

Q3 Fiscal 2019 Results

July 15, 2019

NASDAQ (OGI)

TSX Venture (OGI)



ORGANIGRAM

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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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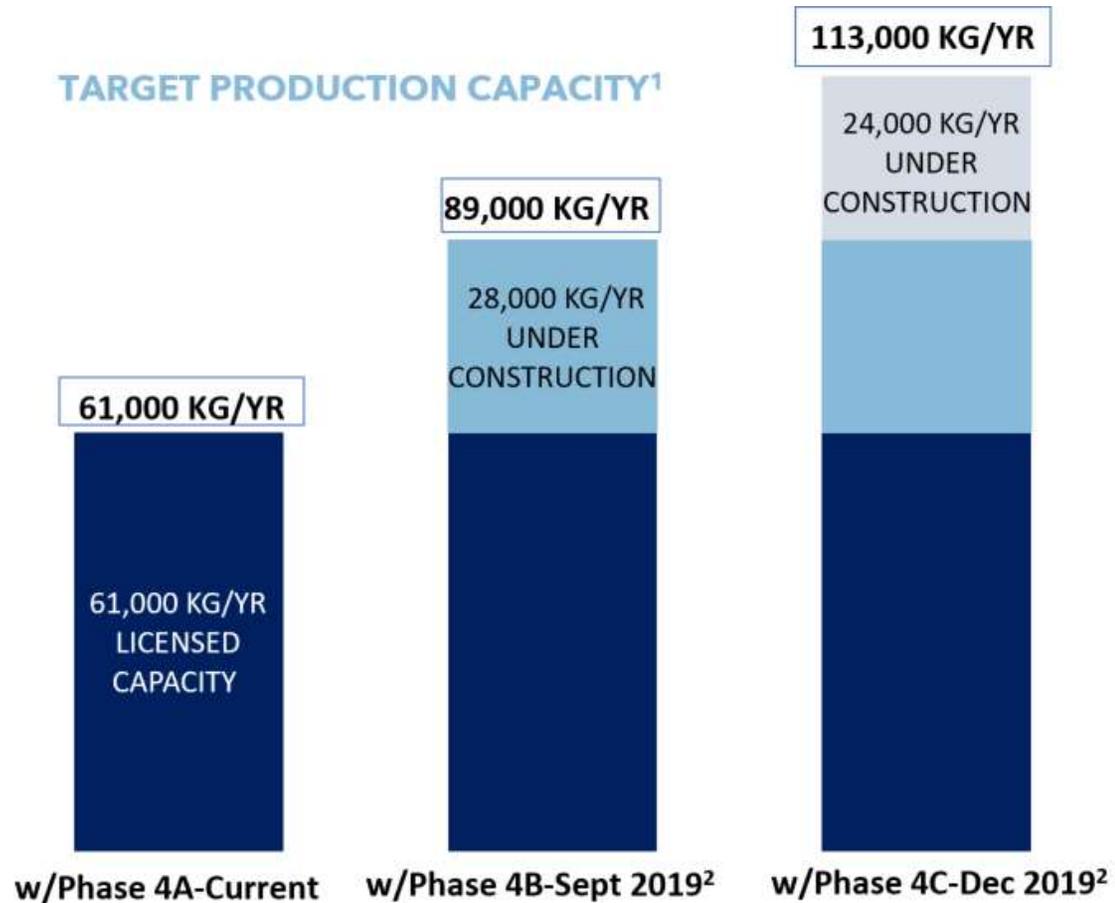
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Q3 2019 Highlights

- **Strong Q3 operating and financial results**
- **Distribution in all 10 provinces;** one of only 4 licensed producers
- **Phase 4 expansion on schedule** for expected completion by December 2019 for target production capacity of 113,000 kg per year²
- **Phase 4A now fully licensed for 61,000 kg per year** of current licensed production capacity
- **17 of the 33 grow rooms in Phase 4B were submitted for licensing approval in June 2019;** remaining rooms are on schedule to be submitted in September 2019
- **Strategic partnerships with PAX and Feather for vape pens** and preparing for launch of **chocolates and powdered beverages** as well
- **Closed \$140 million in traditional debt financing** at attractive rates
- Listed on the **NASDAQ Global Select** as of May 21, 2019

Phase 4 Expansion on Schedule

- With Phases 4A completed, **current licensed target production capacity is 61,000kg/yr¹**
- Entire Phase 4 expected to be completed in December 2019 for **total target production capacity of 113,000 kg per year¹**, once fully licensed and operational, for total capex of \$125M¹
- **17 of the 33 grow rooms in Phase 4B were submitted for licensing approval in June 2019**; remaining rooms are on schedule to be submitted in September 2019



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¹ Several factors can cause actual capacity and costs to differ from estimates. See "Risks and Uncertainties" in Q3 MD&A.

² Expected construction completion; Licensing submissions as construction is completed

Well-positioned for Edibles and Derivatives



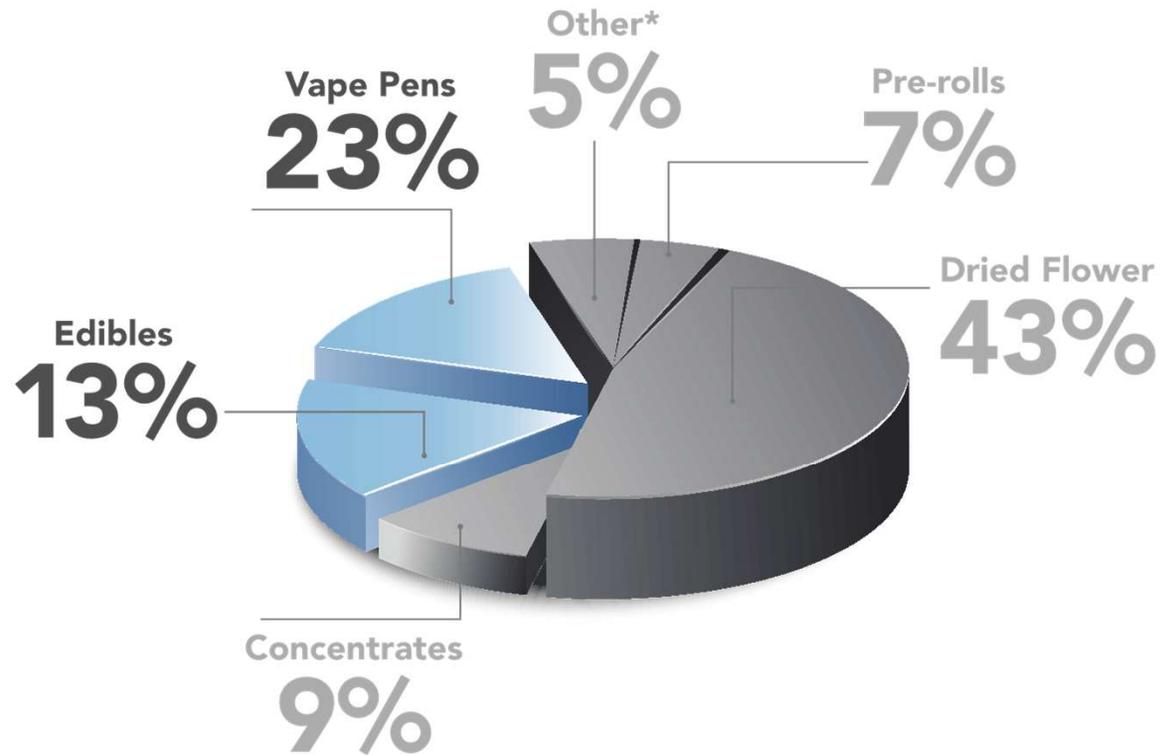
Exclusive agreement with **The Green Solution**, a proven market leader in the US for consulting services re: product processing and development as well as market segmentation and trends



Immediate increased extraction capacity from **Valens GroWorks** agreement and Phase 5 refurbishment underway

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 sales¹



*Tinctures & sublingual, topicals, and capsules.

PAX



feather

The word 'feather' is written in a cursive script. Below it is a small, dark feather icon.

Innovative Vaporizer Experiences

- Selected as **one of only four 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
- Plans to offer Edison Cannabis Co. brand PAX Era pods
- Selected as **exclusive Canadian supplier of Feather Company's** industrial design-patented vaporizer hardware and technology
- Plans to offer the disposable vaporizer pen and 5/10 thread cartridges
- Plan to launch a variety of vaporizer pens in **December 2019** as soon as authorized for sale



Investment in Innovative Chocolate production line

- **\$15 million investment** commitment in a high-speed, high-capacity, fully-automated production line with capacity of up to 4 million kg of chocolate cannabis edibles per year
- OGI product development and production team has more than **25 years of chocolate experience** and expertise
- Plans to introduce chocolate **innovations** unique not only to the cannabis industry, but **to the chocolate industry as a whole**
- Partnering with **Canada's Smartest Kitchen** to develop premium chocolate products and expand edibles R&D
- Plans to begin selling chocolate in **early calendar 2020**

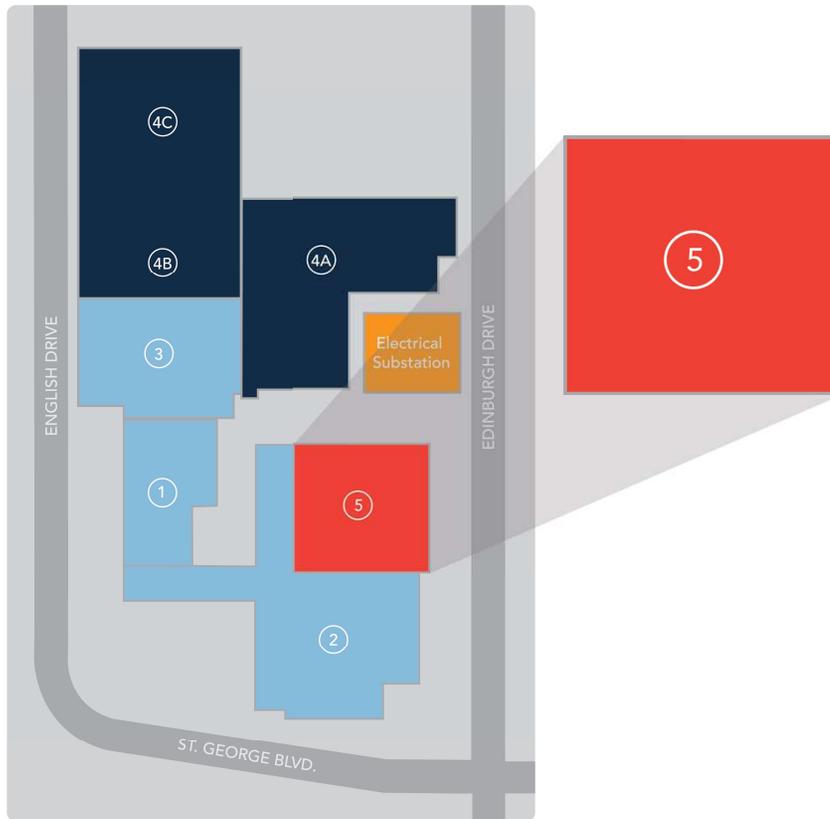




Proprietary Nano-Emulsification Technology

- Planning to **launch dried powder formulation beverage products** in **early calendar 2020 in Canada**
- Proprietary nano-emulsion technology, developed by internal R&D team which created products with **an expected initial onset of 10-15 minutes**
- Shelf-stable, thermally-stable, water-soluble and palatable cannabinoid nano-emulsion formulation allows for the production of both liquid and powdered beverage products
- Actively seeking experienced beverage partner for global product development and to take advantage of the liquid form developed

Phase 5 - Refurbishment for Edibles and Derivative Products

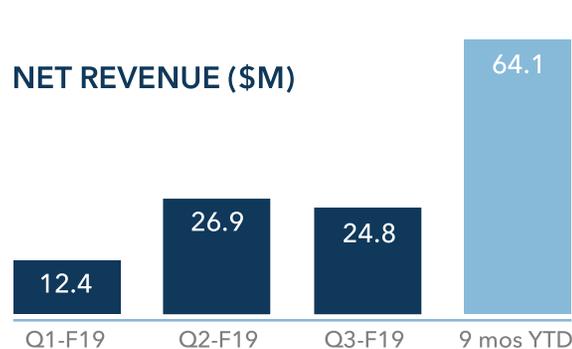


- 56,000 square feet within existing Moncton Campus facility being refurbished and designed under EU GMP standards for:
 - **An edibles and derivative production facility; and**
 - **Additional extraction capacity**
- Primary construction expected to be done in October 2019 at estimated capex of ~\$48M¹

Q3 and YTD Fiscal 2019 Highlights

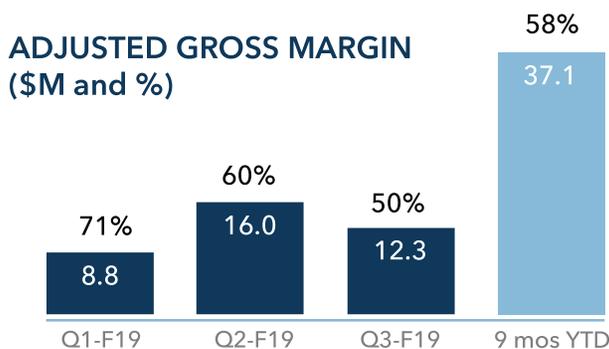
NET REVENUE

- Q3 net revenue from:
 - 3,926 kg of dried flower and 5,090 L of oil sold
 - \$21.8M in adult-use rec sales and \$2.8M in medical sales¹



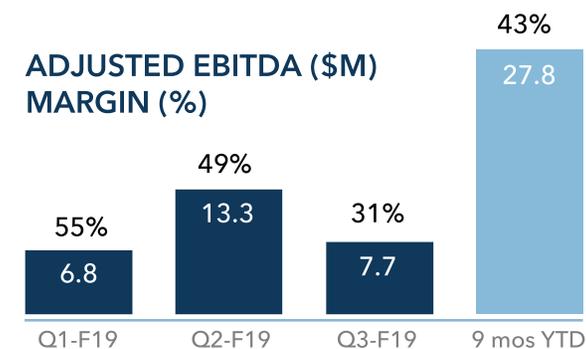
ADJUSTED GROSS MARGIN²

- Q3 adjusted gross margin impacted by higher production costs, temporary decline in yields and write-offs of legacy packaging
- Yields have returned to previous levels in Q4 2019



ADJUSTED EBITDA²

- Q3 marks fourth quarter in a row of positive adjusted EBITDA
- Q3 SG&A³ at 37% of net revenue
- Q3 net loss of \$10.2M or \$0.068 per share (fully diluted) largely due to FV changes to bio assets and inventory



¹ Negligible amount of net revenue coming from other items

² Adjusted gross margin and adjusted EBITDA are non-IFRS measures with no standardized meaning under IFRS. See the Q3 2019 MD&A

³ Sales & Marketing and General & Administrative excluding share-based compensation

Q3 2019 and YTD Fiscal 2019 Metrics

C\$M unless otherwise indicated

Q3 and YTD for 9 Months Ended May 31, 2019	Q3	YTD
Net Revenue	24.8	64.1
Cost of Sales and Indirect Production	12.5	27.0
Adjusted Gross Margin ¹ (before fair value adjustments)	12.3	37.1
Adjusted Gross Margin ¹ %	50%	58%
Gross Margin	(0.2)	59.5
Adjusted EBITDA ¹ (before fair value adjustments)	7.7	27.8
Adjusted EBITDA margin ¹ %	31%	43%
Sales & Marketing and General & Administrative ("SG&A") ²	9.1	19.3
SG&A as a % of Net Revenue	37%	30%
Net (Loss) Income from Continuing Operations	(10.2)	12.9
Cash Cost of Cultivation per gram ¹	0.95	
All-in Cost of cultivation per gram ¹	1.29	
Kilograms sold (dried flower)	3,926	9,910
Liters sold (oils)	5,090	13,373

Q3 and 2018 Fiscal Year-End	Q3	Aug 31, 2018
Cash & Short Term Investments	87.8	130.0
Inventories	94.2	45.0
Biological Assets	20.1	19.9
Debt (carrying value) ³	49.5	99.2

- 1 Non-IFRS measures that do not have any standardized meaning under IFRS. See the Q3 2019 MD&A.
- 2 Excluding share-based compensation expense.
- 3 2019 includes initial \$50M advance of BMO senior secured credit facility. 2018 includes carrying value of unsecured convertible debentures.

Strong Balance Sheet and Liquidity

- **Cash and short-term investments of \$87.8M** as at Q3 2019
- **YTD adjusted EBITDA of \$27.8M¹** for 9 months ended May 31, 2019
- **Positive adjusted EBITDA for the fourth consecutive quarter**
- **Eliminated \$49.3M in current liabilities** from the balance sheet with conversion of all convertible debentures
- In May, **closed \$140M credit facility maturing in 2022** - comprised of \$115M term loan and \$25M revolver
 - Proceeds of term loan for Phase 4 and 5 and to refinance existing long-term debt
 - Interest rate expected to be in the high 4% to low 5% per annum range
 - Includes an option to increase facility to \$175M²

¹ Non-IFRS measure - see Company's Q3 2019 MD&A

² Subject to agreement from BMO and certain legal and business conditions
Note: additional details on credit facility on sedar.com

A Sustainable Long-term Strategy

CANADIAN, US and INTERNATIONAL MARKETS

Indoor Facility

High Quality Dried Flower

- Indoor grown equates to higher quality product and higher yields for lower cultivation costs
- Limited price compression seen in most mature US state markets for high-quality dried flower
- Attractive return on investment/short payback period on Moncton facility

Biosynthesis

Input to Derivative Products

One of only two Canadian LPs invested in biosynthesis through Hyasynth Biologicals Inc.

Biosynthesis Vs. Traditional Cultivation

- Significantly lower OpEx and CapEx costs
- Scalable, consistent, superior purity of product
- Smaller environmental footprint
- Ability to meet rigorous standards of CPG and Pharma

Appendix





Phase 4A Rooms



Phase 4B Fit Up

Phase 4C Steel Being Erected





Phase 5 2nd Level and Underground Plumbing Trenches Being Erected

Fully Automated Labeling and Excise Stamp Application



Fully Automated Flower Packing Line

