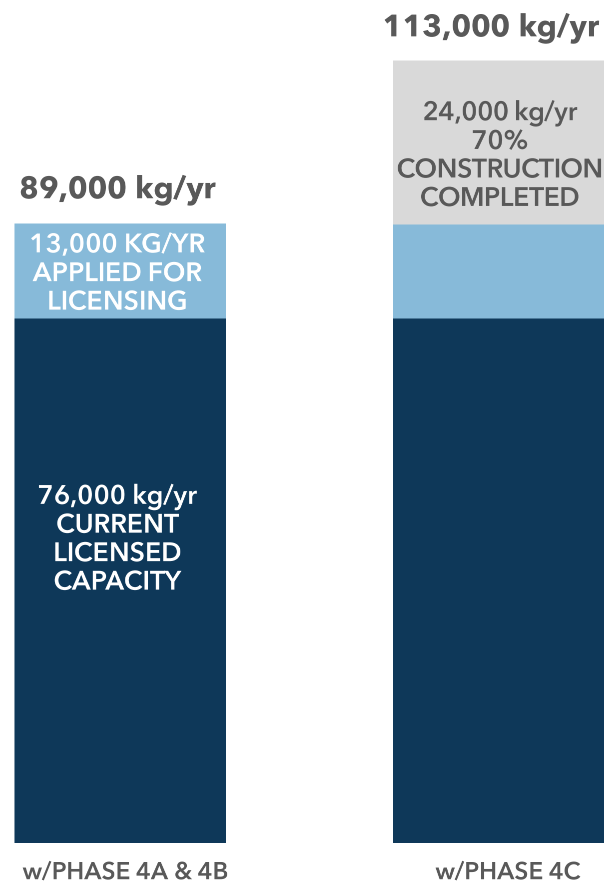
Phase 4 Expansion of Moncton Campus

- **Current licensed production capacity is 76,000kg/yr[1],** with all Phase 4A and ~50% of Phase 4B rooms licensed
- Awaiting licensing amendment for remaining Phase 4B rooms for ~13,000 kg/yr
- Deferred completion of Phase 4C until more clarity on magnitude and timing of Ontario retail expansion
- ~70% construction completed on Phase 4C

TARGET PRODUCTION CAPACITY[1]



1 Target production capacity once licensed and fully operational; several factors can cause actual capacity and costs to differ from estimates. See "Risks and Uncertainties" in most recent MD&A.

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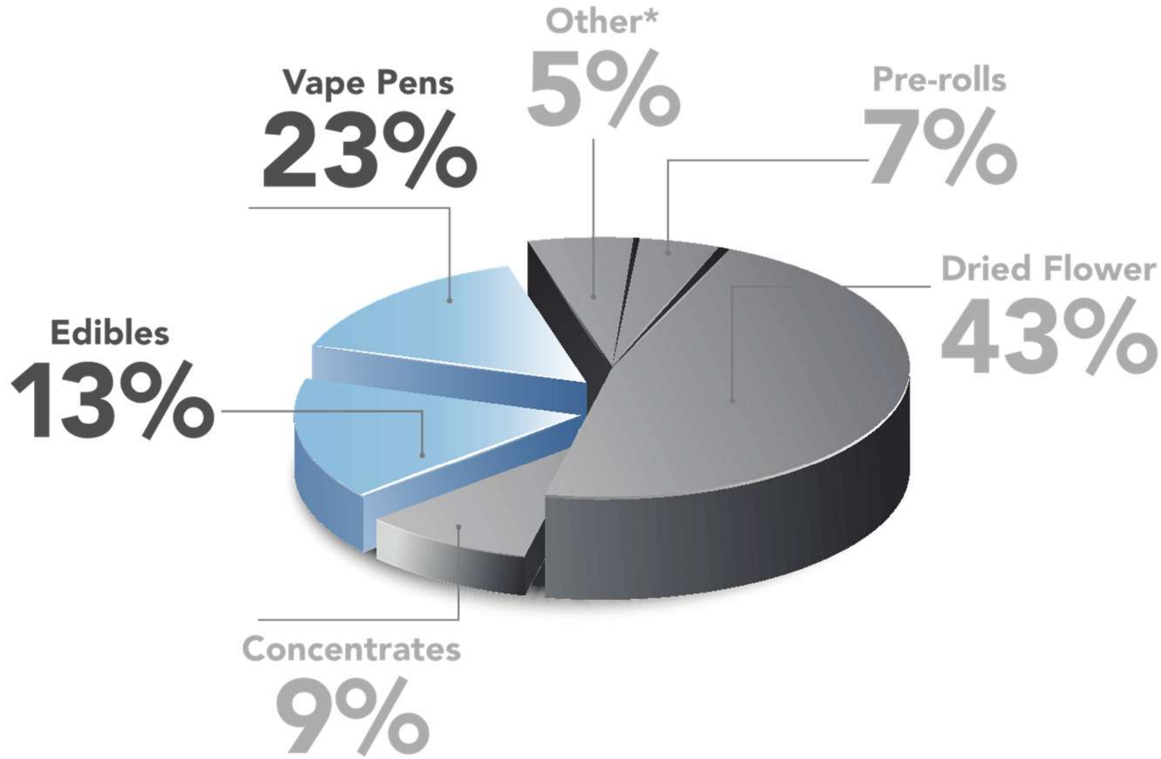
Well-positioned for Edibles and Derivatives

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 sales[1]



*Tinctures & sublingual, topicals, and capsules.

1 QUICK TAKE - Cannabis - Cowen's THC Tracker: U.S. Brands - Cowen and Company, March 29, 2019

Innovative Vaporizer Experiences

- Selected as **one of the Canadian partners for PAX Era,** the premium closed loop vaporizer system created by PAX Labs, Inc.
- PAX Labs, Inc. - a leader in the design and development of premium app-controlled vape technologies for cannabis
- Selected as **exclusive Canadian supplier of Feather Company's** industrial design-patented vaporizer hardware and technology
- Expect to launch some vaporizer pens in **December 2019**

Premium Cannabis-infused Chocolates

- **$15 million investment in high-speed, high-capacity, fully-automated production line** that includes advanced engineering, robotics, high-speed labeling automated carton packing
- Installation of the production line has been completed and expect the licensing and commissioning in time **to launch cannabis-infused chocolate in Q1 calendar 2020**
- OGI product development and production team has more than **25 years of chocolate experience** and expertise

Proprietary Nano-Emulsification Technology Powdered Beverage Products

- Expect to **launch dried powder formulation beverage products in Q2 calendar 2020** based on expected licensing for the production area and equipment delivery and commissioning schedules
- Proprietary nano-emulsion technology, developed by internal R&D team which created products with **an expected initial onset of 10-15 minutes**
- Expect nano-emulsion formulation to be shelf stable, water-compatible, and flavorless

Award-winning Products and Brands

Won Top Product Award in the High THC Bottled Oil Category for our medical product, Rossignol

Runner-up for medical High THC Bottled Oil Banook and recognized in 7 other categories

Top High THC Bottled Oil – WINNER 2019
ORGANIGRAM ROSSIGNOL

Top High THC Bottled Oil – FINALIST 2019
First runner up:
ORGANIGRAM BANOOK

Top Balanced Oil – FINALIST 2019
First runner up:
ORGANIGRAM UTOPIA

Top Hybrid Dominant Pre-roll – FINALIST 2019
First runner up:
EDISON CANNABIS CO. CITY LIGHTS PRE-ROLL

Brand of the Year – FINALIST 2019
First runner up:
EDISON CANNABIS CO.

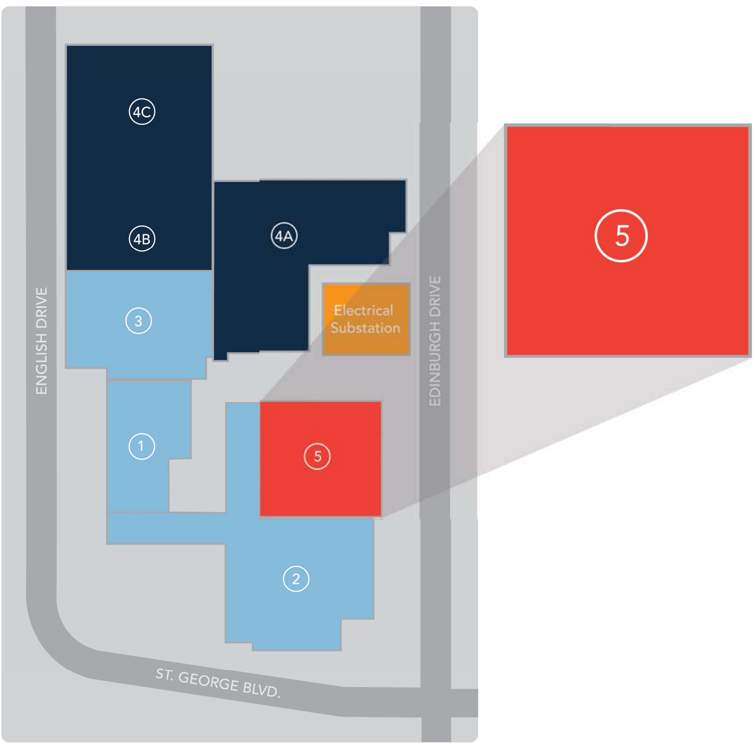
Employer of the Year – FINALIST 2019
Finalist:
ORGANIGRAM

Top High CBD Bottled Oil – FINALIST 2019
First runner up:
ORGANIGRAM SHUBIE

Top Hybrid Flower – FINALIST 2019
First runner up:
EDISON CANNABIS CO. EL DORADO

Top Sativa Dominant Pre-roll – FINALIST 2019
First runner up:
TRAILBLAZER FLASH STIX

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 largely completed in October 2019
- Total capex now expected to be \$60M to \$65M[1] (from previously estimate of ~\$48M) primarily due to:
  - 18,000 more square feet of processing space
  - increased EU GMP design costs and
  - multiple automation projects designed to reduce reliance on manual labour and operating costs

1 Several factors can cause actual capacity and costs to differ from estimates. See "Risks and Uncertainties" in most recent MD&A.

Liquidity and Capital

- **Cash and short-term investments of $47.9M** as at fiscal 2019 year end
- **Generated positive adjusted EBITDA of $19.9M[1]** in 2019
- **$50M in undrawn capacity** on total term loan of $115M
- A revolver available of up to $25M to be drawn against specified receivables
- Credit facility includes an option to increase to $175M[2]

[1] Adjusted EBITDA is a non-IFRS measure – see final slide
[2] Subject to agreement from lenders and certain legal and business conditions

Select Key Financial Metrics

(in 000s)	Q4-19	Q4-18	% CHANGE	FISCAL 2019	FISCAL 2018	% CHANGE
Gross revenue	19,235	3,190	503%	97,547	12,429	685%
Excise taxes	(2,945)	-	n/m	(17,134)	-	n/m
Net revenue	16,290	3,190	411%	80,413	12,429	547%
Cost of sales (incl. indirect production)	15,543	1,586	880%	42,521	6,814	524%
Gross margin (GM) before FV changes	747	1,604	(53)%	37,892	5,615	575%
FV changes to bio assets & inventories	(11,806)	30,846	n/m	10,577	46,018	(77)%
Gross margin	(11,059)	32,450	n/m	48,469	51,633	(6)%
SG&A[1]	13,883	3,567	289%	33,218	10,989	202%
Net income (loss) from continuing ops	(22,456)	18,091	n/m	(9,504)	22, 124	n/m
Select Non-IFRS Metrics						
GM before FV changes as % of net revenue	5%	50%	(46)%	47%	45%	2%
SG&A as a % of net revenue	85%	112%	(27)%	41%	88%	(47)%
Adjusted EBITDA[2]	(7,907)	292	n/m	19,900	(1,003)	n/m
Adjusted EBITDA as a % of net revenue[2]	n/m	9%	n/m	25%	n/m	n/m

1 Sales and marketing and general and administrative expenses (excludes noncash share based compensation and impairment loss)
2 Adjusted EBITDA is a nonIFRS measure -please see final slide.

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Adjusted EBITDA

This is a non-IFRS measure and the Company calculates adjusted EBITDA from continuing operations as net income (earnings) before: interest expense, net of investment income; income tax; depreciation, amortization, impairment, and gain (loss) on disposal of PP&E (per the statement of cash flows); share-based compensation (per the statement of cash flows); share of loss and impairment loss from investments in associates; unrealized loss (gain) on changes in fair value of contingent consideration; expenditures incurred in connection with the NASDAQ cross-listing; and the fair value adjustment to biological assets and inventory. Management believes the exclusion of the fair value adjustment is an alternative representation of performance. The fair value adjustment is a non-cash gain (loss) and is based on the valuation of biological assets and inventory using a fair value less cost to sell model. The most directly comparable measure to adjusted EBITDA (excluding fair value adjustment to biological assets and inventory) calculated in accordance with IFRS is net income (loss) from continuing operations.

(in 000s)	**Q4-2019**	Q4-2018	**Fiscal 2019**	Fiscal 2018
Adjusted EBITDA				
Net income (loss) from continuing operations	$ (22,456)	$ 18,091	$ (9,505)	$ 22,123
Add:				
Interest expense (investment income) from continuing operations	616	3,861	9,007	8,639
Income tax expense (recovery)	(6,289)	5,653	3,628	5,653
Depreciation, amortization, impairment, and gain (loss) on disposal of PP&E from continuing operations (per statement of cash flows)	3,955	1,556	9,648	3,567
Less/(Add): fair value adjustment to biological assets and net realizable value adjustment to inventory	(11,806)	30,846	10,577	46,018
Adjusted EBITDA as Previously Reported	**$(12,368)**	**$ (1,685)**	**$ 2,201**	**$ (6,036)**
Add:				
Share-based compensation (per statement of cash flows)	4,036	1,977	14,894	5,033
Share of loss and impairment loss from investments in associates	1,289	-	2,211	-
Unrealized loss on changes in fair value of contingent consideration	(864)	-	145	-
Nasdaq cross-listing expenditures	-	-	449	-
Adjusted EBITDA Revised	**$ (7,907)**	**$ 292**	**$ 19,900**	**$ (1,003)**
Divided by: net revenue from continuing operations	16,290	3,213	80,413	12,429
Adjusted EBITDA margin %	**n/m**	**9%**	**25%**	**n/m**