



OGI

Q3 FISCAL 2020 RESULTS

JULY 21, 2020

NASDAQ (OGI)
TSX (OGI)



ORGANIGRAM

Cautionary Statement

This document is current as of July 17, 2020, except where otherwise stated. The information contained in this presentation is provided by Organigram (“OGI” or the “Company”) for informational purposes only and does not constitute an offer to issue or arrange to issue, or the solicitation of an offer to issue, securities of OGI or other financial products. No part of this presentation shall form the basis or be relied upon in connection with any contract, commitment or investment decisions in relation thereto. The information contained herein is not investment or financial product advice and is not intended to be used as the basis for making an investment decision. No securities commission or similar regulatory authority in Canada has reviewed this presentation.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. This presentation is not meant to provide a complete or comprehensive analysis of OGI’s financial or business prospects. To the maximum extent permitted by law, none of OGI nor its directors, officers, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising out of fault or negligence, for any loss arising from the use of the information contained in this presentation.

Certain of the information in this presentation contains certain “forward-looking information” within the meaning of applicable securities laws (“forward-looking information”). Forward-looking information, in general, can be identified by words such as “outlook”, “objective”, “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate”, “continue”, “budget”, “schedule” or “forecast” and other similar words, or statements that certain events or conditions “may”, “could”, “would”, “might” or “will” occur. Forward-looking information is based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in forward-looking information, including those risk factors identified in OGI’s most recent MD&A, AIF and other disclosure documents available on SEDAR at www.sedar.com and www.sec.gov/edgar.shtml under OGI’s issuer profile. The information contained in this presentation should be considered in the context of the circumstances prevailing as at the date hereof and OGI undertakes no obligation to update forward-looking information to reflect material developments which may occur after the date this presentation was prepared or if circumstances or management’s estimates or opinions should change except as required by law. The reader is cautioned not to place undue reliance on forward-looking statements.

The financial information in this presentation includes adjusted EBITDA, which is a financial performance measure that is not defined by and does not have any standardized meaning under IFRS and is used by management to assess the financial and operational performance of the Company. The Company believes that this non-IFRS financial measure, in addition to conventional measures prepared in accordance with IFRS, enable investors to evaluate the Company’s operating results, underlying performance and prospects in a similar

manner to the Company’s management. As there are no standardized methods of calculating this non-IFRS measure, the Company’s approach may differ from those used by other issuers, and accordingly, the use of this measure may not be directly comparable. Accordingly, this non-IFRS measure is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. For further information regarding this non-IFRS measure, including definition, a quantitative reconciliation to the most directly comparable IFRS measure, see the Company’s Q3 Fiscal 2020 MD&A.

This presentation does not constitute an offer of shares for sale in the United States or to any person that is, or is acting for the account or benefit of, any U.S. person as defined in Regulation S under the United States Securities Act of 1933, as amended (the “Securities Act”) (“U.S. Person”), or in any other jurisdiction in which such an offer would be illegal. OGI’s shares have not been and will not be registered under the Securities Act. We seek safe harbour.

This document may not be reproduced, further distributed or published in whole or in part by any other person. This document may only be disseminated or transmitted into any jurisdiction in compliance with, and subject to, applicable securities laws. Readers are required to ensure their compliance with applicable securities laws.

Q3 Fiscal 2020 Highlights

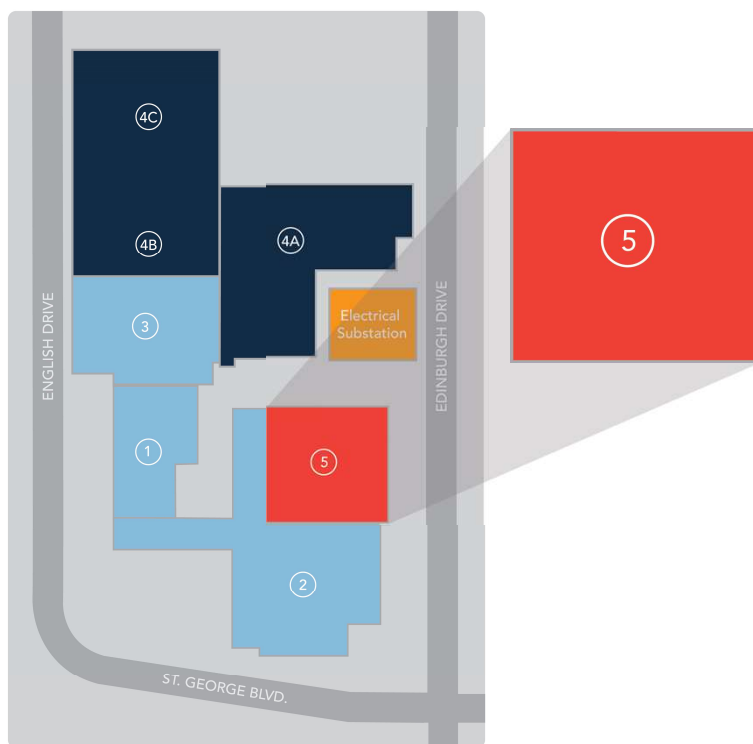
- Generated positive cash flow from operations of \$8.5M and ended the quarter with cash and short-term investments of \$44.8 million
- Subsequent to quarter-end, raised \$17.9 million in gross proceeds to complete the at-the-market (“ATM”) equity program and drew remaining \$30 million on its existing term loan
- Ended the quarter with only modest remaining expansion capex of \$4M based on current plans to complete Phases 4 and 5 of the Moncton Campus Facility
- Launched Organigram’s first value offering of dried flower in a large size format of 28g into the fast-growing value segment of the adult-use recreational market
- Secured the Company’s largest international deal to date in June 2020 to supply one of Israel’s largest and most established medical cannabis producers, Canndoc Ltd. with up to 6,000kg of dried flower in a multi-year agreement
- Reduced the Company’s workforce by ~25% or ~220 employees in June 2020 in order to better align with the prevailing market conditions

Phase 4 Expansion of Moncton Campus

- Phase 4 divided up into 3 stages – 4A, 4B and 4C; Phases 4A and 4B completed
- Adjusting production methods to achieve higher THC levels which has reduced the yield per plant by ~20% - **revised target production capacity is now estimated at 70,000 kg/yr¹** (from 89,000 kg/yr)
- **Expect to cultivate below target production capacity for the foreseeable future** based on lower than expected consumer demand
- **Made decision to indefinitely delay completion of Phase 4C**, as originally contemplated, to:
 - Prioritize and effectively manage cash flow; and
 - Potentially use the space in Phase 4C for other opportunities
- Estimated capital cost to complete 4C such that it can be occupied, was ~\$1M¹ at the end of Q3 Fiscal 2020

1 Target production capacity once licensed and fully operational; several factors can cause actual capacity and costs to differ from estimates. See “Risk Factors” in the Company’s Q3 2020 MD&A.

Phase 5 - Refurbishment for Edibles and Derivative Products



- 56,000 square feet within existing Moncton Campus facility being refurbished for:
 - **An edibles and derivative production facility; and**
 - **Additional extraction capacity (CO₂ and hydrocarbon)**
- Estimated capital cost to complete was ~\$3M¹ at end of Q3 Fiscal 2020, largely related to the installation of certain equipment in the edibles and extraction areas

Rec 1.0 - New Product Launches and Line Extensions

	PRODUCTS	LAUNCH TIMING
VALUE in large format segment	7g & 15g Trailblazer line extension 	Launched early July 2020
VALUE in large format segment	Buds 28g launch in Ontario 	Launched mid-July 2020
Most popular strains	3-pack Pre-Rolls (3 strains) 1g & 3.5g Limelight line extension 	Launched June 2020
Higher THC	3 new genetics 	Expect Launch in Q4 Fiscal 2020



OGI Vaporizer Pen Portfolio

- As planned, began shipping **Trailblazer Torch** vape cartridges in **December 2019**
- Started shipping **Edison + Feather** ready-to-go distillate pens in **February 2020**
- 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
- **Launched PAX ERA distillate cartridges in April 2020**



Cannabis-infused Chocolates

- ~\$15M investment in high-speed, high-capacity, fully-automated production line that includes advanced engineering, robotics, high-speed labeling, automated carton packing
- Commissioning of the production line completed in January 2020
- Shipped first product in February 2020, Edison Bytes, premium truffles in milk and dark chocolate available in 2 with 5mg of THC each or 1 with 10mg
- Expect to launch a cannabis-infused chocolate bar into the value segment of the adult-recreational edibles market under the Trailblazer brand in Q4 Fiscal 2020; to be available in two flavours, mocha and mint chocolate with 10 mg of THC in every 42 g bar



Proprietary Nano-Emulsification Technology Dissolvable Powder Product

- Proprietary nano-emulsion technology, developed by internal R&D team
- **An expected initial absorption of cannabinoids in 10-15 minutes** once ingested by adding to a liquid
- Anticipated stability to temperature variations, mechanical disturbance, salinity, pH and sweeteners as well as being **shelf stable, water-compatible, and unflavoured**
- Offers consumers a measured dose of cannabinoids to add to a beverage of their choice **while also offering discretion, portability and shelf life of a dry powder**
- **Expect to launch in Q1 Fiscal 2021**

Liquidity and Capital

- Generated **\$8.5 million in positive cash flow from operations** in Q3 Fiscal 2020
- **Cash and short-term investments of \$44.8M as at end** of Q3 Fiscal 2020
- Only **modest remaining expansion capex of ~\$4M** as at the end of Q3 Fiscal 2020 to complete plans for Phases 4 and 5 of the Moncton Campus Facility
- **Successfully completed an Amendment to the Credit Facility Agreement** with BMO and the syndicate of lenders in Q3 Fiscal 2020 and subsequently **drew the remaining \$30 million on the term loan** in June 2020
- **Completed the ATM equity program**, first announced in April 2020
 - During Q3 2020, issued ~14.0 million common shares for gross proceeds of \$31.1 million at a weighted average price of \$2.21 per common share and net proceeds of \$29.8 after agents' commissions and other fees
 - Subsequent to Q3 Fiscal 2020, issued ~7.0 million common shares for gross proceeds of \$17.9 million at a weighted average price of \$2.54 per common share
- **As at July 17, ~\$78M in cash and short-term investments**, excluding the \$8M of restricted investment (GIC)



APPENDIX

 **ORGANIGRAM**

Select Key Q3 Fiscal 2020 Financial Metrics

(\$ IN 000S) UNLESS OTHERWISE INDICATED	Q3 2020	Q3 2019	% CHANGE
Gross revenue	22,241	30,361	-27%
Excise taxes	(4,220)	(5,611)	-25%
Net revenue	18,021	24,750	-27%
Cost of sales	44,375	12,473	256%
Gross margin before fair value changes to biological assets & inventories sold	(26,354)	12,277	-315%
Fair value changes to biological assets & inventories	(23,862)	(12,456)	92%
Gross margin	(50,216)	(179)	<i>nm*</i>
Sales & marketing and general & administrative expenses ("SG&A") ¹	10,258	9,063	13%
Net loss	(89,871)	(10,180)	783%
Adjusted EBITDA ²	(24,739)	7,712	-421%
Net cash provided by operating activities	8,527	3,006	184%

1. Excludes noncash share-based compensation and impairment of property plant and equipment

2. Adjusted EBITDA is a non-IFRS measure- please see Company's Q3 2020 MD&A for definition and reconciliation to IFRS

* not meaningful

Select Key Q3 Fiscal 2020 Balance Sheet Metrics

(\$ IN 000S UNLESS OTHERWISE INDICATED)	31-MAY-20	31-AUG-19	% CHANGE
Cash & Short-Term Investments	44,777	47,935	-7%
Biological Assets & Inventories	100,634	113,796	-12%
Other Current Assets	17,226	34,550	-50%
A/P and Other Current Liabilities	31,563	43,864	-28%
Working Capital	131,074	152,417	-14%
Property, Plant & Equipment	249,719	218,470	14%
Long-Term Debt	78,884	46,067	71%
Total Assets	433,677	428,525	1%
Total Liabilities	113,519	101,519	12%
Shareholders' Equity	320,158	327,006	-2%