



# **ORGANIGRAM**

## **Q1 FISCAL 2021 RESULTS**

### **JANUARY 12, 2021**

| NASDAQ (OGI)  
| TSX (OGI)



**ORGANIGRAM**

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and the sufficiency of the retail networks to supply such demand; ability to enter and participate in international market opportunities; general economic, financial market, regulatory and political conditions in which the Company operates; the ability of the Company to compete in the cannabis industry; a material decline in cannabis prices, as well as those risk factors identified in OGI's most recent MD&A, AIF and other disclosure documents available on SEDAR at [www.sedar.com](http://www.sedar.com) and [www.sec.gov/edgar.shtml](http://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 at the time 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.

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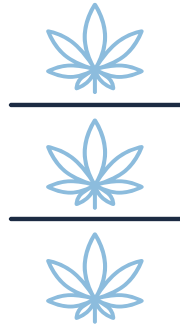
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# ORGANIGRAM AT A GLANCE



## **LEADING LICENSED PRODUCER**

Leading licensed  
producer (LP)  
of quality products for  
Medical & Adult  
Recreational Markets



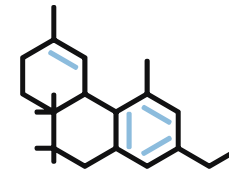
## **3 LEVEL INDOOR GROWING**

Indoor facility in  
Moncton, NB with  
unique three-level  
cultivation technology

**10** OUT  
OF **10**

## **CANADIAN PROVINCES**

Sales to all  
10 Canadian  
provinces

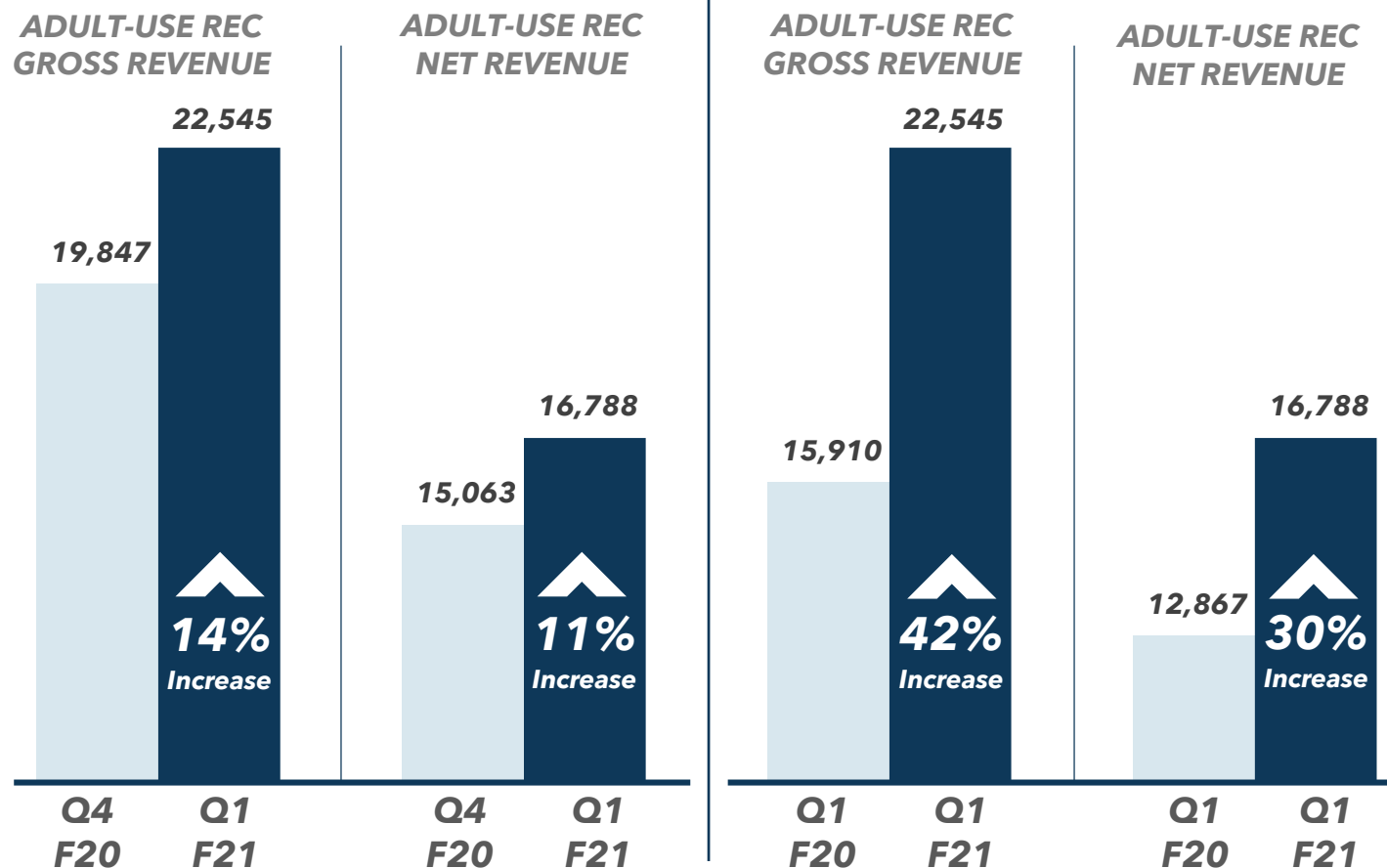


## **INNOVATION**

Focused on  
continuous  
improvement,  
innovation and  
automation

# Q1 FISCAL 2021 KEY FINANCIAL HIGHLIGHTS

- Double digit % growth in adult-use recreational market revenue



- Generated positive cash flow from operations (CFO) in Q1 F2021

- 2<sup>nd</sup> quarter of the last three quarters with positive CFO
- Ended Q1 F2021 with **\$134 million in cash & short-term investments**
- Repaid \$55 million on term loan on Dec 1, 2020 for **pro-forma cash & short-term investments of \$79 million and \$60 million for term loan**

# ORGANIGRAM ADULT RECREATIONAL BRANDS

**#1 MOST SEARCHED**  
for November and  
December 2020







**MOST-SEARCHED brands on  
Ontario Cannabis Store website**

**One of top 12 MOST  
SEARCHED**  
for November 2020

				
Pricing Segment 	Value	Value	Value	Mainstream
Available / Planned Formats 	Pre-Milled Flower, Pre-Roll Joint Multipacks	Whole Flower, Pre-Roll Joints, Chocolate & Vape Pens	Whole Flower	Whole Flower, Pre-Roll Joints, Chocolate Truffles, Oils & Vape Pens
Tangible Brand Attributes 	Good THC potency Whole flower flavour Only Shred – never shake	Good THC Potency Good taste Good price	Strain Specific flower products High quality cannabis genetics Good value	Best THC Potency Unparalleled cannabis genetics Strain specific grow rooms

4 Note: "Coming Soon" currently branded as "Buds" in the interim and OGI is developing new permanent brand name and logo expected to be launched in the near term.

# PRODUCT PORTFOLIO REVITALIZATION

Q4 F2020		Q1 F2021			Q2 F2021	
<b>53 NEW SKUS LAUNCHED</b>						
<p><b>FLOWER Buds 28g</b> launch in Ontario (already in Alberta and Atlantic Canada)</p> <p><b>CHOCOLATE Trailblazer Snax</b> 42 g Mint and Mocha flavours</p> 	<p><b>FLOWER Edison new high THC strains</b> Grapefruit GG4, ChemoDog, Samurai Spy LTO</p> 	<p><b>FLOWER SHRED pre-shredded</b> Value in large format</p> 	<p><i>Limited Time Offers</i></p> <p><b>FLOWER Trailblazer Kushmas Stix</b> 1 Preroll</p> <p><b>CHOCOLATE Edison Bytes Gingerbread</b> 2x Truffles</p> 	<p><b>DISSOLVABLE RE:Mix</b> Dissolvable Powdered Beverage</p> 	<p><b>FLOWER Edison 3.5g</b> Black Cherry Punch, I.C.C. Slurrricane,</p> <p><b>VAPE Trailblazer 1g Torch</b> 510 thread vape cartridges</p> 	<p style="text-align: center;">Up to <b>14</b> <b>NEW SKU LAUNCHES</b> expected including <b>at least three new high THC Edison strains</b></p> 
July 2020	August 2020	September 2020	October 2020	November 2020	December 2020	



# REC 2.0 OGI VAPORIZER PEN PORTFOLIO

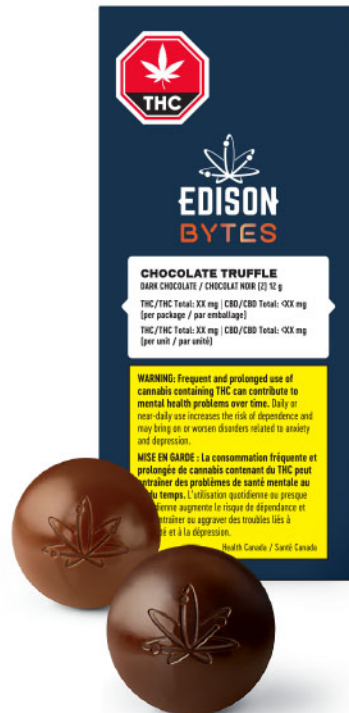
- Vape portfolio includes offerings for value, mainstream and premium segments of the market
- Selected as one of the Canadian partners for PAX ERA, the premium closed loop vaporizer system created by PAX Labs, Inc.
- Selected as exclusive Canadian supplier of Feather Company's industrial design-patented vaporizer hardware and technology
- **Launched Trailblazer 510-thread Torch vape cartridges in 1g format in December 2020** after launching 0.5g format in December 2019
- Launched Edison + Feather ready-to-go distillate pens in February 2020
- Launched PAX ERA distillate cartridges in April 2020



**TORCH**  
by Trailblazer

# REC 2.0

## 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
- Launched first product in February 2020, Edison Bytes, premium truffles in milk and dark chocolate available in 2-pack with 5mg of THC each or 1-pack with 10mg
- Launched Trailblazer Snax, our value segment cannabis-infused chocolate bar in late July 2020; available in two flavours, mocha and mint chocolate with 10 mg of THC in every 42g bar
- **Expect to launch a new Trailblazer Snax flavour in Q2 Fiscal 2021**



# REC 2.0

## PROPRIETARY NANOEMULSIFICATION TECHNOLOGY

### EDISON RE:MIX

- Proprietary nanoemulsion technology developed by internal R&D team
- *Nanoemulsion offers improved absorption when compared to traditional edibles and beverages*
- **Customizable:** can easily be added to almost any beverage
- **Rapid:** dissolves rapidly into beverages for a quick, straightforward cannabis experience
- **Discreet:** odourless and mixes in clear to most drinks, making it a discreet addition and contains no added flavour
- Anticipated stability to temperature variations, mechanical disturbance, salinity, pH and sweeteners as well as being shelf stable
- Offers discretion, portability and shelf life of a dry powder
- **Launched mid-November 2020**



# OGI'S LARGEST INTERNATIONAL DEAL TO DATE



- **On June 9, 2020, entered into a multi-year agreement for supply of dried flower to one of Israel's largest and most established medical cannabis producers, Canndoc Ltd.**, a pioneer in pharmaceutical-grade cannabis for > 12 years
- Canndoc's GMP-approved medical cannabis products are sold in pharmacies in Israel, and it holds international cultivation and distribution agreements in the EU and Canada
- Under the terms, **OGI to supply up to 6,000kg of dried flower to Canndoc** for processing and distribution into Israeli medical market<sup>1</sup>
  - **3,000kg of dried flower is guaranteed by December 31, 2021** and **at Canndoc's option, OGI may provide an additional 3,000kg during the same time period** subject to certain conditions
- Seeking Good Agricultural Practice certification by the Control Union Medical Cannabis Standard (CUMCS); subject to successful completion of a required inspection. likely to be conducted remotely, currently expect to be certified as early as Q3 Fiscal 2021 and be authorized to resume shipments (for which timing will also be dependent on availability of desired product mix)
- The Agreement<sup>1</sup> also contemplates **an opportunity for OGI to launch branded medical products with Canndoc in the Israeli and EU markets**, and grants exclusivity and related rights to Canndoc within the Israel market for a period of approximately 7.5 years

# LIQUIDITY AND CAPITAL RESOURCES

- Generated positive cash flow from operations of \$0.3 million in Q1 Fiscal 2021
- **On the back of strong institutional support, opportunistically raised \$69 million** in gross proceeds from an underwritten public offering
- On November 27, 2020, amended the credit facility agreement for which \$55 million of the proceeds from November 12<sup>th</sup> offering was used to **pay-down the term loan** on December 1, 2020, **resulting in proforma cash & short-term investments and term loan balances of \$79 million<sup>1</sup> and \$60 million, respectively**

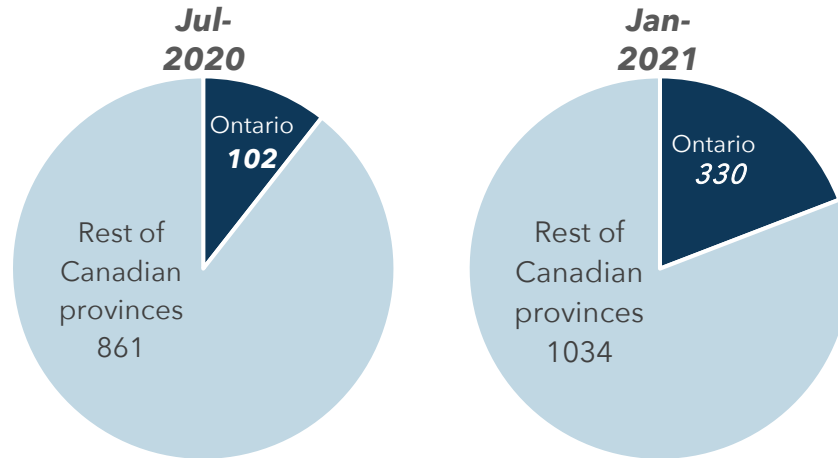


# CANADIAN ADULT-USE REC MARKET SIZE AND GROWTH

**RECORD  
\$3.2B  
MARKET**

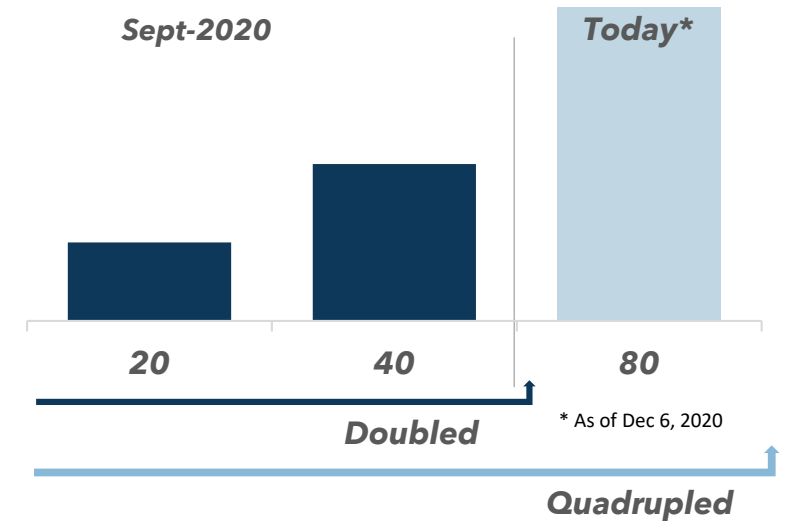
Annualized run rate<sup>1</sup>

**NUMBER OF CANNABIS RETAIL STORES**



**Ontario grew ~224% | Canada's 10 provinces grew ~47%**

**NUMBER OF ONTARIO RETAIL STORE AUTHORIZATIONS PER MONTH**



**In Q2 Fiscal 2021, OGI began increasing production and using additional existing capacity to meet increased consumer demand and capture more sales opportunities and economies of scale**

1. Based on Statistics Canada October 2020 sales of \$270M for Canadian adult-use recreational market- [Table 20-10-0008-01 Retail trade sales by province and territory \(x 1,000\)](#)

# Q1 FISCAL 2021 KEY FINANCIAL METRICS

Select Key Financial Metrics (in \$000s) unless otherwise indicated	Q1 2021	Q1 2020	% Change
Gross revenue	<b>25,280</b>	28,448	-11%
Excise taxes	<b>(5,949)</b>	(3,295)	81%
Net revenue	<b>19,331</b>	25,153	-23%
Cost of sales	<b>23,173</b>	15,811	47%
Gross margin before fair value changes to biological assets & inventories sold	<b>(3,842)</b>	9,342	-141%
Fair value changes to biological assets & inventories sold	<b>(12,832)</b>	1,852	-793%
Gross margin	<b>(16,674)</b>	11,194	-249%
Adjusted gross margin <sup>1</sup>	<b>1,948</b>	10,187	-81%
Adjusted gross margin % <sup>1</sup>	<b>10%</b>	41%	-30%
SG&A <sup>2</sup>	<b>11,120</b>	9,418	18%
Adjusted EBITDA <sup>1</sup>	<b>(6,387)</b>	5,712	-212%
Net loss	<b>(34,336)</b>	(863)	<i>nm*</i>
Net cash provided by (used in) operating activities	<b>294</b>	(26,868)	-101%

\* not meaningful

1. Adjusted gross margin, adjusted gross margin % and adjusted EBITDA are non-IFRS financial measures not defined by and do not have any standardized meaning under IFRS; please refer to the Company's Q1 2021 MD&A for definitions and a reconciliation to IFRS.

2. Sales and marketing and general and administrative expenses ("SG&A") excluding noncash share-based compensation.

# Q1 FISCAL 2021 KEY BALANCE SHEET and SHARE METRICS

Select Balance Sheet Metrics (in \$000s)	30-Nov-20	31-Aug-20	% Change
Cash & short-term investments	133,900	74,728	79%
Biological assets & inventories	53,921	71,759	-25%
Other current assets	20,556	23,717	-13%
Accounts payable & accrued liabilities	17,110	17,486	-2%
Current portion of long-term debt	61,146	11,595	427%
Working capital	130,121	152,417	-15%
Property, plant & equipment	243,706	247,420	-2%
Long-term debt	54,173	103,671	-48%
Total assets	473,372	435,127	9%
Total liabilities	154,719	135,600	14%
Shareholders' equity	318,653	299,527	6%

in \$000s	30-Nov-20	31-Aug-20
Current and long-term debt	115,319	115,266
Derivative warrant liabilities	17,566	-
Shareholders' equity	318,653	299,527
Total debt and shareholders' equity	433,972	414,793
in 000s		
Outstanding common shares	232,088	156,196
Options	8,513	8,833
Warrants	18,688	-
Restricted share units	875	842
Performance share units	57	-
Total fully-diluted shares	260,220	165,872