



# ***ORGANIGRAM***

## ***Q4 FISCAL 2020 RESULTS***

### ***NOVEMBER 30, 2020***

| 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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# ORGANIGRAM AT A GLANCE



## **LEADING LICENSED PRODUCER**

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



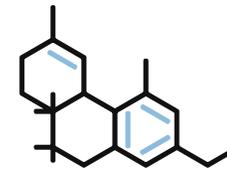
## **3 LEVEL INDOOR GROWING**

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

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

## **CANADIAN PROVINCES**

Sales to all  
10 Canadian  
provinces



## **INNOVATION**

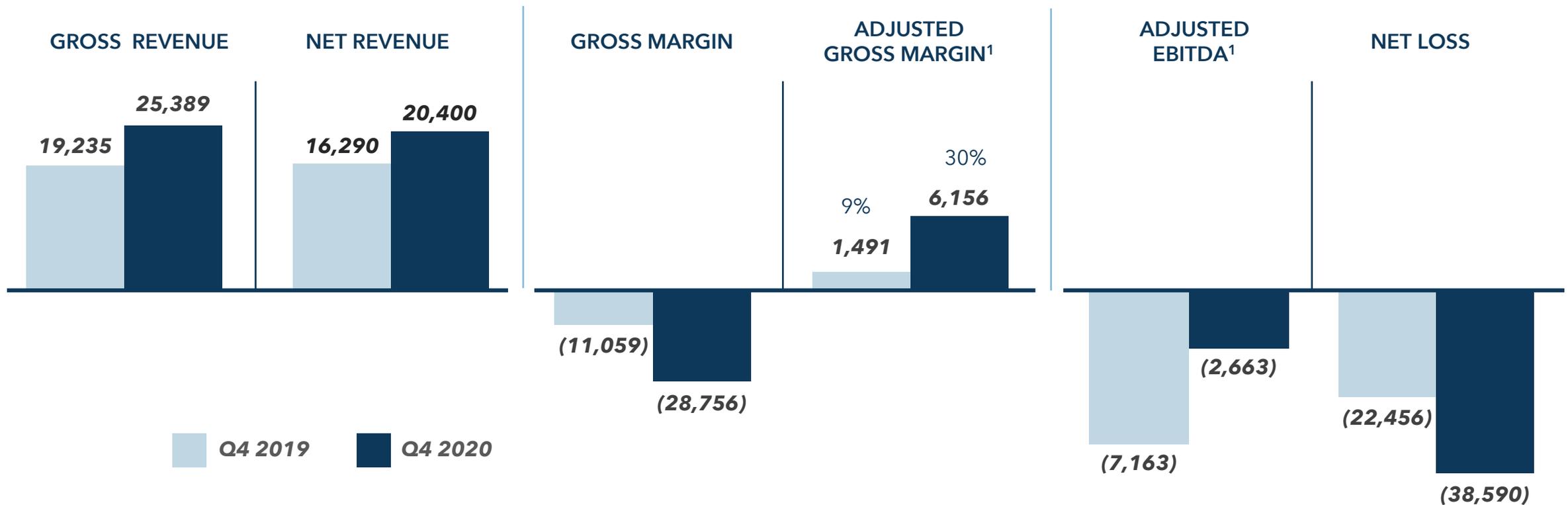
Focused on  
continuous  
improvement,  
innovation and  
automation

# RECENT HIGHLIGHTS

- Q4 2020 gross revenue **increased 32%** to \$25.4 million from \$19.2 million in Q4 2019
- Q4 2020 net revenue **increased 25%** to \$20.4 million from \$16.3 million in Q4 2019
- Launched **40 new stock keeping units (“SKUs”) since July 2020**, and **expect to launch up to 18 more new SKUs in Q2 Fiscal 2021** as part of the Company’s product portfolio revitalization
- Subsequent to quarter-end, **invested an additional \$2.5 million in Hyasynth Biologicals Inc.** as the biotech partner **completed a milestone linked to the first commercial sale of CBDa produced via biosynthesis**
- Subsequent to quarter-end, **raised ~\$69 million in gross proceeds from an underwritten public offering**, including the full exercise of the over-allotment option



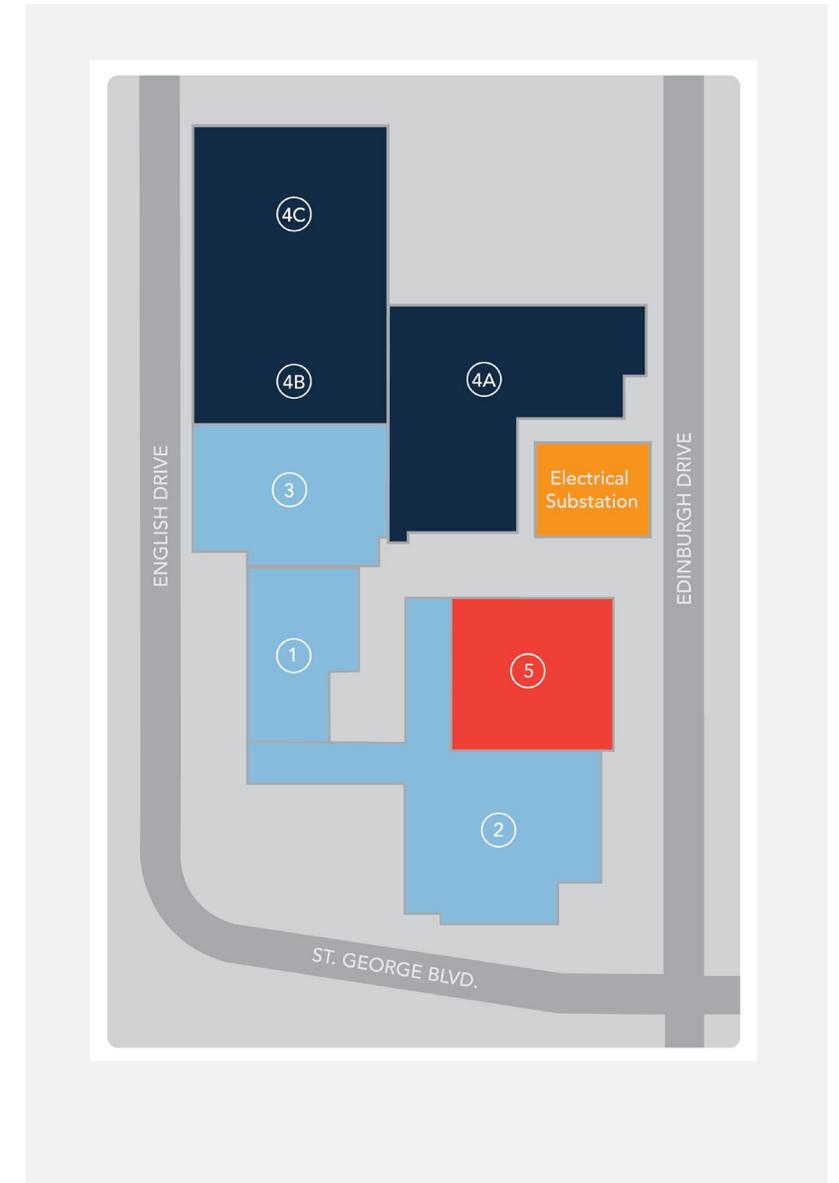
# Q4 FISCAL 2020 FINANCIAL RESULTS



1. 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 Annual 2020 MD&A for definitions and a reconciliation to IFRS.

# PHASE 4 AND PHASE 5 OF MONCTON CAMPUS FACILITY

- Phase 4C substantially completed in Q4 Fiscal 2020 such that it can be occupied, with option to potentially use the space for other opportunities
- Target production capacity estimated at 70,000 kg/yr<sup>1</sup>
- Expect to cultivate below target production capacity for the foreseeable future
- **Phase 5** Refurbishment of 56,000 square feet within existing Moncton Campus facility for:
  - **An edibles and derivative production facility; and**
  - **Additional extraction capacity (CO<sub>2</sub> and hydrocarbon)**
- **Phase 5** substantially complete as of Aug 31, 2020 - continuing to work on the installation and commissioning of certain equipment in its edibles and extraction area including its hydrocarbon extraction equipment



# ORGANIGRAM ADULT RECREATIONAL BRANDS

				
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

# PRODUCT PORTFOLIO REVITALIZATION

Q4 F2020				Q1 F2021			Q2 F2021	
40 NEW SKUS LAUNCHED								
<p><b>1.0 Edison Limelight</b> Line extension <b>3-pack Pre-Rolls</b> (3 strains) <b>1g &amp; 3.5g</b></p> 	<p><b>1.0 7g &amp; 15g Trailblazer</b> line extension</p> 	<p><b>1.0 Buds 28g</b> launch in Ontario (already in Alberta and Atlantic Canada)</p>	<p><b>2.0 Trailblazer SNAX</b> 42 g Mint and Mocha flavours</p> 	<p><b>1.0 Edison New High THC Cultivars</b> Grapefruit GG4, Chemdog Samurai Spy LTO</p> 	<p><b>1.0 SHRED Pre-shredded</b> Value in large format</p> 	<p><b>1.0   2.0 Holiday Limited Time Offer Kushmas Stix</b> 1 Preroll</p> <p><b>Bytes Gingerbread</b> 2x Truffles</p> 	<p><b>2.0 RE:MIX</b> Dissolvable Powdered Beverage (not launched in Oct as previously discussed)</p> 	<p>Up to <b>18</b> New SKUs launches expected including Trailblazer Torch 1g</p> 
June 2020	July 2020	July 2020	July 2020	August 2020	September 2020	November 2020	November 2020	



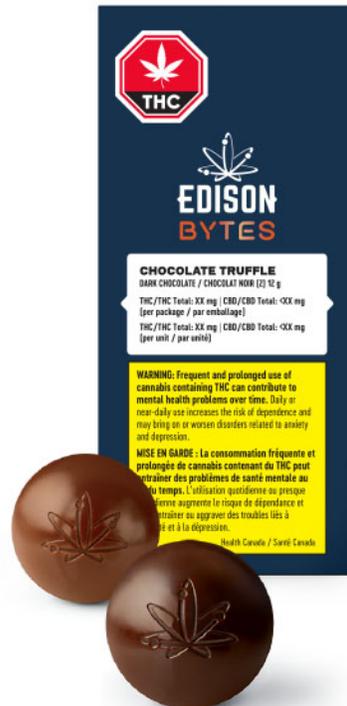
# REC 2.0 OGI VAPORIZER PEN PORTFOLIO

- As planned, began shipping *Trailblazer 510-thread Torch vape cartridges (0.5g) 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.
- Selected as exclusive Canadian supplier of Feather Company's industrial design-patented vaporizer hardware and technology
- *Launched PAX ERA distillate cartridges in April 2020*
- *Expect to launch Trailblazer Torch 510-thread Torch vape cartridges in a new 1g format in Q2 Fiscal 2021*



# 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
- Shipped 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

# REC 2.0

## PROPRIETARY NANOEMULSIFICATION TECHNOLOGY

### EDISON RE:MIX

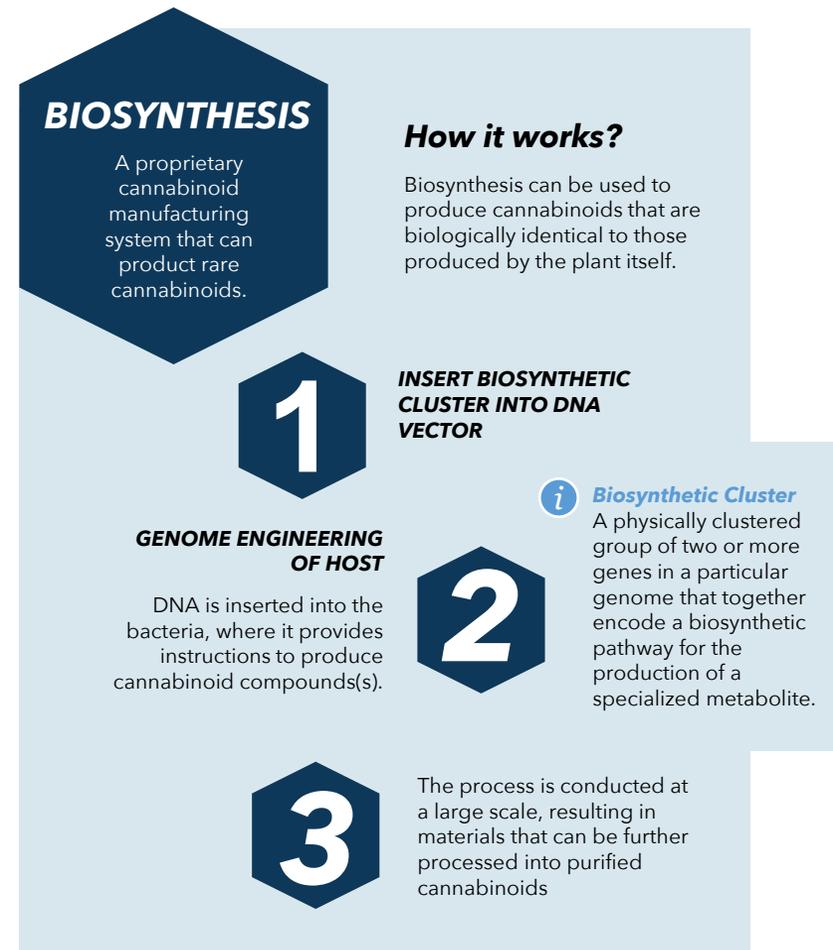
- Proprietary nanoemulsion technology developed by internal R&D team
- *Nanoemulsion offers improved absorption when compared to traditional edibles and beverages*
- **Customizable:** can easily be added to almost any beverage
- **Rapid:** dissolves rapidly into beverages for a quick, straightforward 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-Nov 2020*



# INVESTMENT IN DISRUPTIVE TECHNOLOGY-BIOSYNTHESIS



- Investment in Hyasynth, a biotech company and leader in the field of cannabinoid science and biosynthesis
- Hyasynth's biosynthesis process **uses patent-pending yeast strains and enzymes to produce pure cannabinoids (not synthetic) without growing cannabis plants**
- Process has the **potential to create a scalable supply of pure cannabinoids at a fraction of the cost of traditional cultivation using smaller environmental footprint**
- Hyasynth has demonstrated and submitted patent applications on **production of minor cannabinoids for which traditional cultivation is cost prohibitive (as they exist in very low levels in plants)**
- Minor cannabinoids are believed to be the next frontier of cannabis research and novel cannabis product development
- On September 28, 2020, Hyasynth announced it was **the first ever company to sell CBDA<sup>1</sup> produced and extracted from yeast** - OGI invested an additional \$2.5 million for total investment of \$7.5 million on milestone linked to this commercial sale



# 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
- Identified a pathway to demonstrate compliance with Israel's updated quality standards that were amended in early September 2020 for medical imported cannabis, and initiated a process which, if completed successfully, will allow Organigram to continue supply product into the Israeli market
- 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

<sup>1</sup> Activities under the Agreement are subject to compliance with all applicable laws, including receipt of all requisite approvals from Health Canada, the Israeli Ministry of Health, and any other applicable regulatory authorities

# LIQUIDITY AND CAPITAL RESOURCES

- Ended Q4 Fiscal 2020 with **\$75 million<sup>1</sup> in cash and short-term investments**
- **On the back of strong institutional support, opportunistically raised \$69 million in gross proceeds from an underwritten public offering, including the exercise of the over-allotment option (closed Nov. 12, 2020)**
- On November 27, 2020, amended the credit facility agreement for which \$55m of the proceeds from Nov. 12<sup>th</sup> offering will be used to **pay-down the term loan to \$60 million** on December 1, 2020, **strengthening the balance sheet**
- After the December 1<sup>st</sup> \$55 million payment on the term loan, on a **pro forma basis the Company would have cash and short-term-term investments of \$80 million<sup>1</sup> and long-term debt of \$60 million**

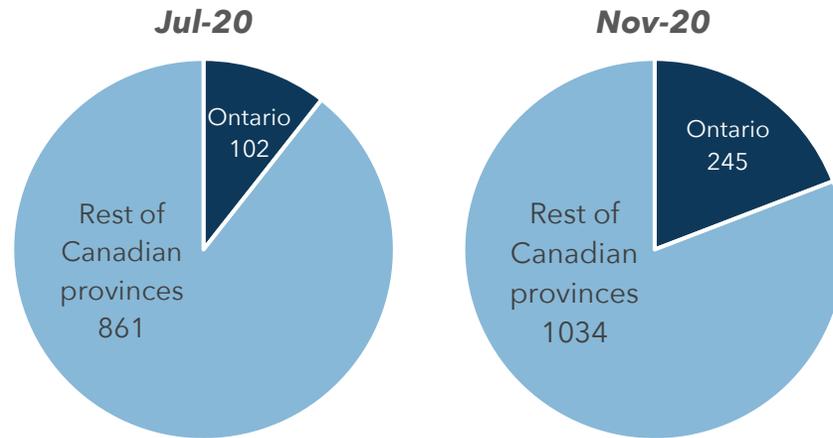
<sup>1</sup> Excluding the \$8.0 million of restricted investment (GIC) in compliance with the Company's Amended and Restated Credit Facility.



# CANADIAN ADULT-USE REC MARKET SIZE AND GROWTH

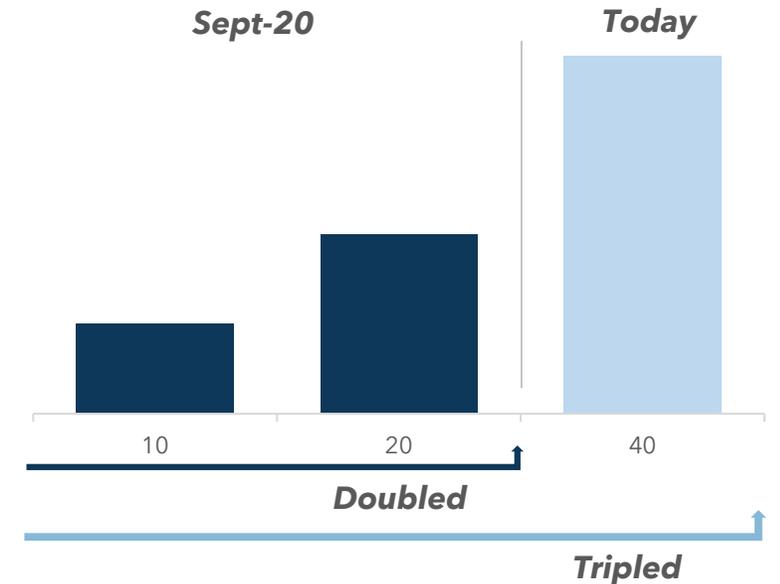
**RECORD**  
**\$3.1B**  
**MARKET**  
Annualized run rate<sup>1</sup>

NUMBER OF CANNABIS RETAIL STORES



Ontario grew 140% | Canada's 10 provinces grew 33%

NUMBER OF ONTARIO RETAIL STORES LICENSES PER MONTH



1. Based on Statistics Canada September 2020 sales of \$256M for Canadian adult-use recreational market- Statistics Canada, Cannabis Stats Hub, Accessed: November 26, 2020, (<https://www150.statcan.gc.ca/n1/pub/13-610-x/cannabis-eng.htm>)



# ***APPENDIX***





A high-quality  
cannabis brand.

Limelight 3.5g | 7g | 15 g | Prerolls  
Bytes Milk Chocolate  
Remix Powder CBD:THC  
Pax Distillate 0.5 g  
Feather Distillate 0.3 g



# TRAIL BLAZER

A cannabis brand designed in celebration of progress and the road less travelled.

Freeze 28 g  
Torch Distillate 0.5 g | 1 g  
Buds 3.5g | 7g | 15 g | Prerolls  
Snax Mint Chocolate





Designed to break down the barriers to purchasing in the legal realm: price and convenience.



Shred 7g | 15 g

# KEY Q4 and FULL YEAR FISCAL 2020 FINANCIAL METRICS

<i>SELECT KEY FINANCIAL METRICS (IN \$000S) unless otherwise indicated</i>	<b>Q4 2020</b>	Q4 2019	<b>Fiscal 2020</b>	Fiscal 2019
Gross revenue	<b>25,389</b>	19,235	<b>103,387</b>	97,547
Excise taxes	<b>(4,989)</b>	(2,945)	<b>(16,592)</b>	(17,134)
Net revenue	<b>20,400</b>	16,290	<b>86,795</b>	80,413
Cost of sales	<b>29,007</b>	15,543	<b>105,004</b>	42,521
Gross margin before fair value changes to biological assets & inventories sold	<b>(8,607)</b>	747	<b>(18,209)</b>	37,892
Fair value changes to biological assets & inventories sold	<b>(20,149)</b>	(11,806)	<b>(38,281)</b>	10,577
Gross margin	<b>(28,756)</b>	(11,059)	<b>(56,490)</b>	48,469
Adjusted gross margin <sup>1</sup>	<b>6,156</b>	1,491	<b>28,904</b>	38,633
Adjusted gross margin % <sup>1</sup>	<b>30%</b>	9%	<b>33%</b>	48%
SG&A <sup>2</sup>	<b>10,830</b>	13,883	<b>44,524</b>	33,218
Adjusted EBITDA <sup>1</sup>	<b>(2,663)</b>	(7,163)	<b>852</b>	20,644
Net loss	<b>(38,590)</b>	(22,456)	<b>(136,157)</b>	(9,542)
Net cash used in operating activities	<b>(10,128)</b>	(15,722)	<b>(45,125)</b>	(35,081)

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 Q4 2020 MD&A for definitions and a reconciliation to IFRS.

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

3. Q4 2020 net cash used in operating activities has been calculated based on a correction of a presentation error of Q1 to Q3 Fiscal 2020 net cash used in operating activities.

# KEY Q4 and FISCAL 2020 BALANCE SHEET and SHARE METRICS

<b>SELECT BALANCE SHEET METRICS (IN \$000S)</b>	<b>31-Aug-20</b>	31-Aug-19
Cash & short-term investments	<b>74,728</b>	47,935
Biological assets & inventories	<b>71,759</b>	113,796
Other current assets	<b>23,717</b>	34,550
Accounts payable & other current liabilities	<b>29,081</b>	43,864
Working capital	<b>141,123</b>	152,417
Property, plant & equipment	<b>247,420</b>	218,470
Long-term debt	<b>103,671</b>	46,067
Total assets	<b>435,127</b>	428,525
Total liabilities	<b>135,600</b>	101,519
Shareholders' equity	<b>299,527</b>	327,006
<b>IN 000S</b>	<b>31-Aug-20</b>	31-Aug-19
Outstanding common shares	<b>194,511</b>	156,196
Options	<b>9,029</b>	8,833
Restricted share units	<b>893</b>	842
Performance share units	<b>127</b>	-
Total fully-diluted shares	<b>204,560</b>	165,872