UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 40-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13(A) OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended September 30, 2024 Commission File Number **001-38885**

ORGANIGRAM HOLDINGS INC.

(Exact name of Registrant as specified in its charter)

Canada	**2833**	**N/A**
(Province or Other Jurisdiction of Incorporation or Organization)	*(Primary Standard Industrial Classification Code)*	*(I.R.S. Employer Identification No.)*

1400-145 King Street West
Toronto, Ontario
Canada M5H 1J8
Tel: 1-855-961-9420
(Address and telephone number of Registrant's principal executive offices)

CORPORATION SERVICE COMPANY
251 Little Falls Drive
County of New Castle
Wilmington, Delaware 19808
Tel: 1-800-927-9800
(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Shares	**OGI**	**NASDAQ Global Select Market**

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

For annual reports, indicate by check mark the information filed with this Form:

☑ Annual Information Form ☑ Audited Annual Financial Statements

Indicate the number of outstanding shares of the Registrant's classes of capital or common stock as of the close of the period covered by the annual report: **108,585,492**

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

☑ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files).

☑ Yes ☐ No

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

INTRODUCTORY INFORMATION

Organigram Holdings Inc. (the "**Company**" or "**Organigram**") is a "foreign private issuer" as defined in Rule 3b-4 under Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and is a Canadian issuer eligible to file its annual report ("**Annual Report**") pursuant to Section 13 of the Exchange Act on Form 40-F pursuant to the multi-jurisdictional disclosure system (the "**MJDS**") adopted by the United States Securities and Exchange Commission (the "**SEC**"). The Company's common shares are listed on the Toronto Stock Exchange and the Nasdaq Global Select Market ("**NASDAQ**") under the trading symbol "OGI".

In this annual report, references to "we", "our", "us", the "Company" or "Organigram", mean Organigram Holdings Inc. and our wholly-owned subsidiaries, unless the context suggests otherwise.

Unless otherwise indicated, all amounts in this annual report are in Canadian dollars and all references to "$" or "Cdn.$" mean Canadian dollar and references to "U.S. dollars" or "US$" are to United States dollars.

PRINCIPAL DOCUMENTS

The following principal documents are filed as exhibits to, and incorporated by reference into this Annual Report:

Document	Exhibit No.
Audited consolidated financial statements of the Company and notes thereto as at and for the twelve months ended September 30, 2024, together with the reports thereon of the independent registered public accounting firm	99.4
Management's Discussion and Analysis of the Company for the twelve months ended September 30, 2024 (the "**MD&A**")	99.5
Annual Information Form of the Company for the year ended September 30, 2024 (the "**AIF**")	99.6

FORWARD-LOOKING STATEMENTS

This Annual Report (including the documents incorporated by reference herein) includes or incorporates by reference certain statements that constitute "forward-looking statements" within the meaning of the United States *Private Securities Litigation Reform Act of 1995*. These statements appear in

a number of places in this Annual Report and include statements regarding our intent, belief or current expectation and that of our officers and directors. Such statements can be identified by the use of forward-looking terminology such as "outlook", "objective", "may," "will," "could", "would", "might", "expect", "intend", "estimate", "anticipate", "believe", "plan", "continue", "budget", "schedule" or "forecast" or similar expressions suggesting future outcomes or events. They include, but are not limited to, statements with respect to expectations, forecasts or other characterizations of future events or circumstances, and the Company's objectives, goals, strategies, beliefs, intentions, plans, estimates, projections and outlook, including statements relating to the Company's plans and objectives, or estimates or predictions of actions of customers, suppliers, partners, distributors, competitors or regulatory authorities; and, statements regarding the Company's future economic performance. These statements are not historical facts but instead represent management beliefs regarding future events, many of which by their nature are inherently uncertain and beyond management control. Forward-looking information has been based on the Company's current expectations about future events.

Forward-looking statements in this Annual Report include, but are not limited to, statements with respect to:

- Moncton Campus (as defined in the AIF), Winnipeg Facility (as defined in the AIF) and Lac-Supérieur Facility (as defined in the AIF) licensing and target production capacity and timing thereof;
- Expectations regarding production capacity, facility size, THC (as defined in the AIF) content, costs and yields;
- Expectations regarding the prospects of the Company's collaboration and ongoing investment from BT DE Investments Inc., a wholly-owned subsidiary of British American Tobacco p.l.c. (referred to in the AIF and MD&A as "BAT");
- Expectations regarding the prospects for the Company's principal operating subsidiary Organigram Inc. (formerly, Organigram, EIC and LAU (as defined in the AIF));
- Expectations around demand for cannabis and related products, future opportunities and sales including the relative mix of medical versus adult-use recreational products, the relative mix of products within the adult-use recreational category including wholesale, the Company's financial position, future liquidity and other financial results;
- Changes in legislation related to permitted cannabis types, forms and potency and legislation of additional cannabis types and forms for adult-use recreational cannabis in Canada, including regulation relating thereto, the timing and the implementation thereof, and our future product forms;
- Expectations around branded products and derivative-based products with respect to timing, launch, product attributes, composition and consumer demand;

- Expectations around the Company's ability to develop current and future vapour hardware, and the Company's ability to enter and expand its share of the vapour market;
- The scope of protection the Company is able to establish and maintain, if any, for its intellectual property rights;
- Strategic investments and capital expenditures, and expected related benefits;
- The expectation that the technical arrangement between Organigram and Phylos Bioscience Inc. will permit Organigram to continue to transition a portion of its garden to seed-based cultivation over time, and the anticipated benefits of seed-based production;
- The expectations regarding the Company's investment in Green Tank Technologies Corp.;
- The expectations regarding the Company's investment in Steady State LLC doing business as Open Book Extracts;
- The expectations regarding the Company's investment in Sanity Group GmbH;
- The expectations regarding the Company's acquisition of Motif Labs Ltd. and its integration;
- Expectations regarding the resolution of litigation and other legal proceedings;
- The general continuance of current, or where applicable, assumed industry conditions;
- Changes in laws, regulations and guidelines, including those relating to the recreational market, the medical cannabis markets domestically and internationally;
- Changes in laws, regulations, guidelines and policies, including those related to minor cannabinoids;
- The price of cannabis and derivative cannabis products;
- Expectations around the availability and introduction of new genetics including consistency and quality of seeds and plants and the characteristics thereof;
- The impact of the Company's cash flow and financial performance on third parties, including its supply partners;
- Fluctuations in the price of the Common Shares and the market for the Common Shares;
- The treatment of the Company's business under governmental regulatory regimes and tax laws, including the *Excise Act 2001* (Canada) and the renewal of the Company's licenses thereunder and the Company's ability to obtain export licenses from time to time;
- The treatment of the Company's business under international regulatory regimes and impacts on changes thereto to the Company's international sales;
- The expectations related to the war in Israel and surrounding regions and its impact on the supply of product and collection of accounts receivable in the market and the demand for product in Israel;
- The Company's growth strategy, targets for future growth and forecasts of the results of such growth;

- Expectations concerning access to capital and liquidity, the consummation of the last tranche of the Follow-on BAT Investment (as defined in the AIF) and the Company's ability to access the public markets to fund operational activities and growth;
- The Company's ability to remain listed on the TSX (as defined in the AIF) and NASDAQ (as defined in the AIF) and the impact of any actions it may be required to take to remain listed;
- The ability of the Company to generate cash flow from operations and from financing activities;
- The competitive conditions of the industry, including the Company's ability to maintain or grow its market share;
- The expectations regarding capital expenditures, current and targeted production capacity and timing thereof; and
- Expectations concerning Fiscal 2025 performance.

Certain of the forward-looking statements and other information contained herein are based on estimates prepared by the Company using data from publicly available governmental sources as well as from market research and industry analysis, and on assumptions based on data and knowledge of the medical cannabis industry, industrial hemp industry and the adult-use recreational cannabis industry which the Company believes to be reasonable. However, although generally indicative of relative market positions, market shares and performance characteristics, such data is inherently imprecise. While the Company is not aware of any misstatement regarding any industry or government data presented herein, the medical cannabis industry, industrial hemp industry, and the adult-use recreational cannabis industry involve risks and uncertainties that are subject to change based on various factors.

Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. The Company’s forward-looking statements are expressly qualified in their entirety by this cautionary statement. A number of factors could cause actual events, performance or results to differ materially from what is projected in the forward-looking statements. These factors include, but are not limited to, risks related to competition, changes in the Canadian cannabis industry and market, governmental regulation, changes in laws, regulations and guidelines, reliance primarily on a single cultivation facility, reliance on key inputs and volatility in the wholesale and retail prices of cannabis, the Company’s success in developing new products and finding a market for the sale of new products, licence renewal risks, risk inherent in the agricultural business, rising energy costs, negative cash flows from operations, dividends, competition from illicit markets, acquisition and integration risk, volatility in the market for the Company’s securities, history of losses, product liability, sufficiency of insurance, management of growth, financing risks, risks relating to developing and maintaining effective internal controls for reliable financial reporting and for fraud prevention, reliance on key personnel, risks relating to the resurgence of pandemic and catastrophic

events, product recalls, risks relating to litigation and securities class actions, difficulties with forecasts, uninsured and uninsurable events risks, risks relating to inflation, unknown health impacts of the use of cannabis and cannabis-derivatives, reliance on third-party transportation, ability to meet target production capacity, scale of operations, supply chain and distribution disruptions, facility and technological risks, packaging and shipping logistics, potential time frame for the implementation of legislation to legalize cannabis internationally, risks relating to the ability of the Company to obtain and/or maintain their status as a licensed producer, the potential size of the regulated adult-use recreational cannabis market, demand for and changes to products, the development of the vapour market, political conditions, market opportunities, timing of final implementation of the Company's enterprise resource planning system, contracts or other arrangements with provincial governments are not guaranteed, TSX and NASDAQ listing requirements and the ability to continue to meet listing standards for the TSX and the NASDAQ, risks relating to the Company's designation as a "large accelerated filer", differing shareholder protections across jurisdictions, increased volatility for dual-listed shares, market liquidity risks, investment risk, risks relating to the Company's status as a foreign private issuer in the U.S., risks relating to expansion into new markets, foreign investment risk, risk of corruption and fraud in emerging markets and relating to ownership of real property, risks relating to the Israel-Hamas war and its impact on the supply of product in the market and the demand for product in Israel as well as the impact of the war on collection of accounts receivable; the outcome of the final determination in the Anti-Dumping Investigation, risks relating to the Company's IP, credit risk, liquidity risk, concentration risk, risks associated with significant shareholders, dividends, publicity or consumer perception, cyber security and privacy, product security, environmental and employee health and safety regulations, regulatory proceedings, investigations and audits, fraudulent or illegal activity by employees, restrictions on foreign investors, regulatory and operational risks associated with expansion into foreign jurisdictions, reliance on international advisers and consultants, anti-money laundering laws and regulation risks, anti-corruption and anti-bribery laws, global economic risks, future acquisitions, general business risks and liabilities, dilution, constraints on marketing products, provincial legislative controls, suppliers and skilled labour, conflicts of interest, risks associated with the Company's status as a holding company and the other risks described in AIF. Material factors and assumptions used in establishing forward-looking information include that construction and production activities will proceed as planned and regulatory conditions will advance in the manner expected by management. The purpose of forward-looking statements is only to provide the reader with a description of management's expectations relating to future periods, and, as such, forward-looking statements are not appropriate for any other purpose. You should not place undue reliance on forward-looking statements contained in this Annual Information Form.

All forward-looking information is provided as of the date of this Annual Report. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information,

future events or otherwise, except as and to the extent required by applicable law, including applicable United States federal securities laws.

See also "Risk Factors" in the MD&A and the AIF.

NOTE TO UNITED STATES READERS REGARDING DIFFERENCES BETWEEN UNITED STATES AND CANADIAN REPORTING PRACTICES

The Company is permitted to prepare this Annual Report in accordance with Canadian disclosure requirements, which are different from those of the United States. The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board (the '**IASB**"), which differ in certain respects from United States generally accepted accounting principles ("**US GAAP**") and from certain practices prescribed by the SEC. Therefore, the Company's financial statements incorporated by reference in this Annual Report may not be comparable to financial statements prepared in accordance with US GAAP.

CURRENCY

Unless otherwise indicated, all dollar amounts in this Annual Report are in Canadian dollars. The exchange rate of Canadian dollars into United States dollars, on October 1, 2024, based upon the daily exchange rate as quoted by the Bank of Canada was U.S.$1.00 = Cdn. $1.3504.

TAX MATTERS

Purchasing, holding, or disposing of the Company's securities may have tax consequences under the laws of the United States and Canada that are not described in this Annual Report.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act to mean controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and includes, without limitation, controls and procedures designed to ensure that such information is accumulated and communicated to the issuer's management, including its principal executive and

principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

As of the end of the period covered by this report, our management carried out an evaluation, with the participation of our Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**"), of the effectiveness of our disclosure controls and procedures. Based upon that evaluation, our CEO and CFO concluded that, as of the end of the period covered by this report, our disclosure controls and procedures, as defined in Rule 13a-15(e), were not effective because of the material weaknesses in our internal control over financial reporting noted below and described in the MD&A.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Internal Control over Financial Reporting

Internal control over financial reporting, as defined by Rule 13a-15(f) and 15d-15(f) of the Exchange Act, is a process designed by, or under the supervision of, the Company's principal executive and principal financial officers or persons performing similar functions and effected by the Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as issued by the IASB. Internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

In connection with the Company's reporting obligations in Canada and its obligations under Rule 13a-15(c) under the Exchange Act, management, under the supervision and with the participation of its CEO and CFO, conducted an evaluation of the effectiveness of the Company's internal control over

financial reporting as of September 30, 2024, using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control - Integrated Framework (2013). Based on this evaluation management concluded that certain material weaknesses existed as of September 30, 2024, as described at page 40 of the MD&A under the heading "Management's Evaluation of Internal Control over Financial Reporting", filed as Exhibit 99.5 to this Annual Report.

Attestation Report of the Independent Registered Public Accounting Firm

PKF O'Connor Davies, LLP, an Independent Registered Public Accounting Firm, has audited the Company's consolidated annual financial statements for the year ended September 30, 2024, and has issued an adverse report on the effectiveness of Internal Control over Financial Reporting which is addressed to the Board of Directors of the Company and is included in the Company's audited consolidated annual financial statements filed as Exhibit 99.4 to this Annual Report.

KPMG LLP, an Independent Registered Public Accounting Firm, has audited the Company's consolidated annual financial statements as at and for the thirteen months ended September 30, 2023.

Changes in Internal Control over Financial Reporting

There has been a change to the Company's ICFR during the three months ended September 30, 2024 that has materially affected, or is likely to materially affect, the Company's ICFR.

Control Environment

With respect to the material weakness related to the control environment during Fiscal 2024, the Company took the following actions:

- Bolstered the financial reporting, IT and accounting department's internal controls and accounting knowledge by hiring new full-time employees including those in more senior roles; and
- Implemented additional ongoing oversight, training and communication programs for management and personnel to reinforce the Company's control standards and expectations and clarified individual responsibility for control activities at various levels within the Company. Roles and responsibilities are continually assessed with a view to meeting the needs of the Company's internal control environment.

During Q4 Fiscal 2024, the Company completed its evaluation of the impact of these actions and concluded that this material weakness related to control environment was successfully remediated.

Information Process

With respect to the material weakness related to the information process during Fiscal 2024:

- The Company substantially progressed its ERP system implementation and successfully completed the second phase of ERP that included the implementation of finance and supply chain modules at our Winnipeg and Lac-Superieur facilities;
- During Q4 Fiscal 2024, the Company launched the planning and design phase for a further enhancement to the ERP system, which will allow for improved costing management and reduction of complex spreadsheets related to inventory costing;
- During Q4 Fiscal 2024, the Company launched the planning and design phase for a financial planning and management reporting tool, which is expected to further enhance the Company's analytical and review procedures;
- As of September 30, 2024 the Company completed the implementation of a new human resources information system, or HRIS, that is intended to further streamline internal processes, support employee retention efforts and facilitate remediation activities;
- The Company hired a Director of IT to oversee and enhance the IT department, support the remediation of deficiencies in general IT controls and facilitate the development and implementation of the new ERP system. Under the direction of the Director of IT, the Company continued to make progress during the period in remediating certain IT general controls;
- The Company hired and trained a dedicated resource to review the third-party service organization control reports and assess their impact in relation to the Company's control environment. The Company streamlined its complex spreadsheet models, with the exception of biological asset models and inventory costing, to reduce the risk of errors in mathematical formulas and to improve the ability to verify the logic of complex spreadsheets.

Control Activities

With respect to the material weakness related to control activities during Fiscal 2024:

- The Company amalgamated Organigram Inc. with EIC and Laurentian. Post amalgamation, the Company's three facilities continued to operate as a single corporation under the name "Organigram Inc." which significantly simplified and streamlined the financial statement close process;
- The Company added a new dedicated resource with assigned responsibilities to support management in their ongoing remediation efforts.

CORPORATE GOVERNANCE

The Board of Directors is responsible for the Company's corporate governance and has the following separately designated standing committees: the Governance, Nominating and Sustainability Committee, the Compensation Committee, the Investment Committee, and the Audit Committee. The respective charters of the Governance, Nominating and Sustainability Committee, the Compensation Committee, the Investment Committee, and the Audit Committee can be viewed on the Company's corporate website at www.organigram.ca. In addition, the Company's Audit Committee Charter is attached as Appendix "A" to the AIF, which is filed as Exhibit 99.6 to this Annual Report.

Governance, Nominating and Sustainability Committee and Compensation Committee

The Governance, Nominating and Sustainability Committee is responsible for reviewing, overseeing and evaluating the governance, nominating and sustainability policies of the Company, and the Compensation Committee is responsible for reviewing, overseeing and evaluating the compensation policies of the Company.

The mandate of the Governance, Nominating and Sustainability Committee includes: (a) assessing the effectiveness of the Board of Directors, each of its committees and individual directors; (b) overseeing the recruitment and selection of candidates to be nominated for election as directors; (c) organizing an orientation and education program for new directors; (d) considering and approving proposals by the directors to engage outside advisors on behalf of the Board of Directors as a whole or on behalf of the independent directors; (e) reviewing and making recommendations to the Board of Directors concerning the size, composition and structure of the Board of Directors and its committees; and (f) overseeing management succession.

The Compensation Committee is responsible for: (a) administering any securities-based compensation plans of the Company; (b) assessing the performance of the Company's management; (c) reviewing and approving the compensation paid by the Company, if any, to the Company's officers; and (d) reviewing and making recommendations to the Board of Directors concerning the level and nature of the compensation payable to Company's directors and officers. The Compensation Committee is also responsible for administering the Company's Policy for the Recovery of Erroneously Awarded Incentive-Based Compensation (the "**Recovery Policy**"), which has been adopted by the Board of Directors pursuant to Rule 5608 of the NASDAQ Marketplace Rules. A copy of the Recovery Policy is filed as Exhibit 97.1 to this Annual Report, and is also available on the Company's corporate website at www.organigram.ca.

The Compensation Committee also reviews and makes recommendations to the Board of Directors at least annually with respect to the compensation of the Chief Executive Officer and other senior executive officers of the Company, including incentive compensation plans, equity-based plans, the terms of any employment agreements, severance arrangements, and change of control arrangements or provisions, and any special or supplemental benefits. In considering compensation matters, the Compensation Committee is required under its Charter to be guided by the following principles: (a) offering competitive compensation to attract, retain and motivate the very best qualified individuals in order for the Company to meet its goals; and (b) acting in the interests of the Company by being fiscally responsible.

The Company's Governance, Nominating and Sustainability Committee and the Company's Compensation Committee are required under their respective Charters to meet at least semi-annually and more frequently as circumstances require.

The Governance, Nominating and Sustainability Committee is comprised of Geoffrey Machum (Chair), Sherry Porter and Dexter John. The Compensation Committee is comprised of Sherry Porter (Chair), Geoffrey Machum and Karina Gehring. The Board of Directors has determined that all three members of each of the Governance, Nominating and Sustainability Committee and the Compensation Committee are independent, based on the criteria for independence prescribed by Rule 5605(a)(2) of the NASDAQ Marketplace Rules.

Investment Committee

The Investment Committee's mandate is to assist the Board of Directors in discharging the Board of Directors' oversight responsibilities relating to proposed acquisitions, dispositions, major capital investments and financing arrangements. The Investment Committee is responsible for: (a) reviewing at least quarterly with management the Company's strategic business objectives, including potential acquisitions, dispositions, transaction opportunities and financing arrangements; (b) convening with management as needed to discuss and assess such opportunities, and reviewing and evaluating such opportunities with management on a regular basis; (c) monitoring the performance of the Company's completed transactions and investments by conducting periodic reviews for the purposes of evaluating the degree of success achieved, assessing the accuracy of projections and other assumptions relied upon in approving transactions, identifying the factors that differentiate more successful transactions from less successful ones, and evaluating the strategic contributions resulting from transactions; (d) considering, in conjunction with the Audit Committee as appropriate, the accounting treatment and impact of proposed investments; (e) when appropriate, making recommendations to the Board of Directors in respect of a proposed acquisition, disposition, financing or other arrangement (provided, however, that management may approve, without the requirement for further Committee or Board of Directors action, corporate

development, business development, acquisitions and divestiture transactions in the normal course of business involving consideration up to $5,000,000); and (f) considering conformance with applicable law and compliance elements of proposed investments.

The Investment Committee is comprised of Dexter John (Chair), Stephen Smith, Marni Wieshofer, and Simon Ashton. The Board of Directors has determined that all four members of the Investment Committee are independent, based on the criteria for independence prescribed by Rule 5605(a)(2) of the NASDAQ Marketplace Rules.

AUDIT COMMITTEE

Our Board of Directors has established the Audit Committee in accordance with section 3(a)(58)(A) of the Exchange Act and Rule 5605(c) of the NASDAQ Marketplace Rules for the purpose of overseeing our accounting and financial reporting processes and the audits of our annual financial statements and effectiveness of internal control over financial reporting.

The Audit Committee is comprised of Stephen Smith (Chair), Marni Wieshofer, Dexter John and Simon Ashton. Our Board of Directors has determined that the Audit Committee meets the composition requirements set forth by Section 5605(c)(2) of the NASDAQ Marketplace Rules, and that each of the members of the Audit Committee is independent as determined under Rule 10A-3 of the Exchange Act and Rule 5605(a)(2) of the NASDAQ Marketplace Rules. All four members of the Audit Committee are financially literate, meaning they are able to read and understand the Company's financial statements and to understand the breadth and level of complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Our Board of Directors has determined that Stephen Smith:

- qualifies as an "audit committee financial expert" (as defined in paragraph (8)(b) of General Instruction B to Form 40-F),
- has past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in his financial sophistication (pursuant to Rule 5605(c)(2)(A) of the NASDAQ Marketplace Rules), and
- is independent (as determined under Exchange Act Rule 10A-3 and Rule 5605(a)(2) of the NASDAQ Marketplace Rules).

PRE-APPROVAL OF AUDIT AND NON-AUDIT SERVICES PROVIDED BY INDEPENDENT AUDITOR

The Audit Committee Charter sets out responsibilities regarding the provision of non-audit services by the Company's external auditors and requires the Audit Committee to pre-approve all permitted non-audit services to be provided by the Company's external auditors, in accordance with applicable law.

PRINCIPAL ACCOUNTING FEES AND SERVICES

As of June 28, 2024, our independent registered public accounting firm is PKF O'Connor Davies, LLP, New York, NY, Auditor Firm ID: 127. Prior to June 28, 2024, our independent registered public accounting firm was KPMG LLP, Vaughan, ON, Canada, Auditor Firm ID: 85. Tabular disclosure of the amounts billed to us by our independent auditors for each of our last fiscal years ended September 30, 2023 and September 30, 2024 as Audit Fees, Audit-Related Fees, Tax Fees and All Other Fees, is made on page 78 of the AIF, filed as Exhibit 99.6 to this Annual Report.

Audit Fees

Audit Fees include fees necessary to perform the annual audit including the audit of internal controls over financial reporting and quarterly reviews of the Company's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits. For the thirteen months ended September 30, 2023 ("**FY'2023**") audit fees were comprised of quarterly reviews, the annual audit (including the audit of internal controls over financial reporting). For the year ended September 30, 2024 ("**FY'2024**") audit fees were comprised of quarterly reviews, the annual audit (including the audit of internal controls over financial reporting) and securities engagements.

Tax Fees

Tax Fees include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance and advisory in FY'2024 and FY'2023. Tax advice includes advice related to mergers and acquisitions and a captive insurance structure.

Audit Committee Pre-Approval Policies

From time to time, management of the Company recommends to and requests approval from the Audit Committee for audit and non-audit services to be provided by the Company's external auditor.

The Audit Committee may delegate to one or more of its members the authority to pre-approve non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor. The pre-approval of non-audit services must be presented to the Audit Committee at its first scheduled meeting following such pre-approval.

The Audit Committee may satisfy its duty to pre-approve non-audit services by adopting specific policies and procedures for the engagement of the non-audit services, provided the policies and procedures are detailed as to the particular service, the Audit Committee is informed of each non-audit service and the procedures do not include delegation of the Audit Committee's responsibilities to management.

CODE OF ETHICS

We have adopted a Code of Business Conduct and Ethics (the "**Code**") that applies to our officers (including without limitation, the CEO and CFO), employees and directors of the Company and its subsidiaries and promotes, among other things, honest and ethical conduct. The Code meets the requirements for a "code of ethics" within the meaning of that term in Form 40-F.

The Code was reviewed and approved by the Board of Directors on September 30, 2024. The Code is available on the Company's corporate website at www.organigram.ca and under the Company's SEDAR+ profile on www.sedarplus.ca and is filed as Exhibit 99.7 to this Annual Report.

During the financial year ended September 30, 2024, no material amendment was made to the Code which would be required to be disclosed pursuant to Paragraph 9 of General Instruction B, and no waivers of the Code were granted to any principal officer of the Company or any person performing similar functions.

NOTICES PURSUANT TO REGULATION BTR

There were no notices required by Rule 104 of Regulation BTR that the Company sent during the year ended September 30, 2024, concerning any equity security subject to a blackout period under Rule 101 of Regulation BTR.

NASDAQ CORPORATE GOVERNANCE

The Company complies with corporate governance requirements the TSX . As a foreign private issuer, the Company is required to comply with some, but not all, of the corporate governance requirements of NASDAQ. Notwithstanding certain accommodations available to foreign private issuers under NASDAQ's corporate governance standards, the Company adopts best practices consistent with domestic NASDAQ listed companies when appropriate to its circumstances.

The Company has reviewed the NASDAQ corporate governance requirements and confirms that the Company is in compliance with the NASDAQ corporate governance standards that apply to the Company (taking into account the accommodations available for foreign private issuers) in all significant respects:

Executive Sessions: Under Rule 5605(b)(2) of the NASDAQ Marketplace Rules, a listed company must have regularly scheduled meetings at which only independent directors are present ("**executive sessions**"). The rule contemplates that executive sessions will occur at least twice a year, and perhaps more frequently, in conjunction with regularly scheduled board meetings. Under applicable Canadian rules, customs and practice, the Company's independent directors are not required to hold executive sessions. However, the Company is subject to certain disclosure requirements prescribed in Canadian Form 58-101F1 - *Corporate Governance Disclosure* ("**Form 58-101F1**"). In particular, the Company must disclose whether the independent directors hold executive sessions and, if such executive sessions are held, how many of these meetings have been held since the beginning of the Company's most recently completed financial year. If the Company does not hold executive sessions, the Company must describe what the Board of Directors does to facilitate open and candid discussion among its independent directors.

Contents of Audit Committee Charter: Under Rule 5605(c)(1) of the NASDAQ Marketplace Rules, a listed company must adopt a formal written charter that specifies the scope of its responsibilities and the means by which it carries out those responsibilities; the external auditor's accountability to the audit committee; and the audit committee's responsibility to ensure the independence of the outside auditor. In accordance with section 2.3(1) of Canadian National Instrument 52-110 - *Audit Committees*, the

Company has adopted an Audit Committee Charter that sets out its mandate and responsibilities, and substantially complies with Rule 5605(c)(1) of the NASDAQ Marketplace Rules. However, the Audit Committee Charter does not strictly comply with the requirement under Rule 5605(c)(1)(B) that an audit committee charter must specify the committee's responsibility for ensuring its receipt from the outside auditors of a formal written statement delineating all relationships between the auditor and the company, with the view to confirming the objectivity and independence of the external auditor. Instead, consistent with the laws, customs and practices in Canada, the Company's Audit Committee Charter provides that: (a) the Committee shall satisfy itself, on behalf of the Board of Directors, that the external auditor is independent of management; and (b) in assessing such independence, the Committee shall discuss with the external auditor, and may require a letter from the external auditor outlining, any relationships between the external auditor and the Company or its affiliates.

Composition of Compensation Committee: Under Rule 5605(d)(1) of the NASDAQ Marketplace Rules, a listed company must adopt a formal written compensation committee charter that specifies the scope of its responsibilities and the means by which it carries out those responsibilities, including structure, processes and membership requirements. Rule 5605(d)(2)(A) requires that, subject to a limited exception, the compensation committee must be composed of at least two members, each of whom must be an independent director as defined in Rule 5605(a)(2). Under applicable Canadian rules, the Company's compensation committee is not required to include a prescribed number of independent directors. However, pursuant to Form 58-101F1, the Company must disclose what steps its board of directors takes to ensure an objective process for determining the compensation of the directors and officers of the Company, if its compensation committee is not comprised entirely of independent directors.

*Independent Director Oversight of Director Nominations:*Rule 5605(e)(1) of the NASDAQ Marketplace Rules prescribes that, subject to a limited exception, director nominees must either be selected, or recommended for the Board of Directors' selection, either by: (a) independent directors (as defined in Rule 5605(a)(2)) constituting a majority of the Board of Directors' independent directors in a vote in which only independent directors participate, or (b) a nominations committee comprised solely of independent directors. Rule 5605(e)(2) requires a listed company to adopt a formal written charter or board resolution, as applicable, addressing the nominations process and such related matters as may be required under United States federal securities laws. Under applicable Canadian rules, the Company's nominating committee is not required to include a prescribed number of independent directors. However, pursuant to Form 58-101F1, the Company must disclose what steps its board of directors takes to ensure an objective process for encouraging an objective nomination process for new directors of the Company, if its nominating committee is not comprised entirely of independent directors.

The Company's Governance, Nominating and Sustainability Committee and Compensation Committee: The Company has adopted a Governance, Nominating and Sustainability Committee Charter and a Compensation Committee Charter (the "**Charters**") that substantially comply with Rules 5605(d)(1) and Rule 5605(e)(2) of the NASDAQ Marketplace Rules. However, in contrast to the requirements of Rules 5605(d)(2)(A) and 5605(e)(1), the Charters prescribe that only a majority of the Committee (which should be comprised of a minimum of three directors) must be independent as defined in Canadian National Instrument 58 101 - *Disclosure of Corporate Governance Practices*, and free from any relationship that, in the view of the Board of Directors, could be reasonably expected to interfere with the exercise of his or her independent judgment as a member of the Committee. This is consistent with the laws, customs and practices in Canada. As disclosed elsewhere in this Annual Report, the Company's Governance, Nominating and Sustainability Committee is currently comprised of Geoff Machum (Chair), Sherry Porter and Dexter John and the Compensation Committee is currently comprised of Sherry Porter (Chair), Geoff Machum and Karina Gehring, each of whom has been determined by the Board of Directors to be independent based on the criteria for independence prescribed by Rule 5605(a)(2) of the NASDAQ Marketplace Rules. In the event that the Governance, Nominating and Sustainability Committee or the Compensation Committee ceases to comprised of only independent directors, the Company will disclose the steps its Board of Directors takes to ensure an objective process for the nomination of new directors of the Company or the determination of the compensation of the Company's directors and officers, as the case may be.

Shareholder Meeting Quorum Requirement: Under Rule 5620(c) of the NASDAQ Marketplace Rules, a listed company that is not a limited partnership must provide in its by-laws for a quorum of not less than 33 1/3% of the outstanding shares of the company's common voting stock in respect of all meetings of the holders of its common stock. The Company's Bylaws provide that a quorum for a meeting of shareholders of the Company is present if two persons who are, or who represent by proxy, one or more shareholders who, in the aggregate, hold at least five percent of the issued shares. This quorum requirement is consistent with the laws, customs and practices in Canada.

Proxy Delivery Requirement: Under Rule 5620(b) of the NASDAQ Marketplace Rules, a listed company that is not a limited partnership must solicit proxies and provide proxy statements for all meetings of shareholders, and also provide copies of such proxy solicitation materials to NASDAQ. The Company is a "foreign private issuer" as defined in Rule 3b-4 under the Exchange Act, and the equity securities of the Company are accordingly exempt from the proxy rules set forth in Sections 14(a), 14(b), 14(c) and 14(f) of the Exchange Act. The Company solicits proxies in accordance with applicable rules and regulations in Canada.

Distribution of Annual Reports: NASDAQ Marketplace Rule 5250(d) requires a NASDAQ-listed Company to make available to shareholders an annual report containing audited financial statements of the Company and its subsidiaries (which, for example, may be on 40-F under the Exchange Act) within a reasonable period of time following the filing of the annual report with the SEC. The Company may comply with this requirement either:

- by mailing the report to shareholders (as opposed to electronic or notice-and-access delivery);
- by satisfying the requirements for furnishing an annual report contained in Rule 14a-16 under the Exchange Act; or
- by posting the annual report to shareholders on or through the Company's website, along with a prominent undertaking in the English language to provide shareholders, upon request, a hard copy of the annual report free of charge. A Company that chooses to satisfy this requirement pursuant in this manner must, simultaneous with this posting, issue a press release stating that its annual report has been filed with the Commission. The press release must also state that: (a) the annual report is available on the Company's website and include the website address, and (b) shareholders may receive a hard copy free of charge upon request.

As indicated above, the Company is exempt from the proxy rules set forth in Sections 14(a), 14(b), 14(c) and 14(f) of the Exchange Act (as well as Rule 14a-16 promulgated under the Exchange Act), and solicits proxies in accordance with applicable rules and regulations in Canada.

Section 437 of the TSX Company Manual requires that: (a) every TSX-listed company must forward annually to each shareholder who has requested them its annual financial statements and its related management's discussion and analysis in accordance with Canadian National Instrument 51-102 - Continuous Disclosure Obligations ("**NI 51-102**"); and (b) if a listed company produces an annual report, it must be filed publicly through SEDAR+, available at www.sedarplus.ca.

Pursuant to NI 51-102, the Company is required to send annually a request form to the registered holders and beneficial owners of its securities, other than debt instruments, that registered holders and beneficial owners may use to request a copy of the Company's annual financial statements and related management's discussion and analysis, the interim financial statements and related management's discussion and analysis, or both. If a registered holder or beneficial owner of securities, other than debt instruments, of the Company requests the Company's annual or interim financial statements, the Company must send a copy of the requested financial statements to the person or company that made

the request, without charge, by the later of: (a) 10 days after the filing deadline for the financial statements, or (b) 10 calendar days after the Company receives the request. If the Company sends financial statements it must also send, at the same time, the annual or interim management's discussion and analysis relating to the financial statements.

Shareholder Approval Requirements: Section 5635 of the NASDAQ Marketplace Rules requires shareholder approval for issuances of common shares, or any securities convertible or exercisable into common shares:

(a) in connection with the acquisition of the stock or assets of another company

(i) where, due to the present or potential issuance of common shares (including shares issued pursuant to an earn-out or similar type of provision, or securities convertible into or exercisable for common shares) other than a public offering for cash:

(A) the common shares constitute or will upon issuance constitute at least 20% of the voting power outstanding before the issuance of the common shares (or, if applicable before the issuance of the securities convertible into or exercisable for common shares); or

(B) the common shares constitute or will upon issuance constitute at least 20% of the number of common shares outstanding before the issuance; or

(ii) if any director, officer or Substantial Shareholder (as defined by Rule 5635(e)(3) of the NASDAQ Marketplace Rules) of the listed company has a 5% or greater interest (or such persons collectively have a 10% or greater interest), directly or indirectly, in the target company or assets to be acquired, or in the consideration to be paid in the transaction or series of related transactions, and the present or potential issuance of common shares, or securities convertible into or exercisable for common shares, could result in an increase of 5% or more in the outstanding common shares or voting power of the listed company;

(b) where the common shares sold (or the number of common shares into which the securities sold are convertible or exercisable), either alone or together with sales by officers, directors or Substantial Shareholders of the listed company, constitute at least

(i) 20% of the outstanding common shares before the issuance, or

(ii) 20% of the voting power of the outstanding common shares before the issuance,

in either case except for (A) public offerings of common shares for cash, and (B) transactions involving the sale, issuance or potential issuance of common shares at a price, or securities convertible or exercisable into common shares with a conversion or exercise price, that is greater than or equal to the lesser of (1) the last closing price immediately preceding the signing of a binding agreement, and (2) the average closing price of the common shares on NASDAQ for the five trading days immediately preceding the signing of the binding agreement; and

(c) where the issuance would result in a change of control of the listed company.

The Company intends to follow TSX rules for shareholder approval of new issuances of its common shares. Following TSX rules, shareholder approval is required for certain issuances of shares that: (i) materially affect control of the listed issuer; or (ii) provide consideration to insiders in aggregate of 10% or greater of the market capitalization of the listed issuer, during any six-month period, and has not been negotiated at arm's length. Shareholder approval is also required, pursuant to TSX rules, in the case of private placements: (a) for an aggregate number of listed securities issuable greater than 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the transaction if the price per security is less than the market price; or (b) that during any six month period are to insiders for listed securities or options, rights or other entitlements to listed securities greater than 10% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of the closing of the first private placement to an insider during the six month period. The rules of the TSX also require shareholder approval in connection with an acquisition by a listed issuer where the number of securities issued or issuable in payment of the purchase price for the acquisition exceeds 25% of the number of securities of the listed issuer that are outstanding, on a non-diluted basis.

Equity Compensation Plans: Section 5635(c) of the NASDAQ Marketplace Rules also requires shareholder approval of all stock option or purchase plans or other arrangements that provide for equity securities as compensation to officers, directors, employees or consultants, and any material amendments to such plans or arrangements, except for certain plans and arrangements, including:

(a) stock purchase plans available on equal terms to all security holders of the listed company (such as a typical dividend reinvestment plan);

(b) tax qualified, non-discriminatory employee benefit plans (e.g., plans that meet the requirements of section 401(a) or 423 of the Internal Revenue Code) or parallel nonqualified plans, provided that such plans are approved by the listed company's independent compensation committee or a majority of the company's independent directors;

(c) those plans or arrangements allowing employees, directors or service providers to buy such securities on the open market or from the listed company for current fair market value;

(d) grants of options or other equity-based compensation as a material inducement to the grantee's entering into employment with the listed company, provided that such grants are approved by the listed company's independent compensation committee or a majority of the company's independent directors; and

(e) conversions, replacements or adjustments of outstanding options or other equity compensation awards to reflect a merger or acquisition.

The Company intends to follow TSX rules in respect of its security-based compensation arrangements. The TSX requires shareholder approval of all security-based compensation arrangements, and any material amendments to such arrangements, except for arrangements used as an inducement to persons or companies not previously employed by and not previously an insider of the listed issuer, provided that: (i) such persons or companies enter into a contract of full time employment as an officer of the listed issuer; and (ii) the number of securities made issuable to such persons or companies during any twelve month period does not exceed in aggregate 2% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date the exemption is first used during such twelve month period. Such shareholder approval is required when the security-based arrangement is instituted and every three years thereafter if the arrangement does not have a fixed maximum aggregate of securities issuable. The TSX considers a security-based compensation arrangement to be any compensation or incentive mechanism involving the issuance from treasury or potential issuance from treasury of securities of a listed issuer.

Insiders of a listed issuer that are entitled to receive a benefit under a security-based compensation arrangement are not eligible to vote their securities in respect of the shareholder approval required by the TSX unless such security based compensation arrangement contains an "insider participation limit". An "insider participation limit" is a provision typically found in security-based compensation arrangements which limits the number of a listed issuer's securities: (i) issued to insiders of the listed issuer, within any one year period; and (ii) issuable to insiders of the listed issuer at any time, to 10% of the listed issuer's

total issued and outstanding securities. For the purposes of security-based compensation arrangements, the definition of "insider" would include the CEO, CFO, all directors of the listed issuer and its major subsidiaries, any person responsible for a principal business unit, division or function, and any shareholder that has beneficial ownership or control or direction over, more than 10% of the issued and outstanding common shares of the listed issuer. The Company obtains shareholder approval of its equity compensation plans in accordance with applicable rules and regulations of the TSX.

The foregoing are consistent with the laws, customs and practices in Canada.

MINE SAFETY DISCLOSURE

Not applicable.

DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

Not applicable.

UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

Undertaking

The Company undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

Consent to Service of Process

The Company has previously filed with the SEC a written consent to service of process on Form F-X. Any change to the name or address of the Company's agent for service shall be communicated promptly to the SEC by amendment to the Form F-X referencing the file number of the Company.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Company certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: December 18, 2024 **Organigram Holdings Inc.**

By: /s/ Greg Guyatt

Greg Guyatt

Chief Financial Officer

Exhibit Index

Exhibit Number	Exhibit Description
97.1	Policy for the Recovery of Erroneously Awarded Incentive-Based Compensation
99.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.3	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.4	Audited consolidated financial statements of the Company and notes thereto as of September 30, 2024 and 2023, and for the twelve months ended September 30, 2024, and the thirteen months ended September 30, 2023, together with the reports of the Independent Registered Public Accounting Firms thereon
99.5	Management's Discussion and Analysis for the twelve months ended September 30, 2024
99.6	Annual Information Form of the Company for the twelve months ended September 30, 2024
99.7	The Company's Code of Business Conduct and Ethics as approved on September 30, 2024
99.8	Consent of PKF O'Connor Davies LLP, Independent Registered Public Accounting Firm
99.9	Consent of KPMG, LLP, Independent Registered Public Accounting Firm
99.10	News Release dated December 18, 2024
99.11	Glossy Annual Report
101.INS	XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

ORGANIGRAM HOLDINGS INC.
(the "Corporation" or "Organigram")

POLICY FOR THE RECOVERY OF ERRONEOUSLY AWARDED INCENTIVE-BASED COMPENSATION

This Policy for the Recovery of Erroneously Awarded Inventive-Based Compensation (the "Policy") was reviewed by the board of directors (the "Board") of the Corporation on September 26, 2024 (the "Effective Date").

Purpose

This Policy has been adopted by the Board in accordance with certain listing standards of the Nasdaq Stock Market LLC ("Nasdaq") mandated by Rule 10D-1 (as hereinafter defined), to facilitate reasonably prompt recovery by the Corporation of the amount of any Incentive-Based Compensation that is deemed to have been erroneously awarded in the event that the Corporation is required to restate its financial statements due to material non-compliance with any financial reporting requirement under relevant Securities Laws (as hereinafter defined).

1. Definitions

1.1 In this Policy, the following terms will have the following meanings:

a) **"Accounting Restatement"** means an accounting restatement due to material noncompliance of the Corporation with any financial reporting requirement under the Securities Laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period;

b) **"Canadian Securities Laws"** means all applicable securities laws of each of the provinces and territories of Canada in which the Corporation is a "reporting issuer", and the respective rules and regulations made and forms prescribed under such laws, together with all applicable published instruments, policy statements, blanket orders, rulings and notices adopted by the securities regulatory authorities in such provinces and territories;

c) **"Compensation Committee"** means the Compensation Committee of the Board;

d) **"Erroneously Awarded Incentive-Based Compensation"** means that portion of any Incentive-Based Compensation that has been paid to an Executive Officer and is recoverable under Section 4.1 of this Policy, as such Erroneously Awarded Incentive-Based Compensation is determined under this Policy;

e) **"Exchange Act"** means the United States Securities Exchange Act of 1934, as amended;

f) **"Executive Officer"** means any individual deemed to be an "executive officer" of the Corporation under Rule 10D-1, and shall include the Corporation's president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Corporation in charge of a principal business unit,

division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person (including an executive officer of a subsidiary of the Corporation) who performs similar policymaking functions for the Corporation;

g) **"Financial Reporting Measures"** means any measures that are determined and presented in accordance with the accounting principles used in preparing the Corporation's financial statements, and any measures derived wholly or in part from such measures whether or not the measure is presented within the financial statements or included in a filing with the SEC;

h) **"Incentive-Based Compensation"** means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure;

i) **"MJDS"** means the United States/Canada multi-jurisdictional disclosure system;

j) **"Received"** means, in the context of Incentive-Based Compensation, the actual or deemed receipt in the Corporation's fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period;

k) **"Recovery Period"** has the meaning set forth in Section 4.3;

l) **"Rule 10D-1"** means Rule 10D-1 adopted by the SEC under the Exchange Act;

m) **"SEC"** means the United States Securities and Exchange Commission;

n) **"Securities Laws"** means the Exchange Act and the United States Securities Act of 1933, as amended, and, to the extent that the Corporation has filed any of its financial statements with the SEC under the Exchange Act in reliance on the MJDS, Canadian Securities Laws; and

o) **"TSR"** means total shareholder return.

2. Administration

2.1. This Policy will be administered by the Compensation Committee which will be empowered to, with consideration of applicable Securities Laws:

a) interpret and administer this Policy;

b) make determinations as to whether any Incentive-Based Compensation that has been Received by the current and former Executive Officers of the Corporation constitutes Erroneously Awarded Incentive-Based Compensation in the event of an Accounting Restatement;

c) take action to enforce on behalf of the Corporation any recovery of any Erroneously Awarded Incentive-Based Compensation;

d) make any other determinations that the Compensation Committee deems necessary or desirable to give effect to the objectives of this Policy; and

e) periodically review legislative developments that may have an impact on this Policy, and report to the Board any recommendations.

2.2 In addition to any authority provided under its charter, the Compensation Committee will have the authority to engage and retain independent legal counsel, independent accounting advisors and any outside professional advisor that it determines necessary to carry out its duties, at the expense of the Corporation, without the Board's approval and at any time, and has the authority to determine any such advisor's fees and other retention terms

Interpretations

2.3 This Policy is intended to be a "Recovery Policy" for the purposes of Nasdaq Listing Rule 5608 and will be interpreted by the Compensation Committee consistent with Rule 10D-1. This Policy is in addition to the requirements of Section 304 of the Sarbanes-Oxley Act of 2002 that are applicable to the Corporation's chief executive officer and chief financial officer.

Compliance

2.4 The Compensation Committee may require that any employment agreement, offer letter, compensation plan, equity award agreement, or any other agreement entered into on or after the Effective Date require an Executive Officer to agree to abide by the terms of this Policy. Further, the Compensation Committee may require each Executive Officer to acknowledge this Policy through execution of the form of acknowledgement attached hereto as Appendix A (or such other form as approved from time-to-time by the Compensation Committee).

3. Scope and Interpretation of this Policy

Scope of Accounting Restatements Subject to Policy

3.1 The Accounting Restatements that will trigger the obligation to recover Erroneously Awarded Incentive-Based Compensation will include any restatement of any of the financial statements of the Corporation filed with the SEC under the Exchange Act to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period. For clarity, Accounting Restatements include for the purposes of this Policy both:

a) big "R" restatements, being restatements to correct an error material to previously issued financial statements; and

b) little "r" restatements, being restatements to correct errors that were not material to those previously issued financial statements but would result in a material misstatement if (i) the errors were left uncorrected in the current report or (ii) the error correction was recognized in the current period.

Determination of When Incentive-Based Compensation is Received

3.2 Incentive-Based Compensation will be deemed Received in the fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award was attained, even if the payment or grant occurs after the end of that period.

4. Recovery of Erroneously Awarded Incentive-Based Compensation

4.1 In the event that the Corporation is required to prepare an Accounting Restatement, the Corporation will reasonably promptly take action to recover the amount of any Erroneously Awarded Incentive-Based Compensation that has been Received by each applicable Executive Officer:

a) after beginning services as an Executive Officer;

b) who served as Executive Officer at any time during the performance period for that Incentive-Based Compensation;

c) while the Corporation has a class of securities listed on Nasdaq (or another national securities exchange in the United States); and

d) during the three completed fiscal years immediately preceding the date on which the Corporation was required to prepare the Accounting Statement, as this three-year period is determined under Section 4.3 below.

4.2 Recovery will be required on a "no fault" basis, without regard to whether an Executive Officer engaged in any misconduct or whether the Executive Officer was responsible for the erroneous financial statements that led to the Accounting Restatement.

Determination of Recovery Period

4.3 The recovery period for the determination of Erroneously Awarded Incentive-Based Compensation (the "Recovery Period") will determined as the three completed fiscal years immediately preceding the date that the Corporation is required to prepare an Accounting Restatement, as that date is determined under Section 4.3. In the event of a change in the financial year of the Corporation, the Recovery Period will also include any transition period that results from a change in the Corporation's fiscal year within or immediately following those three completed fiscal years, provided that a transition period between the last day of the Corporation's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to 12 months would be deemed a completed fiscal year.

Scope of Incentive-Based Compensation Subject to Recovery

4.5 The amount of any Erroneously Awarded Incentive-Based Compensation to be recovered under Section 4.1 will be determined as follows for each applicable Executive Officer:

a) the amount of Incentive-Based Compensation that has been Received by the Executive Officer during the Recovery Period to which this Policy applies, less

b) the amount of the Incentive-Based Compensation that would have been received in respect of the Recovery Period had the Incentive-Based Compensation been determined based on the restated amount.

4.6 Erroneously Awarded Incentive-Based Compensation will include any Incentive-Based Compensation that was based on stock price or TSR to the extent that the Incentive-Based Compensation was inaccurate as a result of the Accounting Restatement. For Incentive-Based Compensation based on stock price or TSR, where the amount of Erroneously Awarded Incentive-

Based Compensation is not subject to mathematical recalculation directly from the information in the Accounting Restatement:

a) the amount must be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or TSR upon which the Incentive-Based Compensation was received, and

b) the amount of the Incentive-Based Compensation that would have been received in respect of the Recovery Period had the Incentive-Based Compensation been determined based on the restated amount.

4.7 The Compensation Committee shall promptly notify each Executive Officer with a written notice containing the amount of any Erroneously Awarded Compensation and a demand for repayment or return of such compensation.

4.8 The amount of any Erroneously Awarded Incentive-Based Compensation will be computed without regard to any taxes paid by the Executive Officer.

4.9 To the extent that the Executive Officer has already reimbursed the Corporation for any Erroneously Awarded Compensation Received under any duplicative recovery obligations established by the Corporation or applicable law, it shall be appropriate for any such reimbursed amount to be credited to the amount of Erroneously Awarded Compensation that is subject to recovery under this Policy.

4.10 Notwithstanding anything in this Policy, in no event will the Corporation be required to award any Executive Officer an additional payment or other compensation if the Accounting Restatement would have resulted in the grant, payment or vesting of Incentive-Based Compensation that is greater than the Incentive-Based Compensation actually received by the affected Executive Officer. The recovery of Erroneously Awarded Incentive-Based Compensation is not dependent on if or when the restatement is filed.

5. Reporting

Reporting of Erroneously Award Compensation

5.1 In the event of an Accounting Restatement pursuant to which the Compensation Committee has considered whether recovery of any Erroneously Awarded Incentive-Based Compensation is required, the Compensation Committee will prepare a report to management of the Corporation detailing the information required to be reported by the Corporation with respect to such Accounting Restatement on the Form 40-F or other form of annual report to be filed by the Corporation under the Exchange Act for the fiscal year in which the Accounting Restatement occurred and in any other filing required to be made by the Corporation under Securities Laws.

Documentation

5.2 The Compensation Committee will maintain documentation as to the determination of the amount of any Erroneously Awarded Incentive-Based Compensation, including any reasonable estimates made during the calculation process, and any efforts undertaken to recover Erroneously Awarded Incentive-Based Compensation. The Corporation will provide this information to Nasdaq upon its request.

6. Enforcement of Recovery

6.1 Upon a determination by the Compensation Committee that the Corporation is obligated to recover Erroneously Awarded Incentive-Based Compensation under Section 4.1, the Corporation will take steps to recover such Erroneously Awarded Incentive-Based Compensation other than in circumstances where each of (a) and (b) below apply:

a) one of the following circumstances exists:

   i. the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered, provided that before concluding that it would be impracticable to recover any amount of Erroneously Awarded Incentive-Based Compensation based on expense of enforcement, the Corporation has made a reasonable attempt to recover such Erroneously Awarded Incentive-Based Compensation and documented such reasonable attempt(s) to recover (which documentation will be provided to Nasdaq at the request of Nasdaq);

   ii. recovery would violate any applicable Canadian federal or provincial law where that law was adopted prior to November 28, 2022, provided that the Corporation has obtained an opinion of its Canadian counsel, in a form acceptable to Nasdaq, that recovery would result in such a violation, and such opinion is provided to Nasdaq; or

   iii. recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the registrant, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder; and

b) the Compensation Committee, or a majority of the independent directors of the Board, has made a determination that recovery would be impracticable.

Deferred Payment Plans

6.2 The Compensation Committee may consider the establishment of a deferred payment where recovery is required from an Executive Officer and where the deferred payment plan allows the Executive Officer to repay the Erroneously Awarded Incentive-Based Compensation as soon as possible without unreasonable economic hardship to the Executive Officer, depending on the facts and circumstances; provided that any such deferred payment plan shall be narrowly tailored to the Erroneously Awarded Incentive-Based Compensation being recovered so as not to constitute a personal loan to the Executive Officer that is prohibited by Section 13(k) of the Exchange Act.

Recovery of Costs

6.3 If an Executive Officer fails to repay all Erroneously Awarded Incentive-Based Compensation when due, the Corporation will take all actions reasonable and appropriate to recover the Erroneously Awarded Incentive-Based Compensation from the Executive Officer, and in that case the Executive Officer will be required to reimburse the Corporation for all reasonable expenses incurred in recovering the Erroneously Awarded Incentive-Based Compensation from the Executive Officer.

Other Legal Remedies

6.4 Any right of recovery under this Policy is in addition to, and not in lieu of, any other remedies or rights of recovery that may be available to the Corporation under applicable law, regulation or rule, or under the terms of any similar policy or agreement in any employment agreement, offer letter, compensation plan, equity award agreement, or similar agreement and any other legal remedies available to the Corporation.

7. Prohibition on Indemnification

Prohibition on Indemnification

7.1 The Corporation shall not be permitted to indemnify or insure any Executive Officer against (i) the loss of any Erroneously Awarded Compensation that is repaid, returned or recovered pursuant to the terms of this Policy, or (ii) any claims relating to the Corporation's enforcement of its rights under this Policy. Further, the Corporation shall not enter into any agreement that exempts any Incentive-based Compensation that is granted, paid or awarded to an Executive Officer from the application of this Policy or that waives the Corporation's right to recovery of any Erroneously Awarded Compensation, and this Policy shall supersede any such agreement (whether entered into before, on or after the Effective Date of this Policy).

Insurance

7.2 The Corporation will not purchase or pay or reimburse any Executive Officer for any insurance policy to cover losses incurred by any Executive Officer under this Policy.

Other Recovery Rights

7.3 This Policy shall be binding and enforceable against all Executive Officers and, to the extent required by applicable law or guidance from the SEC or Nasdaq, their beneficiaries, heirs, executors, administrators or other legal representatives. The Compensation Committee intends that this Policy will be applied to the fullest extent required by applicable law. Any employment agreement, equity award agreement, compensatory plan or any other agreement or arrangement with an Executive Officer shall be deemed to include, as a condition to the grant of any benefit thereunder, an agreement by the Executive Officer to abide by the terms of this Policy. Any right of recovery under this Policy is in addition to, and not in lieu of, any other remedies or rights of recovery that may be available to the Corporation under applicable law, regulation or rule or pursuant to the terms of any policy of the Corporation or any provision in any employment agreement, equity award agreement, compensatory plan, agreement or other arrangement.

APPENDIX A

ATTESTATION AND ACKNOWLEDGEMENT OF POLICY FOR THE RECOVERY OF ERRONEOUSLY AWARDED INCENTIVE-BASED COMPENSATION

By my signature below, I hereby acknowledge and agree that:

- I have received and read the attached Policy for the Recovery of Erroneously Awarded Incentive-Based Compensation, as adopted by resolution of the Board of Directors of Organigram Holdings Inc..

- I hereby agree to abide by all of the terms of this Policy both during and after my employment with the Corporation, including, without limitation, by promptly repaying or returning any Erroneously Awarded Incentive-Based Compensation to the Corporation as determined in accordance with this Policy

DATED this _____ day of _____, 20__ .

_____
Signature

_____
Name (Please Print)

_____
Position (Please Print)

Exhibit 99.1

CERTIFICATION

I, Beena Goldenberg, certify that:

1. I have reviewed this annual report on Form 40-F of Organigram Holdings Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: December 18, 2024

/s/ Beena Goldenberg
Beena Goldenberg
Chief Executive Officer

Exhibit 99.2

CERTIFICATION

I, Greg Guyatt, certify that:

1. I have reviewed this annual report on Form 40-F of Organigram Holdings Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: December 18, 2024

/s/ Greg Guyatt
Greg Guyatt
Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. s.1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Organigram Holdings Inc. (the "Company") on Form 40-F for the period ended September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Beena Goldenberg, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

December 18, 2024

By:
/s/ Beena Goldenberg
Beena Goldenberg
Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to Organigram Holdings Inc. and will be retained by Organigram Holdings Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION PURSUANT TO
18 U.S.C. s.1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Organigram Holdings Inc. (the "Company") on Form 40-F for the period ended September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Greg Guyatt, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

December 18, 2024

By:
/s/ Greg Guyatt
Greg Guyatt
Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to Organigram Holdings Inc. and will be retained by Organigram Holdings Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

ORGANIGRAM



FISCAL 2024

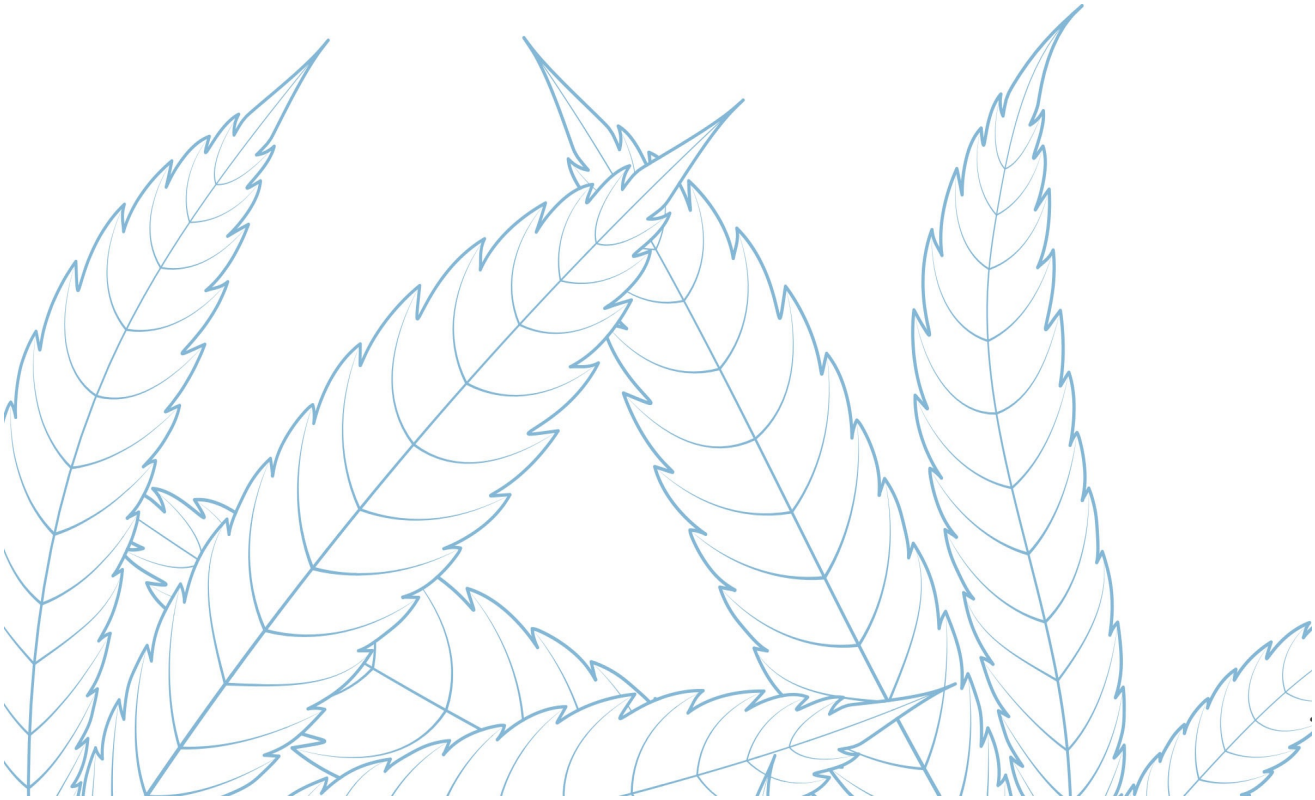
Organigram Holdings Inc.

Consolidated Financial Statements

For the year ended September 30, 2024 and
the thirteen months ended September 30, 2023

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December 18, 2024

Management's Responsibility for the Financial Statements

The accompanying consolidated financial statements of Organigram Holdings Inc. (the "Company") have been prepared by the Company's management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and contain estimates based on management's judgment. Internal control systems are maintained by management to provide reasonable assurance that assets are safe-guarded and financial information is reliable.

The Board of Directors of the Company is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements and the accompanying management discussion and analysis. The Board of Directors carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board of Directors. It meets with the Company's management and auditors, and reviews internal controls and financial reporting matters to ensure that management is properly discharging its responsibilities before submitting the financial statements to the Board of Directors for approval.

(signed) 'Beena Goldenberg'
Chief Executive Officer
Toronto, Ontario

(signed) 'Greg Guyatt'
Chief Financial Officer
Toronto, Ontario

KPMG LLP
100 New Park Place, Suite 1400
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www.kpmg.ca

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Organigram Holdings Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statement of financial position of Organigram Holdings Inc. and subsidiaries (the Company) as of September 30, 2023, the related consolidated statements of operations and comprehensive loss, changes in equity, and cash flows for the thirteen month period ended September 30, 2023, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2023, and the results of its operations and its cash flows for the thirteen month period ended September 30, 2023, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation

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Document classification: KPMG Confidential



of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

We served as the Company's auditor from 2020 to 2024.

Vaughan, Canada

December 19, 2023

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
of Organigram Holdings Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statement of financial position of Organigram Holdings Inc. (the "Company") as of September 30, 2024, and the related consolidated statements of operations and comprehensive loss, changes in equity, and cash flows for the year then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2024, and the results of its operations and its cash flows for the year then ended, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of September 30, 2024, based on criteria established in *Internal Control–Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and our report dated December 18, 2024, expressed and adverse opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

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Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Assessment of measurement of the fair value of biological assets

As described in Notes 3iv, 3xxii, and 5, to the consolidated financial statements, the Company measures biological assets, which consist of cannabis plants, at fair value less costs to sell up to the point of harvest, which then becomes the basis for the cost of finished goods inventories after harvest. As disclosed in Note 5 to the consolidated financial statements, as of September 30, 2024, the carrying value of the Company's biological assets was $15,173 thousand. The fair value less cost to sell of biological assets is determined using a model which estimates the expected harvest yield in grams for plants currently being cultivated, then adjusts that amount for the average selling price per gram, and for any additional costs incurred.

We identified the assessment of the significant assumptions used to estimate the fair value less cost to sell of biological assets as a critical audit matter as a high degree of auditor judgement is required to evaluate the significant assumptions. The significant assumptions used to determine the fair value less cost to sell of biological assets are the expected average yield per plant and the average selling price per gram.

The primary procedures we performed to address this critical audit matter included:

- Tested the following estimates used to determine the Fair Value Less Costs to Sell ("FVLCS") of the biological assets:
    - Average Selling Price ("ASP") Per Gram: We tested the accuracy of the sales report used in the Company's model to calculate the ASP by reconciling the report totals to the trial balance and tracing a sample of transactions back to the revenue sub-ledger & sales invoice. In addition, we performed variability testing of the ASP by comparing actual sales prices from before and after year-end to the ASP at year-end.
    - Expected Average Yield per Plant: We tested the accuracy of the harvest reports used to determine the average yields for each strain by comparing the averages to historical actual yields and verified the accuracy of the data by selecting a sample of the historical yields and comparing to quality assurance records. We further verified the number and ages of the plants through observation procedures.
    - Wastage Rates: We tested the wastage rate calculation by performing various analytics and comparing the historical kill rates to quality assurance records.
    - Costs to Sell: We tested the various costs to sell (post-harvest, drying, packaging) by performing analytics, vouching invoices, and reconciling the underlying data to sub-ledgers.
- We tested the accuracy of the unrealized gain on changes in fair value of biological assets by performing a rollforward analysis and testing the underlying data through the various tests mentioned above.
- Assessed the appropriateness of disclosures in the consolidated financial statements.

Fair value measurement of the Greentank Technologies Corp., Phylos Bioscience Inc., Open Book Extracts, Sanity Group GmbH, and British American Tobacco P.L.C. financial instruments

As discussed in Notes 3xxii, 9, and 11 to the consolidated financial statements, the Company has other financial assets and preferred shares and warrants issued pursuant to equity offerings that are potentially exercisable in cash or on a cashless basis resulting in a variable number of shares being issued that are considered derivative liabilities and therefore measured at fair value through profit or loss at each reporting period. As of September 30, 2024, there were financial instruments that were recorded as other financial assets of $40.7 million, preferred shares of $31.1 million, current derivative liabilities of $5.1 million, and noncurrent derivative liabilities of $14.1 million with a fair value loss of $7.7 million recognized in the change in fair value of derivative liabilities, preferred shares and other financial assets, in the year ended September 30, 2024.

We identified the assessment of the fair value measurement of the financial instruments as a critical audit matter. There was a high degree of subjective auditor judgment in the evaluation of the key assumptions that were not directly observable, when determining the fair value of the financial instruments. The key assumptions included discount rates, volatility, credit spreads, the probability of each scenario, time to liquidity event, company's prevailing capital structure. Additionally, the audit effort associated with the evaluation of the discount rate, volatility of underlying portfolio companies, tranche specific volatilities of the specific equity classes, credit spreads, time to liquidity event and probability of each scenario required specialized skills and knowledge.

The following are the primary procedures we performed to address this critical audit matter:

- Involved valuation professionals with specialized skills and knowledge who assisted in evaluating the Company's key assumptions. The evaluation was achieved by applying the below procedures as applicable to the various financial instruments:

    - Volatility Analysis: Assessed the volatility of portfolio companies (Greentank, OBX, Sanity Group, Phylos, BAT) using Guideline Public Companies from a third-party database and evaluated tranche-specific volatilities based on comparable market data and specialized models.
    - Credit Spreads: Determined appropriate credit spreads using reputable data sources.
    - Discount for Lack of Marketability ("DLOM"): Evaluated DLOM using third-party evidence and conducted sensitivity analyses on assumptions based on Asian Put Option models and Black-Scholes calculations.
    - Market Inputs Validation: Corroborated key valuation model inputs, including volatility, risk-free rates, credit spreads, discount rates, and stock prices, to ensure consistency with market data.
    - Sensitivity Analysis: Performed scenario-based sensitivity analyses to test the robustness of Fair Value conclusions and the DLOM under varying assumptions such as the risk-free rate, volatility, and years to maturity.

- Assessed the appropriateness of disclosures in the consolidated financial statements.

PKF O'Connor Davies, LLP

We have served as the Company's auditor since June 28, 2024.

New York, New York

December 18, 2024

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
Organigram Holdings Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Organigram Holdings Inc.'s (the "Company") internal control over financial reporting as of September 30, 2024, based on criteria established in Internal Control–Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, because of the effect of the material weaknesses described in the following paragraphs on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of September 30, 2024, based on criteria established in Internal Control–Integrated Framework (2013) issued by COSO.

A material weakness is a control deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weaknesses have been identified and included in management's assessment:

- Management review controls to ensure the completeness and accuracy of complex spreadsheets used for biological assets and inventory were not designed or operating effectively.
- Ineffective general IT controls related to security and administration and monitoring of service organizations.

As a consequence of the above the Company had ineffective control activities related to the design, implementation and operations of process level and financial statement close controls.

These material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the September 30, 2024 consolidated financial statements, and this report does not affect our report dated December 18, 2024, on those consolidated financial statements.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheet of the Company as of September 30, 2024, the related consolidated statements of operations, comprehensive income (loss), shareholders' equity, and cash flows for the year ended September 30, 2024 and our report dated December 18, 2024, expressed an unqualified opinion thereon.

PKF O'CONNOR DAVIES, LLP
245 Park Avenue, New York, NY 10167 I Tel: 212.867.8000 or 212.286.2600 I Fax: 212.286.4080 I www.pkfod.com

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Controls over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PKF O'Connor Davies, LLP

New York, New York
December 18, 2024

ORGANIGRAM HOLDINGS INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at September 30, 2024 and September 30, 2023
(Expressed in CDN $000's except share and per share amounts)

	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023
ASSETS		
Current assets		
Cash	$ 106,745	$ 33,864
Restricted cash (Note 13 and 24)	25,860	—
Short-term investments	821	—
Accounts and other receivables (Note 4)	37,153	30,157
Biological assets (Note 5)	15,173	17,355
Inventories (Note 6)	67,351	63,598
Prepaid expenses and deposits	9,116	11,002
	262,219	155,976
Restricted cash (Note 24)	—	17,893
Property, plant and equipment (Note 7)	96,231	99,046
Intangible assets and goodwill (Note 8)	8,092	10,624
Deferred charges and deposits (Note 7)	545	613
Other financial assets (Note 9)	40,727	8,437
Investments in associates (Note 15)	—	5,284
Net investment in sublease	46	582
	$ 407,860	$ 298,455
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$ 47,097	$ 20,007
Other liabilities (Note 10)	1,086	1,228
Income taxes payable (Note 23)	—	94
Derivative liabilities (Note 11)	5,139	1,102
	53,322	22,431
Long-term debt	25	79
Derivative liabilities (Note 11)	14,110	771
Preferred shares (Note 12 and 13)	31,070	—
Lease liabilities (Note 14)	3,344	3,551
	101,871	26,832
SHAREHOLDERS' EQUITY		
Share capital (Note 13)	852,891	776,906
Equity reserves (Note 13)	37,129	33,404
Accumulated other comprehensive loss (Note 9)	(63)	(159)
Accumulated deficit	(583,968)	(538,528)
	305,989	271,623
	$ 407,860	$ 298,455

Subsequent events (Note 27)

On behalf of the Board:
/s/Beena Goldenberg, Director
/s/Peter Amirault, Director

The accompanying notes are an integral part of these Consolidated Financial Statements.

ORGANIGRAM HOLDINGS INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

For the year ended September 30, 2024 and thirteen months ended September 30, 2023

(Expressed in CDN $000's except share and per share amounts)

	YEAR ENDED	THIRTEEN MONTHS ENDED
	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023
REVENUE		
Gross revenue (Note 19)	$ 247,177	$ 233,647
Excise taxes	(87,336)	(72,008)
Net revenue	159,841	161,639
Cost of sales (Note 6 and 20)	111,390	136,437
Gross margin before fair value adjustments	48,451	25,202
Realized fair value on inventories sold and other inventory charges (Note 6)	(52,078)	(56,187)
Unrealized gain on changes in fair value of biological assets (Note 5)	51,151	68,981
Gross margin	47,524	37,996
OPERATING EXPENSES		
General and administrative (Note 22)	45,870	53,030
Sales and marketing	19,851	19,348
Research and development	11,200	13,201
Share-based compensation (Note 13 (iv))	6,274	5,273
Impairment of property, plant and equipment (Note 7)	—	165,255
Impairment of intangible assets and goodwill (Note 8)	—	44,856
Total operating expenses	83,195	300,963
LOSS FROM OPERATIONS	(35,671)	(262,967)
Investment income, net of financing costs	(3,311)	(3,692)
Share of loss (including impairment) from investments in associates (Note 15)	5,284	1,004
(Gain) loss on disposal of property, plant and equipment and intangible assets	(633)	418
Change in fair value of contingent share consideration	(50)	(3,364)
Change in fair value of derivative liabilities, preferred shares and other financial assets (Note 9, 11 and 12)	7,718	(4,372)
Share issuance costs allocated to derivative liabilities and preferred shares (Note 11 and 12)	937	—
Other non-operating income	(176)	(548)
Loss before tax	(45,440)	(252,413)
Income tax expense (recovery) (Note 23)		
Current, net	—	(195)
Deferred, net	—	(3,617)
NET LOSS	$ (45,440)	$ (248,601)
OTHER COMPREHENSIVE INCOME (LOSS)		
Change in fair value of investments at fair value through other comprehensive income (Note 9)	96	(159)
COMPREHENSIVE LOSS	$ (45,344)	$ (248,760)
Net loss per common share, basic (Note 13 (v))	$ (0.477)	$ (3.058)
Net loss per common share, diluted (Note 13 (v))	$ (0.477)	$ (3.058)

The accompanying notes are an integral part of these Consolidated Financial Statements.

ORGANIGRAM HOLDINGS INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended September 30, 2024 and thirteen months ended September 30, 2023
(Expressed in CDN $000's except share and per share amounts)

	NUMBER OF SHARES[1]	SHARE CAPITAL	EQUITY RESERVES	ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME	ACCUMULATED DEFICIT	SHAREHOLDERS' EQUITY
Balance - September 1, 2022	78,453,879	$769,725	$28,338	$(78)	$ (289,927)	$508,058
Shares issued to former shareholders of EIC, net of issue costs of $19 (Note 13 (iii) and 25)	2,621,370	6,481	—	—	—	6,481
Share-based compensation (Note 13 (iv))	—	—	5,727	—	—	5,727
Exercise of stock options (Note 13 (iii))	26,300	69	(30)	—	—	39
Exercise of restricted share units (Note 13 (iii))	59,138	621	(621)	—	—	—
Exercise of performance share units (Note 13 (iii))	948	10	(10)	—	—	—
Rounding of fractional shares after share consolidation	(5)	—	—	—	—	—
Net loss	—	—	—	—	(248,601)	(248,601)
Other comprehensive loss	—	—	—	(81)	—	(81)
Balance - September 30, 2023	81,161,630	$ 776,906	$ 33,404	$ (159)	$ (538,528)	$ 271,623
Balance - October 1, 2023	81,161,630	$ 776,906	$ 33,404	$ (159)	$ (538,528)	$ 271,623
Unit financing, net of issuance costs (Note 13 (iii))	8,901,000	19,157	—	—	—	19,157
Private placement (Note 13 (iii))	17,322,915	53,365	—	—	—	53,365
Share-based compensation (Note 13 (iv))	—	—	7,182	—	—	7,182
Exercise of stock options (Note 13 (iii))	3,942	11	(5)	—	—	6
Exercise of restricted share units (Note 13 (iii))	1,193,789	3,430	(3,430)	—	—	—
Exercise of performance share units (Note 13 (iii))	2,216	22	(22)	—	—	—
Net loss	—	—	—		(45,440)	(45,440)
Other comprehensive loss	—	—	—	96	—	96
Balance - September 30, 2024	108,585,492	$ 852,891	$ 37,129	$ (63)	$ (583,968)	$ 305,989

The accompanying notes are an integral part of these Consolidated Financial Statements.

[1] The Company implemented a consolidation of its common shares in July 2023 and the number of common shares have been retrospectively adjusted. Refer to Note 1 for further information.

ORGANIGRAM HOLDINGS INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the year ended September 30, 2024 and thirteen months ended September 30, 2023
(Expressed in CDN $000's except share and per share amounts)

	YEAR ENDED SEPTEMBER 30, 2024	THIRTEEN MONTHS ENDED SEPTEMBER 30, 2023
OPERATING ACTIVITIES		
Net loss	$ (45,440)	$ (248,601)
Items not affecting operating cash:		
Share-based compensation (Note 13 (iv))	7,182	5,727
Depreciation and amortization (Note 7 and 8)	12,079	26,188
(Gain) loss on disposal of property, plant and equipment and intangible assets	(633)	418
Impairment of property, plant and equipment (Note 7)	—	165,255
Impairment of intangible assets and goodwill (Note 8)	—	44,856
Realized fair value on inventories sold and other inventory charges (Note 6)	52,078	56,187
Unrealized gain on changes in fair value of biological assets (Note 5)	(51,151)	(68,981)
Investment income, net of financing costs	(3,311)	(3,692)
Share of loss (including impairment) from investments in associates (Note 15)	5,284	1,004
Change in fair value of contingent consideration (Note 25)	(50)	(3,364)
Legal recovery	—	(75)
Bad debts and provision for expected credit losses (Note 4)	4,222	—
Change in fair value of derivative liabilities, preferred shares and other financial assets (Note 9, 11 and 12)	7,718	(4,372)
Share issuance costs allocated to derivative liabilities and preferred shares (Note 11 and 12)	937	—
Income tax expense (recovery) (Note 23)	—	(3,812)
Cash used in operating activities before working capital changes	(11,085)	(33,262)
Changes in non-cash working capital:		
Net change in accounts and other receivables, biological assets, inventories, prepaid expenses and deposits	(12,059)	13,552
Net change in accounts payable and accrued liabilities, provisions and other liabilities	27,016	(19,068)
Net cash provided by (used in) operating activities	3,872	(38,778)
FINANCING ACTIVITIES		
Share issuance costs (Note 13 (iii))	—	(19)
Proceeds from unit financing, net of issuance costs (Note 13 (iii))	26,018	—
Private placement, net of share issuance costs (Note 13 (iii))	82,541	—
Payment of lease liabilities, net of sublease receipts (Note 14)	(710)	(750)
Payment of long-term debt	(76)	(87)
Stock options exercised (Note 13 (iii))	6	39
Net cash provided by (used in) financing activities	107,779	(817)
INVESTING ACTIVITIES		
Purchase of short-term investments	(800)	(10,000)
Proceeds from short-term investments	—	40,476
Investment income	3,518	3,589
Change in restricted cash, net (Note 9, 13 and 24)	(7,967)	8,927
Other financial assets (Note 9)	(28,440)	(8,647)
Proceeds on sale of property, plant and equipment	257	1,027
Purchase of property, plant and equipment (Note 7)	(4,731)	(29,142)
Purchase of intangible assets (Note 8)	(607)	(1,286)
Net cash (used in) provided by investing activities	(38,770)	4,944
INCREASE (DECREASE) IN CASH	$ 72,881	$ (34,651)
CASH POSITION		
Beginning of period	$ 33,864	$ 68,515
End of period	$ 106,745	$ 33,864

The accompanying notes are an integral part of these Consolidated Financial Statements.

1. NATURE OF OPERATIONS

Organigram Holdings Inc. (the "Company") is a publicly traded corporation with its common shares (the "Common Shares") trading on the Toronto Stock Exchange ("TSX") and on the Nasdaq Global Select Market ("NASDAQ") under the symbol "OGI". The head office of the Company is 1400-145 King Street West, Toronto, Ontario, Canada, M5H 1J8 and the registered office is 35 English Drive, Moncton, New Brunswick, Canada, E1E 3X3.

The Company's wholly-owned subsidiaries are: (i) Organigram Inc., a licensed producer ("LP" or "Licensed Producer") of cannabis and cannabis-derived products in Canada regulated by Health Canada under the Cannabis Act (Canada) and the Cannabis Regulations (Canada); and (ii) 10870277 Canada Inc., a special purpose holding company for the Company. The Company was incorporated under the Business Corporations Act (British Columbia) on July 5, 2010, and continued under the Canada Business Corporations Act ("CBCA") on April 6, 2016. Organigram Inc. was incorporated under the Business Corporations Act (New Brunswick) on March 1, 2013. 10870277 Canada Inc. was incorporated under the CBCA on July 4, 2018.

On October 1, 2023, Organigram Inc. amalgamated with the Company's then wholly-owned subsidiaries. The Edibles and Infusions Corporation ("EIC") and Laurentian Organic Inc. ("Laurentian") and continued as a single corporation under the name "Organigram Inc.", a 100% owned subsidiary of the Company. EIC was incorporated under the Business Corporations Act (Ontario) on September 20, 2018. Laurentian was incorporated under the CBCA on March 18, 2019.

On June 19, 2023, the Company's Board of Directors approved the consolidation of the Company's issued and outstanding Common Shares at a consolidation ratio of four (4) pre-consolidation Common Shares for every post-consolidation Common Share (the "Share Consolidation"). The Share Consolidation was implemented with effect from July 5, 2023 to facilitate compliance with NASDAQ's listing requirements with respect to the minimum bid price for listed securities, to reduce volatility, and to enhance the marketability of the Common Shares to institutional investors. In accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), the change has been applied retrospectively and as a result, all disclosures of Common Shares, per Common Share data and data related to stock options, restricted share units ("RSU"), performance share units ("PSU"), warrants and Top-up-Rights (as hereinafter defined) in the accompanying consolidated financial statements and related notes reflect this Share Consolidation for all periods presented.

In May 2023, to better align the Company's financial statement reporting requirements with other public companies and calendar quarters, the Company's Board of Directors approved a change in the Company's fiscal year end from August 31 to September 30. The Company's current fiscal year commenced on October 1, 2023 and ended on September 30, 2024 (fiscal 2024). As a result of the change in year end, the current period in these consolidated financial statements is for the twelve months ended September 30, 2024, whereas the comparative period is for the thirteen months ended September 30, 2023.

2. BASIS OF PREPARATION

i. Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB and interpretations of the IFRS Interpretations Committee ("IFRIC").

These consolidated financial statements were approved and authorized for issue by the Board of Directors of the Company on December 18, 2024.

ii. Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for biological assets, share-based compensation, contingent share consideration, short-term investments, other financial assets and derivative liabilities, which are measured at fair value.

Historical cost is the fair value of the consideration given in exchange for goods and services, which is generally based upon the fair value of the consideration given in exchange for assets at the time of the transaction.

iii. Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries on a consolidated basis after elimination of intercompany transactions and balances. Subsidiaries are entities the Company controls when it is exposed, or has rights, to variable returns from its involvement and has the ability to affect those returns through its power to direct the relevant activities of the subsidiaries. The results of subsidiaries acquired during the year are consolidated from the date of acquisition.

Associates are all entities over which the Company has significant influence but not control or joint control. Investments in associates are accounted for using the equity method after initial recognition at cost. Joint operations are arrangements in which the Company has joint control. The Company includes its proportionate share of the assets acquired and expenses incurred of the joint operation.

iv. Foreign currency translation

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Company's and its subsidiaries' functional currency, except for the Company's investment in its associate, Alpha-Cannabis Pharma GmbH as described in Note 15, for which the functional currency has been determined to be Euros.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognized in the consolidated statements of operations and comprehensive loss.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Canadian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Canadian dollars using average exchange rates for the month during which the transactions occurred. Foreign currency differences are recognized in the consolidated statements of operations and comprehensive loss within other comprehensive (loss) income and are accumulated in accumulated other comprehensive (loss) income.

When the Company disposes of its entire interest in a foreign operation, or loses control over a foreign operation, the foreign currency gains or losses accumulated in other comprehensive (loss) income related to the foreign operation are recognized in the consolidated statements of operations and comprehensive loss. If the Company disposes of part of an interest in a foreign operation that remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in other comprehensive (loss) income related to the subsidiary is reallocated between controlling and non-controlling interests.

3. MATERIAL ACCOUNTING POLICY INFORMATION

i. Cash

Cash is a financial asset that is measured at amortized cost, which approximates fair value and includes cash-on-hand and deposits held with financing institutions.

ii. Short-term investments

The Company considers short-term investments in the form of guaranteed investment certificates to be an investing activity. These investments are measured at amortized cost.

iii. Financial assets

Accounts and other receivables are initially recognized when they are originated. All other financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, financial assets are classified as measured at: amortized cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVTOCI"). Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income ("OCI"). This election is made on an investment-by-investment basis.

Financial assets not classified as being measured at amortized cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset

that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Subsequent to initial measurement, financial assets are measured as follows:

- Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the consolidated statements of operations and comprehensive loss.
- Financial assets at amortized cost: These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in the consolidated statements of operations. Any gain or loss on derecognition is recognized in the consolidated statements of operations and comprehensive loss.
- Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the consolidated statement of operations. Other net gains and losses are recognized in other comprehensive income (loss). On derecognition, gains and losses accumulated in OCI are reclassified to the consolidated statements of operations and comprehensive loss.
- Equity instruments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognized in income in the consolidated statements of operations and comprehensive loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to the consolidated statements of operations and comprehensive loss.

iv. Biological assets

While the Company's biological assets are within the scope of IAS 41 *Agriculture*, the direct and indirect costs of biological assets are determined using an approach similar to the capitalization criteria outlined in IAS 2 *Inventories*. This includes the direct cost of labour, seeds and growing materials as well as other indirect costs such as utilities and supplies used in the growing process. Indirect labour cost for individuals involved in the growing and quality control process is also included, as well as depreciation of manufacturing assets. All direct and indirect costs of biological assets are capitalized as they are incurred. Biological assets are measured at their fair value less costs to sell on the consolidated statements of financial position and unrealized fair value gains/losses on growth of biological assets are recorded on the consolidated statements of operations and comprehensive loss.

v. Inventories

Inventories of finished goods and packaging and supplies are initially valued at cost, and subsequently at the lower of cost and net realizable value on the consolidated statements of financial position. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs to sell. The Company reviews inventories for obsolete, redundant and slow-moving goods and any such inventories identified are written down to net realizable value. The direct and indirect costs of finished goods inventory initially include the fair value of the biological asset at the time of harvest. They also include subsequent costs such as materials, labour and depreciation expense on equipment involved in packaging, labeling and inspection. All direct and indirect costs related to inventory are capitalized as they are incurred, and they are subsequently recorded within cost of sales on the consolidated statements of operations and comprehensive loss at the time the inventory is sold.

vi. Property, plant and equipment

Property, plant and equipment are initially recognized at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for the asset to be capable of operating in the manner intended by the Company's management. Property, plant and equipment are subsequently measured at cost, less accumulated depreciation and impairment losses, if any.

Depreciation is recognized on a straight-line basis to reduce the cost, less estimated residual value, of depreciable fixed assets. The following useful lives are applied:

Buildings	25 years
Growing and processing equipment	2-10 years
Computer equipment	5 years
Vehicles	5 years
Furniture and fixtures	10 years
Leasehold improvements	5 years
Right-of-use assets	term of lease

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets, and are recognized as profit or loss within the consolidated statements of operations and comprehensive loss.

Construction in process is transferred to the appropriate asset class when available for use and depreciation of these assets commences at that point.

An asset's residual value, useful life and depreciation method are reviewed each year and adjusted if appropriate. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) and depreciated accordingly.

vii. Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognized. Goodwill is carried at cost less accumulated impairment losses, if any. The Company monitors goodwill at the group of cash-generating unit ("CGU") level and accordingly for the purpose of impairment testing, goodwill has been allocated to the group of CGUs.

Goodwill is tested annually for impairment at year end, or more frequently when there is an indication that goodwill may be impaired. If the recoverable amount, representing the higher of its fair value less cost to sell and its value in use, of the group of CGUs is less than its carrying amount, any resulting impairment loss is first allocated to goodwill and subsequently to other assets on a pro rata basis, but not below the fair value of the assets, for each CGU. Any goodwill impairment loss is recorded in the consolidated statements of operations and comprehensive loss in the period of impairment. Previously recognized impairment losses for goodwill are not reversed in subsequent periods.

viii. Assets held for sale

Assets and liabilities held for sale are no longer depreciated and are presented separately in the consolidated statement of financial position at the lower of their carrying amount and fair value less costs to sell. An asset is regarded as held for sale if its carrying amount will be recovered principally through a sale transaction, rather than through continuing use. For this to be the case, the asset must be available for immediate sale and its sale must be highly probable.

ix. Impairment of non-financial assets

Goodwill and indefinite life intangible assets are tested annually for impairment, or more frequently when there is an indication that goodwill and indefinite life intangible assets may be impaired. Property, plant and equipment and definite life intangible assets are reviewed each reporting period for indicators of impairment. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. The Company monitors goodwill at the group of CGUs level and accordingly for the purpose of impairment testing, goodwill has been allocated to the group of CGUs. There may be an indication of an impairment of an individual CGU within a group of CGUs containing the goodwill. In such circumstances, the Company tests the individual CGU for impairment first, and recognizes any impairment loss for that CGU, before testing for impairment of the group of CGUs to which the goodwill is allocated. If the recoverable amount of the individual CGU is less than its carrying amount, any resulting impairment loss is allocated to the assets within the individual CGU on a pro rata basis using the carrying amount of each asset within the individual CGU. If the recoverable amount of the group of CGUs is less than its carrying amount, any resulting impairment loss is first allocated to goodwill and subsequently to other assets on a pro rata basis for each individual CGU. In allocating an impairment loss, the Company does not reduce the carrying amount of an asset or lower level CGUs below its recoverable amount determined based on the higher of fair value less costs of disposal and value in use.

Except for goodwill, where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

x. Share-based payments

The Company measures equity settled share-based payments based on their fair value at the grant date and recognizes compensation cost over the vesting period based on the Company's estimate of equity instruments that will eventually vest. Fair value for options is determined using the Black-Scholes option pricing model and fair value for RSUs and PSUs is determined using the Company's share price at the grant date.

Expected forfeitures are estimated at the date of the grant and subsequently adjusted if further information indicates actual forfeitures may vary from the original estimate. The impact of the revision of the original estimate is recognized in profit or loss such that the cumulative cost recognized is reflected in the period the estimate is revised. Cancellations of unvested equity settled share-based payments are accounted for as an acceleration of vesting and any remaining unamortized costs are recognized immediately in profit or loss.

For stock options granted to non-employees, the cost is measured at the fair value of the goods and services received except when the fair value cannot be estimated, in which case it is measured at the fair value of the equity instrument granted.

Consideration paid by employees or non-employees on the exercise of options is recorded as an increase to share capital and the related share-based payment cost is transferred from equity reserves to share capital.

xi. Investments in associates and joint operations

Associates are companies over which the Company has significant influence. Significant influence is presumed when the Company has an ownership interest greater than 20%, unless certain qualitative factors overcome this assumption. Conversely, where the Company has an ownership interest of less than 20%, it is presumed that the Company does not have significant influence, unless certain qualitative factors overcome this assumption. In assessing significant influence and the ownership interest, potential voting rights that are currently exercisable are taken into consideration.

Investments in associates are accounted for using the equity method and are initially recognized at cost, inclusive of transaction costs. The consolidated financial statements include the Company's share of the income or loss and equity movement of equity accounted associates. In accordance with IFRS, the associate's most recent available financial statements are used in the application of the equity method. Where the associate's reporting period differs from the Company's, the associate prepares financial information as of the same period end as the Company, unless it is impracticable to do so. Otherwise, the Company will adjust for its share of income and expenses and equity movement based on the associate's most recently completed financial statements, adjusted for the effects of significant transactions. The Company does not recognize losses exceeding the carrying value of its interest in the associate.

The Company recognizes its share of the assets, liabilities, revenue and expenses of joint operations in accordance with the related agreements (Note 24).

Investments in associates are considered impaired and impairment losses are recognized if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. In such cases, the carrying value of the associate is written down to its recoverable amount which is the higher of value in use and fair value less costs of disposal.

xii. Intangible assets

Intangible assets are recorded at cost less accumulated amortization and impairment losses, if any. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. Amortization of definite life intangible assets is recorded on a straight-line basis over their estimated useful lives, which do not exceed the contractual period, if any, except for off-market supply agreements, where amortization is provided based on the actual output received versus the estimated output forecast to be received over the life of the agreement. Other intangible assets with a definite useful life are amortized over the estimated useful lives which are as follows:

License agreements	1-5 years
Brands	5 years
Non-compete agreements	5 years

The estimated useful lives, residual values, and amortization methods are reviewed at each year end, and any changes in estimates are accounted for prospectively. Intangible assets with an indefinite life or not yet available for use are not subject to amortization, but are tested for impairment annually. The Company does not have intangible assets not yet in use or indefinite lived intangible assets.

Research costs are expensed as incurred. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development to use or sell the asset. Research costs and other related expenditures that are not eligible to be capitalized are recognized as an expense in the consolidated statements of operations and comprehensive loss as incurred.

xiii. Provisions

Provisions are recognized when the Company has a present legal or constructive obligation based on past events, it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reasonably estimated. Provisions are measured at the present value of the estimated expenditures expected to settle the obligation, if the effect of the time value of money is material.

xiv. Loss per share

Basic and diluted loss per share is calculated by dividing net loss attributable to common shareholders by the weighted average number of shares outstanding during the year. When there is net income, diluted loss per share is calculated in a similar manner, but with adjustments to give effect to all dilutive potential common shares outstanding during the year. The dilutive effect of warrants, options, Top-up Rights, RSUs and PSUs is calculated using the treasury stock method. Anti-dilutive effects of potential conversions of securities are ignored for this calculation.

xv. Revenue recognition

Revenue from the direct sale of cannabis dried flower and cannabis derivative products for a fixed price is recognized when the Company transfers control of the goods to the customer. This transfer occurs either at the point of delivery or, in certain cases, when the product is shipped from the Company's facilities.

Gross revenue includes excise taxes, which the Company pays as principal, but excludes duties and taxes collected on behalf of third parties. Gross revenue also includes the net consideration to which the Company expects to be entitled. Gross revenue is recognized to the extent that it is highly probable that a significant reversal will not occur. Therefore, gross revenue is stated net of expected price discounts, allowances for customer returns and certain promotional activities and similar items. Generally, payment of the transaction price is due within credit terms that are consistent with industry practices, with no element of financing.

Net revenue is revenue less excise taxes. Excise taxes are effectively a production tax which becomes payable when the product is removed from the Company's premises and may or may not be directly related to the revenue depending on the province of sale. It is generally not included as a separate item on external invoices; increases in excise tax are not always passed on to the customer and where a customer fails to pay for product received, the Company cannot reclaim the excise tax. The Company therefore recognizes excise tax, unless it regards itself as an agent of the regulatory authorities, as a cost and reduction to revenue for the Company.

xvi. Derivative liabilities

Derivative liabilities are initially recognized at fair value at the date on which the derivative contract was entered into. Any attributable transaction costs are recognized in the consolidated statements of operations and comprehensive loss as incurred. Subsequent to initial recognition, derivative liabilities are measured at fair value at each reporting date until settlement, with the re-measurement gain or loss being recognized immediately in the consolidated statements of operations and comprehensive loss. The Company does not enter into or hold derivative financial instruments for trading or speculative purposes.

For more details on derivative liabilities consisting of warrants, Top-up Rights, commitment to issue Preferred Shares (as hereinafter defined) in the future and a secured convertible loan, see Note 11.

xvii. Preferred shares

The Preferred Shares contain embedded derivatives that normally require bifurcation. However, the Company has elected to account for the entire instrument as FVTPL after determining under IFRS 9 that the Preferred Shares qualify to be accounted for under such FVTPL method.

xviii. Income taxes

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements.

Income tax expense in the consolidated statements of operations and comprehensive loss is the sum of current and deferred tax as explained below.

Current tax is the expected income tax payable (recoverable) on the taxable income (loss) for the year, using tax rates enacted, or substantively enacted, as at the end of the reporting year. Current tax expense (recovery) included in the consolidated statements of operations and comprehensive loss reflects the current tax for the reporting year, plus adjustments to the current tax of prior years, less current tax recorded directly in other comprehensive income (loss) or equity.

Deferred taxes are accounted for under the liability method and are the taxes expected to be payable or recoverable on the temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences and unused tax losses and tax credits can be utilized. Deferred tax is calculated on a non-discounted basis, using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The carrying amounts of individual deferred tax assets are reviewed at the end of each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is not recognized for: i) temporary differences related to the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; ii) differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and, iii) differences arising on the initial recognition of goodwill.

xix. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time that the assets are substantially ready for their intended use or sale. Other borrowing costs are expensed in the

period in which they are incurred and reported in finance costs. No borrowing costs were capitalized during the years presented.

xx. Business combinations

The Company accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Company. In determining whether a particular set of activities and assets is a business, the Company assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set of assets and activities has the ability to produce outputs.

The Company has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable assets acquired and liabilities assumed. Goodwill is the excess of consideration transferred over the fair value of the net tangible and intangible assets acquired, at the acquisition date and is tested annually for impairment, or when indicators of impairment arise. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issuance of debt or equity securities. The consideration transferred does not include amounts related to the settlement of any pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

xxi. Government subsidies

Government subsidies are recognized when there is reasonable assurance that the subsidy will be received, and all the attached conditions will be complied with. Subsidies are recognized as income in the consolidated statements of operations and comprehensive loss on a systematic basis over the periods in which the expenses are recognized for the related costs for which the subsidies are intended to compensate, which in the case of a subsidy related to assets, requires recording it as deferred income or deducting it from the carrying amount of the asset.

xxii. Critical accounting estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

The following are the estimates and judgments made by management in applying the accounting policies of the Company that have the most significant effect on the consolidated financial statements:

1. **Biological assets and inventories**
   Determination of the fair value of biological assets requires management to make a number of estimates, including estimating the average selling price per gram and expected average yield per plant. The Company records obsolete and unsaleable inventories at the lower of cost and net realizable value. Adjustments to the carrying value of inventories are based on obsolescence trends, historical experience, forecast demand and average selling price for obsolete and unsaleable inventories. Refer to Note 5 and 6 for further information.

2. **Useful lives and impairment of property, plant and equipment and finite-life intangible assets**
   Amortization of property, plant and equipment and finite life intangible assets requires estimates of useful lives, which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts, taking into consideration factors such as economic and market conditions.

3. **Share-based payments**
   In determining the fair value of options and related costs, management estimates the expected life of the option, the expected volatility of the Company's share price, the risk-free interest rate, and the rate of forfeitures. Refer to Note 13 for further information.

4. **Provision for returns and price adjustments**
   Government customers typically have the right to return products, and in some cases, the right to pricing adjustments for products that are subsequently discounted or sold for a lower price in another jurisdiction. The estimation of potential future returns and pricing adjustments includes the use of management estimates and assumptions that may not be certain given the evolving nature of the industry.

5. Impairment of non-financial assets
The recoverable amount of an individual CGU and group of CGUs is determined based on value in use which involves the use of a discounted cash flow model and significant assumptions which include forecasted cash flows, terminal growth rate and post-tax discount rates. In allocating any impairment loss, the Company determines the recoverable amounts of its property, plant and equipment. The recoverable amount of property and plant is determined based on fair value less costs of disposal and involves the use of capitalization rates, market rentals, market transactions and demolition costs. Refer to Note 8 for further information.

6. Derivative liabilities
Warrants issued pursuant to equity offerings that are potentially exercisable in cash or on a cashless basis resulting in a variable number of shares being issued are considered derivative liabilities and therefore measured at fair value through profit or loss. The Company uses the Black-Scholes option pricing model to estimate the fair value of such warrants at inception, on each exercise, and subsequently at the period end date. The key assumption used in the model is the expected future volatility in the price of the Company's Common Shares.

The potential issuance of Common Share related to top-up rights is classified as a derivative liability and is therefore measured at fair value through profit or loss. The Company uses the Monte Carlo pricing model to estimate the fair value of such top-up rights at inception, upon each exercise, and at year-end. The key assumption used in the model is the expected future volatility of the price of the Company's Common Shares. The impact of changes in these key assumptions is described in Note 11.

7. Recognition and measurement of preferred shares and derivative financial instrument
In determining the initial and subsequent measurement of the preferred shares and relative derivative, management has applied significant judgment and estimation in regards to the fair valuation of the preferred shares and related derivative liability. Refer to Note 11 and 18 for further information.

8. Recognition and measurement of other financial assets
In determining the initial and subsequent recognition and measurement of the other financial assets, management has applied significant judgment and estimates including but not limited to determing the appropriate valuation methodology and key inputs. Refer to Note 9 and 18 for further information.

New and amended accounting standards effective for the current year

Amendments to IAS 8: Definition of Accounting Estimates
These amendments introduce the definition of an accounting estimate and include other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty." The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for annual periods beginning on or after January 1, 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The Company adopted these amendments effective October 1, 2023. Management assessed the Company's significant accounting estimates under the new definition and concluded that the application of these amendments do not have an impact on the Company's consolidated financial statements.

Amendments to IAS 1: Disclosure of Accounting Policies
These amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments to IAS 1 are effective for annual periods beginning on or after January 1, 2023 and are to be applied prospectively.

The Company adopted these amendments effective October 1, 2023. The application of these amendments have an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's consolidated financial statements.

Amendments IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences (e.g. leases and decommissioning liabilities). In other words, these amendments clarify that a deferred tax asset and liability must be recognized on the initial recognition of a lease or decommissioning liabilities. The amendments are effective for annual reporting periods beginning on or after January 1, 2023.

The Company adopted these amendments effective October 1, 2023. The Company's previous accounting policy was to not apply the initial recognition exemption (i.e. the Company previously recognized deferred tax assets and liabilities on the Company's lease liabilities and right-of-use assets, respectively). This previous accounting policy choice is consistent with the amendments to IAS 12 and therefore, the application of these amendments do not have an impact on the Company's consolidated financial statements.

Accounting standards issued but not yet effective

The new and amended standards and interpretations that are issued, but are not yet effective, up to the date of issuance of the Company's consolidated financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations when they become effective.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 apply to situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, under IFRS 10, when an investor loses control of a subsidiary that does not contain a business as a result of a transaction involving an associate or a joint venture that is accounted for using the equity method, the gain or loss resulting from the transaction is recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. The full gain or loss continues to be recognized if the subsidiary contains a business. Similarly, IAS 28 is amended such that a full gain or loss is recognized when a downstream transaction involves assets that constitute a business.

These amendments shall be applied prospectively to the sale or contribution of assets occurring after the effective date. The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. These amendments are not expected to have a material impact on the Company's financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants

In January 2020 and October 2022, the IASB issued amendments to IAS 1 to specify the requirements relating to determining whether a liability should be presented as current or non-current in the consolidated statements of financial position. Under the new requirements, the assessment of whether a liability is presented as current or non-current is based on the contractual arrangements in place as at the reporting date and does not impact the amount or timing of recognition. These amendments also clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments apply retrospectively for annual reporting periods beginning on or after January 1, 2024. These amendments are not expected to have a material impact on the Company's consolidated financial statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

On September 22, 2022, the IASB issued amendments to IFRS 16, Leases, to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed. The Company has not entered into any sale and leaseback transactions in the past and does not anticipate doing so in the future. These amendments are not expected to have a material impact on the Company's consolidated financial statements.

Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed. These amendments are not expected to have a material impact on the Company's consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of financial statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows. These include changing the starting point for determining cash flows from operations under the indirect method from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18 and the amendments to the other standards, is effective for annual reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Company is currently evaluating the potential impact of IFRS 18 on the Company's consolidated financial statements.

4. ACCOUNTS AND OTHER RECEIVABLES

The Company's accounts receivable include the following balances as at September 30, 2024 and September 30, 2023:

	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023
Gross trade receivables	$ 37,851	$ 28,791
Less: reserves for product returns and price adjustments	(501)	(810)
Less: expected credit losses	(4,695)	(524)
Trade receivables	32,655	27,457
Sales taxes receivable	14	9
Current portion of net investment in subleases	513	508
Other receivables	3,971	2,183
	$ 37,153	$ 30,157

During the year ended September 30, 2024, the Company recognized a provision for expected credit lossesof $4,222, included in general and administrative expenses in the consolidated statements of operations and comprehensive income (loss).

5. BIOLOGICAL ASSETS

The Company measures biological assets, which consist of cannabis plants, at fair value less costs to sell up to the point of harvest, which then becomes the basis for the cost of finished goods inventories after harvest. Subsequent expenditures incurred on these finished goods inventories after harvest are capitalized based on IAS 2 *Inventories*.

The changes in the carrying value of biological assets as at September 30, 2024 and September 30, 2023 are as follows:

	CAPITALIZED COST	BIOLOGICAL ASSET FAIR VALUE ADJUSTMENT	AMOUNT
Balance, September 30, 2022	$ 8,753	$ 9,215	$ 17,968
Unrealized gain on changes in fair value of biological assets	—	68,981	68,981
Production costs capitalized	52,502	—	52,502
Transfer to inventory upon harvest	(54,310)	(67,786)	(122,096)
Balance, September 30, 2023	$ 6,945	$ 10,410	$ 17,355
Unrealized gain on changes in fair value of biological assets	—	51,151	51,151
Production costs capitalized	40,229	—	40,229
Transfer to inventory upon harvest	(41,226)	(52,336)	(93,562)
Balance, September 30, 2024	$ 5,948	$ 9,225	$ 15,173

The fair value less costs to sell of biological assets is determined using a model which estimates the expected harvest yield in grams for plants currently being cultivated, then adjusts that amount for the average selling price per gram, and for any additional costs to be incurred, such as post-harvest costs. The following unobservable inputs, all of which are classified as level 3 within the fair value hierarchy (see Note 18), are used in determining the fair value of biological assets:

i. average selling price per gram – calculated as the weighted average current selling price of cannabis sold by the Company, adjusted for expectations about future pricing;
ii. expected average yield per plant – represents the number of grams of finished cannabis inventory which is expected to be obtained from each harvested cannabis plant currently under cultivation;
iii. wastage of plants based on their various stages of growth – represents the weighted average percentage of biological assets which are expected to fail to mature into cannabis plants that can be harvested;
iv. post-harvest costs – calculated as the cost per gram of harvested cannabis to complete the sale of cannabis plants post-harvest, consisting of the cost of direct and indirect materials and labour related to drying, labelling, and packaging; and

v. stage of completion in the cultivation process – calculated by taking the average number of weeks in production over a total average grow cycle of approximately 14 weeks.

The Company estimates the harvest yields for the cannabis on plants at various stages of growth, based on expected yield of mature plants. As of September 30, 2024, it is expected that the Company's biological assets will yield 28,889 kg (September 30, 2023 – 26,917 kg) of cannabis when eventually harvested. The Company's estimates are, by their nature, subject to change, and differences from the expected yield will be reflected in the fair value adjustment to biological assets in future periods. The Company accretes fair value on a straight-line basis according to stage of growth. As a result, a cannabis plant that is 50% through its 14-week growing cycle would be ascribed approximately50% of its harvest date expected fair value less costs to sell (subject to wastage adjustments).

Management believes the most significant unobservable inputs and their impact on fair value are as follows:

SIGNIFICANT INPUTS & ASSUMPTIONS	WEIGHTED AVERAGE INPUT			EFFECT ON FAIR VALUE	
	September 30, 2024	September 30, 2023	SENSITIVITY	September 30, 2024	September 30, 2023
Average selling price per gram (excluding trim)	$ 1.59	$ 1.73	Increase or decrease by 10% per gram	$ 1,463	$ 1,690
Expected average yield per plant	187 grams	173 grams	Increase or decrease by 10 grams	$ 781	$ 978

The expected average yield per plant at September 30, 2024 primarily reflects the average yield of the flower component of the plant.

6. INVENTORIES

The Company's inventories are comprised of the following balances as at September 30, 2024 and September 30, 2023:

	SEPTEMBER 30, 2024		
	CAPITALIZED COST	FAIR VALUE ADJUSTMENT	CARRYING VALUE
Plants in drying stage	$ 1,390	$ 2,225	$ 3,615
Dry cannabis			
Available for packaging	12,059	10,570	22,629
Packaged inventory	3,297	2,493	5,790
Flower and trim available for extraction	1,354	1,950	3,304
Concentrated extract	7,283	3,833	11,116
Formulated extracts			
Available for packaging	5,958	2,091	8,049
Packaged inventory	3,119	366	3,485
Packaging and supplies	9,363	—	9,363
	$ 43,823	$ 23,528	$ 67,351

	SEPTEMBER 30, 2023		
	CAPITALIZED COST	FAIR VALUE ADJUSTMENT	CARRYING VALUE
Plants in drying stage	$ 1,033	$ 949	$ 1,982
Dry cannabis			
Available for packaging	15,250	16,398	31,648
Packaged inventory	4,634	1,559	6,193
Flower and trim available for extraction	1,180	1,602	2,782
Concentrated extract	3,745	2,111	5,856
Formulated extracts			
Available for packaging	3,681	366	4,047
Packaged inventory	2,224	80	2,304
Packaging and supplies	8,786	—	8,786
	$ 40,533	$ 23,065	$ 63,598

Flower and trim available for extraction are converted into concentrated extract, which can then be used for oil formulation (combining with a carrier oil) or other products such as edibles, hash and vaporizable products.

The amount of inventory expensed in cost of sales for the year ended September 30, 2024 was $86,546 (September 30, 2023 - $101,853). The amount of inventory provisions and processing and packaging waste for the year ended September 30, 2024 was $11,216 (September 30, 2023 - $20,883), which includes provisions for excess and unsaleable inventories of $4,657 (September 30, 2023 - $5,678), adjustments to net realizable value of $826 (September 30, 2023 - $9,334) and processing and packaging waste of $5,733 (September 30, 2023 - $5,871), which is comprised of the production or purchase costs of these inventories. The remaining balance of cost of sales relates to freight and operational overheads.

The amount of realized fair value on inventories sold and other inventory charges for the year ended September 30, 2024 was $52,078 (September 30, 2023 - $56,187), including realized fair value on inventories sold of $43,275 (September 30, 2023 - $43,524). Inventory provisions to recognize the realized fair value on waste and to adjust to net realizable value during the year ended September 30, 2024 were $9,629 (September 30, 2023 - $21,997) consisting of $826 (September 30, 2023 - $9,334) recognized in cost of sales and $8,803 (September 30, 2023 - $12,663) recognized in fair value adjustments.

7. PROPERTY, PLANT AND EQUIPMENT

	LAND	BUILDINGS	CONSTRUCTION IN PROCESS	GROWING & PROCESSING EQUIPMENT	OTHER	RIGHT-OF-USE ASSETS	TOTAL
Cost							
Balance, August 31, 2022	$ 4,705	$ 146,270	$ 10,372	$ 165,138	$ 12,074	$ 3,599	$ 342,158
Additions	—	348	6,146	17,314	2,938	2,300	29,046
Construction completed	—	14,544	(16,518)	1,692	282	—	—
Disposals	—	(182)	—	(17,204)	(455)	(1,299)	(19,140)
Balance, September 30, 2023	$ 4,705	$ 160,980	$ —	$ 166,940	$ 14,839	$ 4,600	$ 352,064
Additions	—	1,811	135	2,253	180	1,384	5,763
Disposals	—	—	—	(241)	(1)	(2,225)	(2,467)
Balance, September 30, 2024	$ 4,705	$ 162,791	$ 135	$ 168,952	$ 15,018	$ 3,759	$ 355,360
Accumulated depreciation and impairment							
Balance, August 31, 2022	$ —	$ (19,592)	$ —	$ (55,030)	$ (6,069)	$ (1,648)	$ (82,339)
Depreciation	—	(2,023)	—	(18,166)	(1,817)	(713)	(22,719)
Disposals	—	38	—	16,146	367	744	17,295
Impairment	(2,721)	(78,320)	—	(79,521)	(4,074)	(619)	(165,255)
Balance, September 30, 2023	$ (2,721)	$ (99,897)	$ —	$ (136,571)	$ (11,593)	$ (2,236)	$ (253,018)
Adjustment	—	(3,420)	—	4,011	—	—	591
Depreciation	—	(2,882)	—	(5,200)	(499)	(359)	(8,940)
Disposals	—	—	—	176	1	2,061	2,238
Balance, September 30, 2024	$ (2,721)	$ (106,199)	$ —	$ (137,584)	$ (12,091)	$ (534)	$ (259,129)
Net book value							
September 30, 2023	$ 1,984	$ 61,083	$ —	$ 30,369	$ 3,246	$ 2,364	$ 99,046
September 30, 2024	$ 1,984	$ 56,592	$ 135	$ 31,368	$ 2,927	$ 3,225	$ 96,231

Included in deferred charges and deposits is $471 (September 30, 2023 - $222) paid to secure the acquisition of growing and processing equipment. The amounts will be recorded within property, plant and equipment as equipment is received.

i. Impairment

During the thirteen months ended September 30, 2023, the Company determined that indicators of impairment existed for its Moncton Campus and Lac-Supérieur CGUs and as a result, the Company performed an impairment test. Refer to Note 8 for further information.

ii. Reconciliation of property, plant, and equipment additions to the statements of cash flows

The following table reconciles additions of property, plant, and equipment per the above table to the purchases of property, plant, and equipment per the statements of cash flows:

	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023
Total additions (including right-of-use lease assets)	$ 5,763	$ 29,046
Additions related to right-of-use lease assets (Note 14)	(1,384)	(2,300)
Net change in deferred charges and deposits related to purchases of property, plant and equipment	258	(5,285)
Net change in accounts payable and accrued liabilities related to purchases of property, plant and equipment	94	7,681
Purchase of property, plant and equipment	$ 4,731	$ 29,142

8. INTANGIBLE ASSETS AND GOODWILL

	GOODWILL	LICENSE AGREEMENTS	BRANDS	COMPUTER SOFTWARE	NON-COMPETE AGREEMENT	TOTAL
Cost						
Balance, August 31, 2022	$ 41,979	$ 10,231	$ 6,258	$ 848	$ 585	$ 59,901
Additions	—	2,710	—	—	—	2,710
Disposals	—	—	—	—	—	—
Balance, September 30, 2023	$ 41,979	$ 12,941	$ 6,258	$ 848	$ 585	$ 62,611
Additions	—	607	—	—	—	607
Balance, September 30, 2024	$ 41,979	$ 13,548	$ 6,258	$ 848	$ 585	$ 63,218
Accumulated amortization and impairment						
Balance, August 31, 2022	$ —	$ (1,935)	$ (836)	$ (725)	$ (166)	$ (3,662)
Amortization	—	(2,006)	(1,238)	(98)	(127)	(3,469)
Impairment	$ (41,979)	$ (1,586)	$ (1,266)	$ (25)	$ —	(44,856)
Disposals	$ —	$ —	$ —	$ —	$ —	—
Balance, September 30, 2023	$ (41,979)	$ (5,527)	$ (3,340)	$ (848)	$ (293)	$ (51,987)
Amortization	—	(2,124)	(898)	—	(117)	(3,139)
Disposals	—	—	—	—	—	—
Balance, September 30, 2024	$ (41,979)	$ (7,651)	$ (4,238)	$ (848)	$ (410)	$ (55,126)
Net book value						
September 30, 2023	$ —	$ 7,414	$ 2,918	$ —	$ 292	$ 10,624
September 30, 2024	$ —	$ 5,897	$ 2,020	$ —	$ 175	$ 8,092

i. CGU Impairment

As at May 31, 2023, the Company identified impairment indicators for its Moncton Campus and Lac-Supérieur CGUs and as a result performed an impairment test for both CGUs. The recoverable amount of each CGU was determined based on a value in use calculation using cash flow projections from financial budgets and/or forecasts approved by senior management covering a period of 4.33 years. The forecasted cash flows beyond a period of4.33 years was extrapolated using a 3.0% growth rate based on projected consumer price inflation and industry growth. The post-tax discount rate applied to forecasted cash flows was 14.8% and 15% for the Moncton Campus and Lac-Supérieur, respectively. Management concluded that the recoverable amounts of $176,510 and $16,840 were lower than the carrying value as at May 31, 2023 by approximately $148,848 and $7,366 of the Moncton Campus and Lac-Supérieur CGUs, respectively and hence, impairment loss of $156,214 was recognized for these CGUs which was allocated to property, plant and equipment and intangible assets.

As at September 30, 2023, the Company reassessed whether there were events or changes in circumstances that would indicate that any CGU was further impaired. The Company considered external and internal factors including overall financial performance and relevant entity and CGU specific factors. As part of this assessment, management identified impairment indicators for its Moncton CGU and as a result performed an impairment test for this CGU. The recoverable amount of the CGU was determined based on a value in use calculation using cash flow projections from financial budgets and/or forecasts approved by senior management covering a period of 4-years. The forecasted cash flows beyond a period of4-years was extrapolated using a 3.0% growth rate based on projected consumer price inflation and industry growth. The post-tax discount rate applied to forecasted cash flows was 15.5%. Management concluded that the recoverable amount of $89,409 was lower than the carrying value by $87,805, however, in allocating the impairment loss, the Company determined the fair value less cost to dispose ("FVLCD") for its property, plant and equipment and did not allocate impairment to assets for

which the FVLCD was higher than the carrying amount. As a result, only $1,918 of impairment loss was allocated to property, plant and equipment.

ii. **Goodwill**

As at May 31, 2023, the Company determined that indicators of impairment existed in relation to the group of CGUs to which goodwill has been allocated. Management performed an impairment test and determined the recoverable amount of the group of CGUs based on a value in use calculation using cash flow projections from financial budgets and/or forecasts approved by senior management covering a period of 4.33 years. Management concluded that the recoverable amount of $224,530 was lower than the carrying value of the group of CGUs and hence, an impairment loss of $5,028 was recognized against goodwill.

As at September 30, 2023, the Company performed its annual goodwill impairment test. The recoverable amount of the group of CGUs to which goodwill is allocated was determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a four-year period. Management concluded that the recoverable amount of the group of CGUs of $163,152 was lower than the carrying value by approximately $55,583, however, in allocating the impairment loss, the Company did not allocate impairment to assets and lower level CGUs for which the recoverable amounts was higher than the carrying amount. As a result, $6,951 of impairment loss was recognized against goodwill.

The significant assumptions applied in the determination of the recoverable amount as at September 30, 2023 are described below:

a. Forecasted cash flows: Estimated cash flows were projected based on actual operating results and the growth plans for the future. Forecasted cash flows are based on the expanded production capacity that was partially achieved during fiscal 2023, market size and the forecasted market share assumptions;

b. Post-tax discount rate: The post-tax discount rate applied to forecasted cash flows was 15.5%, which was reflective of the group of CGUs weighted average cost of capital ("WACC");

c. Terminal value growth rate: The forecasted cash flows beyond a period of four-years, were extrapolated using a 3.0% growth rate based on projected consumer price inflation and industry growth.

A sensitivity analysis for change in the key assumptions was not presented as it was deemed that the impact of reasonable changes in these assumptions would not have significant impact on the impairment loss that was recognized during the thirteen months ended September 30, 2023.

9. OTHER FINANCIAL ASSETS

i. Weekend Holdings Corp.

On March 30, 2023, the Company entered into a product purchase agreement with Greentank Technologies Corp. ("Greentank"), a leading vaporization technology company and a subscription agreement with Greentank's parent company, Weekend Holdings Corp. ("WHC"). The product purchase agreement grants the Company an exclusivity period in Canada for the new technology used in 510 vape cartridges and other formats for cannabis, including the development of a proprietary custom all-in-one device. The period of exclusivity is 18 months following its commercialization. Under the terms of the subscription agreement, the Company subscribed for preferred shares of WHC for an aggregate subscription price of US$4.0 million ($5,504 including transaction costs of $73) representing an approximate 2.6% interest in WHC.

At initial recognition, the investment in WHC is classified as an equity investment and the Company irrevocably elected to measure this investment at fair value through other comprehensive income. As at September 30, 2024, the investment had a fair value of $5,441 (September 30, 2023 – $5,345). During the year ended September 30, 2024, the Company recognized an increase in fair value of $96 (September 30, 2023 – decrease of $159) in the consolidated statements of operations and comprehensive loss within other comprehensive income (loss).

ii. Phylos Bioscience Inc.

On May 25, 2023, the Company entered into a secured convertible loan agreement (the "Secured Convertible Loan Agreement") with Phylos Bioscience Inc. ("Phylos"), a cannabis genetics company and provider of production ready seeds, based in Portland, Oregon. Under the terms of this agreement, the Company will advance up to US$8 million to Phylos in three tranches structured as a secured convertible loan. The Company advanced Phylos an initial US$3.25 million ($4,429) on the closing date of the first tranche of the secured convertible loan and is committed to fund up to an additional US$4.75 million over two tranches within 12 and 24 months from the initial closing date, subject to the completion of certain milestones. The secured convertible loan will accrue paid-in-kind interest ("PIK") at a rate of the U.S. Prime Rate + 3.5% (with an overall cap of 11%) subject to certain conditions. The maturity date of the secured convertible loan will be on the fifth anniversary of the initial closing date subject to one-year extensions at the Company's discretion and certain other conditions stipulated in the Secured Convertible Loan Agreement. The secured convertible loan (principal and PIK outstanding) is convertible into common share equity of Phylos under certain circumstances.

In November 2023 and May 2024, Phylos met the first and second milestone, respectively, under the Secured Convertible Loan Agreement and the Company funded the second tranche of US$2.75 million ($3,746) and partial third tranche of

US$1 million ($1,357). The initial recognition of these tranches were adjusted against the value of the derivative liability that was already recognized as part of the overall transaction at the time of initial recognition of the first tranche of the secured convertible loan. Refer to Note 11 (iii) for further information.

As at September 30, 2024, the secured convertible loan had a total fair value of $9,285 (September 30, 2023 – $3,092). During the year ended September 30, 2024, the Company recognized an increase in fair value of $3,227 (September 30, 2023 – $52) in the consolidated statements of operations and comprehensive loss.

iii. Steady State LLC (d/b/a Open Book Extracts)

In March 2024, the Company made its first investment from the Jupiter Pool (as defined in Note 13and invested US$2 million ($2,717) in Open Book Extracts ("OBX") in the form of a convertible promissory note. U.S. based OBX specializes in legal cannabinoid ingredient production and serves as a one-stop formulation and finished goods manufacturer, simplifying its clients' supply chains. This convertible promissory note accrues simple interest at the Bank of England base rate plus 8%, capped to a maximum of 15%. All accrued interest is due and payable in full upon maturity, conversion, or prepayment of the convertible promissory note. Unless converted earlier, the principal amount and all accrued interest will be due and payable on October 16, 2026 (the "Maturity Date"). Upon maturity of the convertible promissory note, the principal amount and unpaid accrued interest may be converted, at the Company's option, into shares of OBX. The Company incurred transaction costs of $286 this was recognized as an expensein the consolidated statements of operations and comprehensive loss

As at September 30, 2024, the convertible promissory note had a total fair value of $2,881. During the year ended September 30, 2024, the Company recognized an increase in fair value of $164 in the consolidated statements of operations and comprehensive loss.

iv. Sanity Group GmbH

In June 2024, the Company entered into an arrangement with Sanity Group GmbH ("Sanity Group"), a cannabis company based in Berlin, Germany. As per the arrangement, the Company agreed to acquire a minority stake in Sanity Group by purchasing equity interests from existing Sanity Group founders and shareholders for €2.5 million, and to advance €11.5 million to Sanity Group by way of an unsecured convertible note ("Convertible Note") for a total initial investment of €14 million (C$21 million).

On June 27, 2024, the Company advanced a first tranche of the Convertible Note of €11.5 million ($16,900), with an option to advance a further €3 million in the future subject to the satisfaction of certain conditions. This Convertible Note accrues simple interest of 10% per annum and has a fixed term of36 months from the closing date of first tranche of June 27, 2024, being the maturity date. On the maturity date, unless converted earlier due to certain events, the Company will have three options (i) repay the principal amount and all accrued interest; (ii) extend the maturity date by 12 months; or (iii) convert the note into the most senior class of shares. As at September 30, 2024, the Convertible Note had a total fair value of $19,153. During the year ended September 30, 2024, the Company recognized an increase in fair value of $2,253 in the consolidated statements of operations and comprehensive loss.

On July 4, 2024, the Company completed the purchase ofequity interests for €2.5 million ($3,720). As at September 30, 2024, the company revalued its equity interests in Sanity Group and recognized an increase in fair value of $247 in the consolidated statements of operations and comprehensive loss.The Company incurred transaction costs of $243 and this was recognized as an expensein the consolidated statements of operations and comprehensive loss

The Company made the aforementioned investments in Sanity Group from theJupiter Pool (as hereinafter defined).

10. OTHER LIABILITIES

The Company's other liabilities include the following balances as of September 30, 2024 and September 30, 2023:

	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023
Contingent share consideration (Note 25)	—	49
Current portion lease liability (Note 14)	1,026	1,013
Provisions	—	90
Current portion of long-term debt	60	76
	$ 1,086	$ 1,228

11. DERIVATIVE LIABILITIES

i. Warrants

Unit offering 2024

On April 2, 2024, the Company closed the unit offering (the "Offering") for gross proceeds of $28.8 million. The Company sold 8,901,000 units (each a "Unit") at a price of $3.23 per Unit, which included 1,161,000 Units sold pursuant to the exercise in full of the underwriters' over-allotment option. Each Unit is comprised of one Common Share of the Company and one-half of one

Warrant. Each Warrant is exercisable to acquire one Warrant Share for a period offour years following the closing date of the Offering at an exercise price of $3.65 per Warrant Share, subject to adjustment in certain events. The holders of the Warrants issued pursuant to the Offering may elect, if the Company does not have an effective registration statement under the United States Securities Act of 1933, as amended, or the prospectus contained therein is not available for the offer and sale of the Common Shares to the Warrant holder, in lieu of exercising the Warrants for cash, a cashless exercise option to receive Common Shares equal to the fair value of the gain implied by the Warrants at the time of exercise. The fair value is determined by multiplying the number of Warrants to be exercised by the weighted average market price less the exercise price with the difference being divided by the weighted average market price. If a Warrant holder exercises this option, there will be variability in the number of shares issued per Warrant.

In accordance with IAS 32 *Financial Instruments: Presentation*, a contract to issue a variable number of shares fails to meet the definition of equity and must instead be classified as a derivative liability and measured at fair value with changes in fair value recognized in the statement of operations and comprehensive loss at each reporting period. The derivative warrant liabilities are expected to ultimately be converted into the Company's equity (Common Shares) when the Warrants are exercised or will be extinguished on the expiry of the outstanding Warrants and will not result in the outlay of any cash by the Company.

At initial recognition on April 2, 2024, the Company recorded derivative liabilities of $7,798 based on the estimated fair value of the Warrants at that date using the Black-Scholes option pricing model. Share issuance costs of $668 were recognized as costs allocated to derivative liabilities based on a pro-rata allocation of total issuance costs based on the relative fair value of the Warrants and the Common Shares issued as part of the Offering.

As at September 30, 2024, the Company revalued the remaining derivative liabilities to an estimated fair value of $7,772. The Company recorded a decrease in the estimated fair value change of the derivative liabilities for the year ended September 30, 2024 of $26.

The following inputs were used to estimate the fair value of the Warrants at September 30, 2024:

	SEPTEMBER 30, 2024	
Risk free interest rate	2.70	%
Life of Warrants (years)	3.51	
Market price of Common Shares	$ 2.45	
Expected future volatility of Common Shares	123.00	%
Fair value per Warrant	$ 1.75	

Unit offering 2020

No warrants were exercised during the year ended September 30, 2024 (September 30, 2023 -Nil warrants). The warrants expired on November 12, 2023 and as at September 30, 2024 there were no warrants outstanding.

ii. Top-up Rights

On March 10, 2021, through the strategic investment from a wholly-owned subsidiary of British American Tobacco P.L.C. (together "BAT"), the Company issued 14,584,098 Common Shares, resulting in BAT's beneficial ownership in the Company of approximately19.9%.

Pursuant to the Investor Rights Agreement (the "IRA") between the Company and BAT, the Company granted BAT certain rights, including pre-emptive rights, to participate in distributions of Common Shares to maintain its proportionate ownership in certain circumstances, as well as other rights ("Top-up Rights") to subscribe for additional Common Shares in specified circumstances where the pre-emptive rights are not applicable (referred to in the Amended IRA as "Exempt Distributions") and in specified circumstances where pre-emptive rights were not exercised (referred to in the IRA as "bought deal Distributions").

The price per Common Share to be paid by BAT pursuant to the exercise of its Top-up Rights will equal the price paid by other participants in the Exempt Distribution or bought deal Distribution, subject to certain restrictions (including, if such price is not permitted pursuant to applicable securities laws, at the lowest price permitted thereunder).

The Company has classified the Top-up Rights as a derivative liability, and pursuant to the exercise of stock options, restricted share units, performance share units and warrants that were outstanding at initial recognition on March 10, 2021 (the date of the IRA), the Company recorded a derivative liability of $2,740 based on the estimated fair value of the Top-up Rights at this date using a Monte Carlo pricing model.
In connection with the closing of the first tranche of the Follow-on BAT Investment (as hereinafter defined), the Company and BAT entered into an amended and restated investor rights agreement (the "Amended and Restated IRA") that has superseded the earlier investor rights agreement. Refer to Note 13 for further information.

As at September 30, 2024, the Company revalued the Top-up Rights of BAT pursuant to the Amended IRA to an estimated fair value of $5,338 (September 30, 2023 – $130). The Company recorded an increase in the estimated fair value of the Top-up Rights for the year ended September 30, 2024 of $5,208 (September 30, 2023 - $605).

The following inputs were used to estimate the fair value of the Top-up Rights as at September 30, 2024, and September 30, 2023:

	SEPTEMBER 30, 2024				
	STOCK OPTIONS	WARRANTS	PSUs	RSUs	TOP-UP OPTIONS
Average exercise price[1]	$1.20 - $45.08	$2.50	$—	$—	$1.20 - $2.23
Risk free interest rate	2.78% - 2.89%	2.79%	2.83%	2.87%	3.10%
Expected future volatility of Common Shares	75.00% - 85.00%	75.00%	75.00%	75.00%	60.00%
Expected life[1]	2.14 - 4.40	0.12	5.92	5.18	1.41
Forfeiture rate	10%	—%	25%	6%	—%

	SEPTEMBER 30, 2023			
	STOCK OPTIONS	WARRANTS	PSUs	RSUs
Average exercise price[1]	$1.20 - $45.08	$2.50	$—	$—
Risk free interest rate	4.11% - 4.54%	3.59%	3.65%	3.78%
Expected future volatility of Common Shares	70.00% - 90.00%	90.00%	85.00%	85.00%
Expected life[1]	1.34 - 5.12	0.12	5.92	5.18
Forfeiture rate	10%	—%	25%	6%

[1]Exercise price and expected life for stock options were determined using the range of exercise prices disclosed in Note 13(iv).

iii. Secured Convertible Loan Agreement

On May 25, 2023, the Company entered into the Secured Convertible Loan Agreement with Phylos. Under the terms of this agreement, upon the completion of certain milestones the Company has a commitment to fund US $4.75 million over two tranches within 12 and 24 months from the initial closing date. This commitment meets the definition of a derivative and the value of such derivative was considered as part of the overall transaction price in the initial recognition of the secured convertible loan and intangible assets. At initial recognition, the Company recorded a derivative liability of $1,424 based on the estimated fair value of the secured convertible loan.

In November, 2023, the Company funded the second tranche of US$2.75 million and a derivative liability of $1,385 was derecognized. Thereafter, in July 2024, the company also funded US$1 million for the third tranche and a derivative liability of $752 was derecognized. As at September 30, 2024, the Company revalued the commitment to fund remaining third tranche at an estimated fair value of $368 (September 30, 2023 – $1,743) and recorded a change in fair value of $762 (September 30, 2023 – $319) for the year ended September 30, 2024. The derivative liability is included in the current derivative liabilities on the consolidated statements of financial position.

iv. Non-voting Class A convertible preferred shares

In relation to the Follow-on BAT Investment, the Company is required to issue non-voting Class A convertible preferred shares ("Preferred Shares"). The Preferred Shares to be issued as part of future tranches represent an obligation for the Company to deliver a variable number of its own Common Shares and hence meet the definition of an instrument classified as a derivative financial instrument as per IAS 32 *Financial Instruments: Presentation*. The Company measured the derivative at fair value on initial recognition. The derivative financial instrument is classified as a derivative asset or a derivative liability depending partly on whether the fair value of the Company's Preferred Shares is above or below the $3.2203 subscription price. At initial recognition, the derivative financial instrument was recognized as a derivative financial liability with a fair value of $1,921. Refer to Note 12 and 13 (iii) for further information regarding the Follow-on BAT Investment.

In August 2024, the Company closed the second tranche of the Follow-on BAT Investment and issued 8,463,435 Preferred Shares. The fair value of the derivative liability that was derecognized on closing of the second tranche was $4,339. As at September 30, 2024, the Company revalued the derivative liability for the third tranche to an estimated fair value of $4,771. Accordingly, the Company recognized a total fair value loss of $7,189 in the consolidated statements of operations and comprehensive loss. The derivative liability is included in the current derivative liabilities on the consolidated statements of financial position.

12. PREFERRED SHARES

On August 30, 2024, in relation to the Follow-on BAT Investment (as hereinafter defined), the Company issued 8,463,435 Preferred Shares of the Company. The Preferred Shares are eligible for conversion into Common Shares at BAT's option, provided that such conversion would not result in BAT's voting interest in the Company exceeding 30%. Each Preferred Share shall be economically equivalent to a Common Share and will be convertible into Common Shares without payment of any additional consideration. The conversion ratio shall initially be one-for-one, and post-issuance shall increase at a rate of 7.5%

per annum, compounded annually, until such time as the Preferred Shares are converted into Common Shares or the aggregate equity interest of BAT in the Company (inclusive of both the Common Shares and Preferred Shares as if converted into Common Shares) reaches 49%. The Preferred Shares are not entitled to vote until they are converted into Common Shares. BAT shall be periodically required to convert Preferred Shares to the extent that it holds less than 30% of the Common Shares outstanding. Refer to Note 13 (iii) for further information regarding Follow-on BAT Investment.

The number of shares that will be issued on conversion is not fixed and therefore, Preferred Shares are classified as liabilities. These liabilities are measured at FVTPL. The conversion feature is considered to be an embedded derivative that qualifies for bifurcation. However, the Company has elected to account for the entire instrument as FVTPL after determining under IFRS 9 that the Preferred Shares qualify to be accounted for under such FVTPL method.

On initial recognition, the Preferred Shares were measured at a fair value of $31,594. At the time of closing of the first tranche Follow-on BAT Investment, the Company incurred transaction cost of $1,259 and $410 was recognized as prepaid expenses and deposits for the closing of second tranche. Out of total of $410, $269 was allocated to Preferred Shares and was recognized as an expense in the consolidated statements of operations and comprehensive loss. Refer to Note 13 (iii) for further details.

As at September 30, 2024, the Preferred Shares had an estimated fair value of $31,070, resulting in a fair value gain of $524 which was recognized in the consolidated statements of operations and comprehensive loss.

13. SHARE CAPITAL

i. Authorized share capital

The authorized share capital of the Company is an unlimited number of Common Shares without par value and an unlimited number of preferred shares without par value.

ii. Issued share capital

As at September 30, 2024, the Company's issued and outstanding share capital consisted of 108,585,492 (September 30, 2023 – 81,161,630) Common Shares with a carrying value of $852,891 (September 30, 2023 - $776,906).

iii. Issuances of share capital

Private Placement

In November 2023, the Company entered into a subscription agreement (the "Subscription Agreement") with BAT for a $124.6 million follow-on investment (the "Follow-on BAT Investment"), whereby BAT, acting through its wholly owned subsidiary BT DE Investments Inc., agreed to subscribe for a total of 38,679,525 shares at a price of $3.2203 per share through three tranches, subject to the receipt of shareholder approval, certain regulatory approvals and other conditions. At each tranche closing, BAT will be issued Common Shares in the Company insofar as the aggregate number of Common Shares owned or controlled by BAT does not exceed 30% of the aggregate number of the Company's Common Shares issued and outstanding. To the extent that BAT would otherwise acquire in excess of 30% of the issued and outstanding Common Shares, it will be issued Preferred Shares.

In January 2024, the Company obtained shareholder and other regulatory approvals and closed the first of three tranches of the Follow-on BAT Investment. Pursuant to the first tranche closing, BAT acquired 12,893,175 Common Shares of the Company at a price of $3.2203 per share for gross proceeds of $41,520. Considering at the time of closing of first tranche, it was estimated that the Company will be issuing the Preferred Shares as part of future tranches, which represented an obligation for the Company to deliver a variable number of its own Common Shares and hence met the definition of an instrument classified as a derivative financial instrument as per IAS 32 *Financial Instruments: Presentation*. IFRS 9 requires the value of such derivative to be recognized as part of closing of the first tranche and therefore, the carrying amount of the Common Shares issued in the first tranche on initial recognition was measured at the gross proceeds of $41,520 received from BAT for the first tranche minus transaction costs of $420 and the fair value of the derivative of $1,921. Refer to Note 11 (iv) for further details.

At the time of closing of the first tranche, the Company incurred total transaction cost of $1,259 in the form of listing fees, regulatory fees, and legal and professional fees. Out of this total cost, $420 was allocated to the Common Shares that were issued on closing of the first tranche of the Follow-on BAT Investment. Of the remaining costs, $19 were allocated to the derivative liability and recognized as an expense in the consolidated statements of operations and comprehensive loss and $820 was recognized as prepaid expenses and deposits related to a future issuance of shares through the second and third tranche.

On August 30, 2024, the Company closed the second of three tranches and issued 4,429,740 Common Shares and 8,463,435 Preferred Shares of the Company at a price of $3.2203 per share for gross proceeds of $41,582. On initial recognition, the Company recognized the total consideration for the second tranche, which consisted of the recognition of gross proceeds of $41,582 and derecognized the derivative financial liability of $4,339 for the second tranche. The carrying amount of the Common Shares issued in the second tranche was measured as the residual of the total consideration for the second tranche and the fair value of the Preferred Shares of $31,594. In addition, transaction costs of $141 in relation to the issuance of the

Common Shares were deducted from the carrying amount of the Common Shares and the remaining second tranche transaction cost of $269 was allocated to Preferred Shares and was recognized as an expense in the consolidated statements of operations and comprehensive loss Refer to Note 11 (iv) for further details.
The remaining 12,893,175 shares are due to be subscribed in the third and final tranche on or around February 28, 2025, subject to certain customary conditions.

Pursuant to the Subscription Agreement, one-half of each of the first tranche subscription proceeds and the second tranche subscription proceeds, and all of the third tranche subscription proceeds, is required to be segregated from the Company's regular cash in order to fund a strategic investment pool (the "Jupiter Pool") that is designed to expand the Company's geographic footprint and capitalize on emerging growth opportunities. In accordance with the requirement of the Subscription Agreement, one-half of the first and second tranche gross proceeds of $83,102 was segregated from the Company's regular cash and was classified as restricted cash on the consolidated statements of financial position.

In connection with the closing of the first tranche, the Company and BAT also entered the Amended and Restated IRA, pursuant to which BAT is eligible to appoint up to 30% of the Board of Directors. Furthermore, the Amended and Restated IRA extends the period within which BAT is eligible to exercise certain Top-Up Rights to 12 months after the closing date of the final tranche of the Follow-on BAT Investment.

Unit offering
On April 2, 2024, the Company closed the Offering for gross proceeds of $28.8 million. The Company sold 8,901,000 units (each a "Unit") at a price of $3.23 per Unit, which included 1,161,000 Units sold pursuant to the exercise in full of the underwriters' over-allotment option. Each Unit is comprised of one Common Share of the Company and one-half of one Warrant. Each Warrant is exercisable to acquire one Warrant Share for a period of four years following the closing date of the Offering at an exercise price of $3.65 per Warrant Share, subject to adjustment in certain events. As described in Note 9, $7,798 of the gross proceeds was allocated to derivative liabilities with the residual, $20,953, which represents the value allocated to the Common Shares, being recorded in share capital. Share issuance costs were $2,464 which included a 4.7% cash commission of $1,366 paid to placement agents with the balance related to filing, legal, and other professional fees directly related to the Offering. Of the total, $668 of the share issuance costs were allocated to the derivative liabilities and expensed in the consolidated statements of operations and comprehensive loss and the balance of $1,796 was allocated to the Common Shares recorded in share capital.

The Edibles and Infusions Corporation acquisition
During the year ended September 30, 2023, the Company issued 2,621,370 Common Shares on EIC's achievement of the second milestone earnout set in the EIC share purchase agreement for share consideration of $6,500, less share issuance costs of $19 (Note 25).

Exercise of stock options
During the year ended September 30, 2024, 3,942 (September 30, 2023 – 26,300) share options were exercised at an average exercise price of $1.49 (September 30, 2023 - $1.47) for cash proceeds of $39 (September 30, 2023 - $74) and an increase of $11 (September 30, 2023 - $69) to share capital and a decrease to equity reserves of $5 (September 30, 2023 - $30).

Exercise of RSU
During the year ended September 30, 2024, 1,193,789 (September 30, 2023 – 59,138) RSUs were exercised for an increase of $3,430 (September 30, 2023 - $621) to share capital and a decrease to equity reserves of $3,430 (September 30, 2023 - $621).

Exercise of PSU
During the year ended September 30, 2024, 2,216 (September 30, 2023 – 948) PSUs were exercised for an increase of $22 (September 30, 2023 - $10) to share capital and a decrease to equity reserves of $22 (September 30, 2023 - $10).

Exercise of warrants
During the year ended September 30, 2024, Nil (September 30, 2023- Nil) warrants were exercised.

iv. Share-based compensation
During the year ended September 30, 2024, the Company recognized total share-based compensation charges, including those related to production employees that are charged to biological assets and inventory, of $7,182 (September 30, 2023 – $5,727).

Stock options
The following table summarizes changes in the Company's outstanding stock options for the year ended September 30, 2024:

	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
Balance - September 30, 2023	2,829,676	$ 9.94
Granted	62,000	$ 5.60
Exercised	(3,942)	$ 1.49
Cancelled / Forfeited	(70,813)	$ 10.26
Expired	(125,585)	$ 9.02
Balance - September 30, 2024	2,691,336	$ 9.89

The following is a summary of the outstanding stock options as at September 30, 2024:

OPTIONS OUTSTANDING			OPTIONS EXERCISABLE
Range of Exercise Prices	Quantity Outstanding	Weighted Average Remaining Contractual Life (years)	Quantity Exercisable
$1.20 - $3.00	71,865	4.0	61,665
$3.01 - $5.00	217,087	7.5	213,687
$5.01 - $10.00	1,539,917	7.4	1,514,150
$10.01 - $20.00	650,642	4.9	650,642
$20.01 - $30.00	96,825	4.1	96,825
$30.01 - $45.08	115,000	4.4	115,000
	2,691,336	7.3	2,651,969

Total share-based compensation expenses, including those related to production employees that are charged to biological assets and inventory for the year ended September 30, 2024 were $974 (September 30, 2023 – $3,376) related to the Company's stock option plan. The fair value of options granted during the year ended September 30, 2024 was $123 (September 30, 2023 - $1,075). These options are measured at fair value at the date of grant and are expensed over the option's vesting period, which is typically a three year term with options vesting in annual tranches evenly over this time period. The Company used the Black-Scholes option pricing model to estimate the fair value of options granted.

The following inputs were used to fair value the options that were granted during the year ended September 30, 2024 and the thirteen months ended September 30, 2023:

	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023
Risk free interest rate	3.57% - 3.60%	3.03% - 3.47%
Expected life of options	5.0 - 5.7 years	5.0 - 6.0 years
Expected annualized volatility	87.72% - 89.09%	83.68% - 87.51%
Expected dividend yield	—	—
Forfeiture rate	10.4%	11.3% - 11.7%

Expected volatility was estimated by using the weighted average historical volatility of the Company. The expected life in years represents the period of time that options granted are expected to be outstanding. The risk free rate is based on Government of Canada bonds with a remaining term equal to the expected life of the options. The forfeiture rate is calculated based on historical experience.

Equity Incentive Plan
During the year ended September 30, 2024, the Company has granted both RSUs and PSUs under the 2017 Equity Incentive Plan and under the 2020 New Equity Incentive Plan. The grant price of any RSU or PSU was determined based on the market price calculated in accordance with TSX rules at the time of grant and with respect to PSUs, adjusted for any non-market and market performance vesting conditions in accordance with IFRS 2 *Share-based Payment*.

The following table summarizes the movements in the Company's outstanding RSUs:

	NUMBER
Balance - September 30, 2023	881,149
Granted	3,440,578
Exercised	(1,193,789)
Cancelled / Forfeited	(154,295)
Balance - September 30, 2024	2,973,643

The estimated fair value of the equity settled RSUs granted during the year ended September 30, 2024 was $5,869 (September 30, 2023 - $1,828), which was based on the Company's share price at the grant date and will be recognized as an expense over the vesting period of the RSUs, which is over a period of three years for most grants. For the year ended September 30, 2024, $5,676 (September 30, 2023 - $2,192) has been recognized as share-based compensation expense.

The following table summarizes the movements in the Company's outstanding PSUs:

	NUMBER
Balance - September 30, 2023	260,713
Granted	911,213
Exercised	(2,216)
Cancelled / Forfeited	(52,492)
Balance - September 30, 2024	1,117,218

The estimated fair value of the equity settled PSUs granted during the year ended September 30, 2024 was $846 (September 30, 2023 - $1,042), which was based on the Company's share price at the grant date, adjusted for an estimate of likelihood of forfeiture, and will be recognized as an expense over the vesting period of the PSUs, which is three years for most grants. For the year ended September 30, 2024, $532 (September 30, 2023 - $159) has been recognized as share-based compensation expense.

v. Loss per share

Basic and diluted loss per share represents net loss attributable to common shareholders divided by the weighted average number of Common Shares outstanding during the year.

The weighted average number of Common Shares, used in the calculation of basic and diluted loss per share for the year ended September 30, 2024 was 95,293,899 (September 30, 2023 - 81,292,869).

14. LEASE LIABILITIES

The Company records its leases in accordance with IFRS 16, and as a result recognizes the right-of-use ("ROU") assets and corresponding lease liabilities. ROU assets are recorded under property, plant, and equipment (Note 7) with current and long-term portion of lease liabilities recorded under other liabilities.

The changes in the carrying value of current and non-current lease liabilities are as follows:

	SEPTEMBER 30, 2024
Balance, September 30, 2023	$ 4,564
Lease additions	1,384
Lease payments	(1,240)
Lease disposal	(590)
Interest expense on lease liabilities	252
Balance, September 30, 2024	4,370
Current portion (included in other liabilities)	(1,026)
Long-term portion	$ 3,344

The undiscounted contractual payments relating to the current and future lease liabilities is:

	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023
Less than 1 year	$ 1,266	$ 1,251
1 to 2 years	691	1,081
2 to 3 years	648	503
3 to 4 years	661	459
4 to 5 years	618	461
Thereafter	1,531	1,944
Total	$ 5,415	$ 5,699

15. INVESTMENTS IN ASSOCIATES

The carrying value of investments in associates consists of:

	ALPHA-CANNABIS PHARMA GMBH [3]	EVIANA HEALTH CORPORATION [4]	HYASYNTH BIOLOGICALS INC.	TOTAL
Participating share [1]	25.0 %	19.9 %	48.3 %	
Balance, September 30, 2023	$ —	$ —	$ 5,284	$ 5,284
Share of net loss [2]	—	—	(511)	(511)
Impairment loss	—	—	(4,773)	(4,773)
Balance, September 30, 2024	$ —	$ —	$ —	$ —

[1] % Interest includes the potential ownership interest that could result from the conversion of debentures and exercise of warrants.
[2] The Company utilizes the most recently issued financial statements of its associates in its results with a two-month lag since the Company does not have the same reporting date as its associates (for the year ended September 30, 2024, the Company utilized its associates' results for the year ended July 31, 2024).
[3] During the year ended August 31, 2021, the Company identified indicators of impairment with respect to its investment in ALPHA-CANNABIS PHARMA GMBH, resulting in impairment which reduced the carrying value of the investment to $nil.
[4] During the year ended August 31, 2020, the Company identified indicators of impairment with respect to its investment in Eviana Health Corporation, resulting in impairment which reduced the carrying value of the investment to $nil.

a. Hyasynth Biologicals Inc.

On September 12, 2018, the Company invested in Hyasynth Biologicals Inc. (“Hyasynth”) by way of convertible secured debentures, to be purchased in three tranches and valued in the aggregate amount of $10,000. The first tranche ("Tranche 1") was issued on September 12, 2018, the second tranche (“Tranche 2”) was issued on October 23, 2020 (as described below), and the third tranche ("Tranche 3") was issued on December 22, 2021 (as described below).

Hyasynth is a privately held biotechnology company based in Montreal, Quebec, specializing in cannabinoid science and biosynthesis. The Company’s investment is in the form of convertible debentures, which provide a potential ownership interest of up to 49.9% based on the cumulative investment from Tranche 1, Tranche 2 and Tranche 3.

Concurrent with the Company’s investment in Hyasynth, the parties entered into a CBD supply agreement, whereby the Company has the ability to purchase up to 100% of Hyasynth’s annual cannabinoid or cannabinoid-related production at a 10% discount to the agreed upon wholesale market price for a period of 10 years from the date Hyasynth commences commercial production.

Tranche 1 of the convertible debentures has a face value of $5,000, bears interest at 8.0% per annum, is secured, and matures on the earlier of August 31, 2023 or the closing date of a qualified sale transaction, unless an automatic or optional conversion has occurred. Tranche 1 of the convertible debentures is convertible at the option of the holder at any time at a price of $40 per share, or into 125,000 common shares. Conversion of the debentures may be automatically triggered based on the completion of a qualified transaction or Hyasynth’s facility reaching a pre-defined production capacity.

On October 23, 2020, the Company advanced an additional $2,500 to Hyasynth by way of convertible debentures as a result of Hyasynth’s achievement of the contractual production-related milestone for Tranche 2 of the convertible debentures.

On December 22, 2021, the previously issued debenture agreement was amended to waive the milestone requirement for the Tranche 3 convertible debenture. Subsequently, the Company advanced an additional $2,500 (plus transaction costs of $124) to Hyasynth for the Tranche 3 convertible debentures bringing the Company's total investment in Hyasynth to $10,000, which provides the Company with a potential ownership interest of up to 49.9% on a fully diluted basis.

In addition to the ownership interest, the Company also considered various qualitative factors to conclude that significant influence exists, including representation on Hyasynth’s board of directors. Based on this assessment, the Company concluded that the equity method of accounting is appropriate. The Company has appointed two directors to the board of Hyasynth.

Following the original maturity date of the debentures, the Company entered intotwo amendments which amended the maturity date initially to March 15, 2024 and then, subsequently to June 30, 2025. On the amended maturity date, the Company has the right to give Hyasynth 30 days prior written notice to convert the debentures to common equity or demand repayment of the outstanding balance of the debentures. As at September 30, 2024, the Company's potential ownership interest was reduced to 48.3% on a fully diluted basis.

As at September 30, 2024, the Company determined that there are indicators of impairment related to its investment in Hyasynth. The Company determined the recoverable amount to be approximately $Nil. An impairment loss of $4,773 was recognized in the consolidated statement of operations and comprehensive loss for the year ended September 30, 2024.

16. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling activities of the Company, directly or indirectly. The key management personnel of the Company are the members of the Company's executive management team and Board of Directors.

Management and Board compensation

For the year ended September 30, 2024 and the thirteen months ended September 30, 2023, the Company's expenses included the following management and Board of Directors compensation:

	YEAR ENDED	THIRTEEN MONTHS ENDED
	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023
Salaries, bonus and consulting fees	$ 7,155	$ 4,737
Share-based compensation	4,620	3,525
Total key management compensation	$ 11,775	$ 8,262

During the year ended September 30, 2024,62,000 stock options (September 30, 2023 – 206,250) were granted to key management personnel with an aggregate fair value of $123 (September 30, 2023 – $665). In addition, during the year ended September 30, 2024, 2,175,879 RSUs (September 30, 2023 – 285,191), were granted to key management personnel with an aggregate fair value of $4,373 (September 30, 2023 – $1,325). For the year ended September 30, 2024, 678,717 PSUs, (September 30, 2023 – 136,920) were issued to key management personnel with an aggregate fair value of $543 (September 30, 2023 – $305).

Significant Transactions with Associates and Joint Operations

The Company has transactions with related parties, as defined in IAS 24*Related Party Disclosures*, all of which are undertaken in the normal course of business.

For the year ended September 30, 2024, under the Product Development Collaboration Agreement between the Company and BAT dated March 10, 2021, BAT incurred $3,708 (September 30, 2023 – $3,134) of direct expenses and the Company incurred $9,623 (September 30, 2023 – $10,638) of direct expenses and capital expenditures of $96 (September 30, 2023 – $1,768) related to the Center of Excellence ("CoE"). The Company recorded, in the year ended September 30, 2024, $6,666 (September 30, 2023 – $6,886) of these expenditures within research and development expense in the consolidated statement of operations and comprehensive loss. For the year ended September 30, 2024, the Company recorded $49 (September 30, 2023 – $884) of capital expenditures which are included in the consolidated statement of financial position.

During the year ended September 30, 2024, BAT exercisednil (September 30, 2023 – nil) Top-up Rights. As at September 30, 2024, there is a balance receivable from BAT of $3,169 (September 30, 2023 – $167).

In November 2023, the Company entered into a subscription agreement with BAT in relation to the Follow-on BAT InvestmentRefer to Note 13 (iii) for further information.

17. CAPITAL MANAGEMENT

The Company's capital consists of long-term debt (including current portion), derivative liabilities, share capital, equity reserves, accumulated other comprehensive loss, and accumulated deficit, which as at September 30, 2024 is $325,263 (September 30, 2023 - $273,651). Equity reserves is comprised of any amounts recorded with respect to the recognition of share-based compensation expense (options, RSUs, or PSUs) or the fair value of warrants issued. Accumulated other comprehensive loss is entirely comprised of fair value changes recorded on the Company's investment in WHC.

The Company manages its capital structure and adjusts it based on funds available to the Company, in order to fund its growth. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative stage of the Company, is reasonable. There were no changes to the Company's approach to capital management during the year.

18. FAIR VALUE OF FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

i. Fair value of financial instruments

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest-level input significant to the fair value measurement in its entirety.

The three levels of the fair value hierarchy are described as follows:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The fair values of cash, short-term investments, accounts and other receivables, accounts payable and accrued liabilities and restricted cash approximate their carrying amounts due to their short-term nature. The fair value of long-term debt approximates $25 (September 30, 2023 – $155), which is its carrying value.

The fair value of the investment in WHC is primarily based on Level 3 unobservable inputs and is determined using a market-based approach, based on revenue multiples for comparable companies.

In determining the impairment loss, the FVLCD of property, plant and equipment was determined based on a third-party appraisal using market and replacement cost approaches. Consideration is given to information from historical data and industry standards which constitute both observable and unobservable inputs (level 2 and level 3).

The fair value of the convertible promissory note issued to OBX was determined using the binomial lattice model. The key assumptions used in the model are OBX stock price, dividend yield, expected future volatility of OBX stock, credit risk-adjusted discounting rate, risk-free rate, and probability and timing of certain qualified events. The credit risk-adjusted discounting rate and the expected equity volatility are based on unobservable inputs and are categorized as Level 3 in the fair value hierarchy.

The fair value of the Secured Convertible Loan advanced to Phylos was determined using the binomial lattice model and has been classified as level 3 in the fair value hierarchy. The fair value of the Secured Convertible Loan was based on certain assumptions, including likelihood, and timing of the federal legalization or decriminalization of cannabis in the United States. Similarly, the fair value of the commitment to fund an additional US $1 million was based on certain assumptions, including the probability of Phylos meeting certain required milestones.

The fair value of the Laurentian contingent share consideration is primarily based on Level 3 unobservable inputs in a Monte Carlo pricing model. The determination of the fair value of this liability is primarily driven by the Company's expectations of Laurentian achieving its business objectives. The key assumptions used in the model are the expected future sales volumes and selling prices used in determining Laurentian's future adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") and WACC.

The fair value of the Convertible Note advanced to Sanity Group was determined using the binomial lattice model. The key assumptions used in the Model for are Sanity Group stock price, dividend yield, expected future volatility of Sanity Group stock, credit risk-adjusted discounting rate, risk-free rate, and probability and timing of certain qualified and non-qualified events. The credit risk-adjusted discounting rate and the expected equity volatility are based on unobservable inputs and are categorized as Level 3 in the fair value hierarchy.

The fair value of equity interest in the Sanity Group was determined using the option pricing model wherein the current value of the Sanity Group was allocated to the various types of shares based on their rights and preferences. The current value of the Sanity Group was determined using the backsolve approach which benchmarks the original issue price of the Sanity Group's latest funding transaction.

The fair value of derivative warrant liabilities is based on Level 1 and 2 inputs utilized in a Black-Scholes option pricing model to estimate the fair value of such Warrants. The key assumption used in the model is the expected future volatility in the price of the Company's Common Shares. If the expected future volatility in the common share price of the Company increased by 10%, the estimated fair value of the derivative warrant liability and net loss would increase by $456, or if it decreased by 10%, the estimated fair value of the derivative warrant liability and net loss would decrease by $308.

The fair value of the Top-up Rights is based on Level 3 inputs utilized in a Monte Carlo pricing model to estimate the fair value of such Top-up Rights. The key assumptions used in the model are the expected future price of the Company's Common Shares, the weighted average expected life of the instruments and the expected future volatility in the price of Common Shares. A sensitivity analysis for changes in key inputs was not presented as it was deemed that the impact of reasonable changes in key inputs would not be significant.

The fair value of the contractual commitment to issue Preferred Shares in the future is based on level 1, level 2 and level 3 inputs and is determined based on estimated fair value of the Preferred Shares and the present value of the share price agreed with BAT. The fair value of the Preferred Shares was estimated using certain assumptions, including tenure of BAT's common shares and potential shareholding meeting 30% and 49% thresholds, respectively, market price and volatility of the Company's Common Shares, risk free rate and discount for lack of marketability.

The fair value of Preferred Shares is based on level 1, level 2 and level 3 inputs and is determined based on market price and volatility of the Company's Common Shares, risk free rate and discount for lack of marketability.

During the year, there were no transfers of amounts between Levels 1, 2 and 3.

ii. Financial risk factors

The Company is exposed to various risks through its financial instruments, as follows:

(a) Credit risk arises from deposits with banks, short-term investments, outstanding trade and other receivables, restricted cash and other financial assets. For trade receivables, the Company does not hold any collateral as security but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance, except potentially from outstanding receivable from one of our international customers. For certain trade and other receivables, management generally obtains guarantees or general security agreements, where applicable. The maximum exposure to credit risk of cash, short-term investments, restricted cash, other financial assets and accounts receivable and other receivables on the consolidated statements of financial position as at September 30, 2024 approximates $211,306 (September 30, 2023 - $90,351).

As of September 30, 2024 and September 30, 2023, the Company's aging of trade receivables was as follows:

	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023
0-60 days	$ 32,349	$ 22,946
61-120 days	5,502	5,845
Gross trade receivables	$ 37,851	$ 28,791
Less: Expected credit losses and reserve for product returns and price adjustments	(5,196)	(1,334)
	$ 32,655	$ 27,457

(b) Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by reviewing on an ongoing basis its capital requirements. As at September 30, 2024, the Company had $106,745 (September 30, 2023 – $33,864) of cash and working capital of $208,897 (September 30, 2023 - $133,545). Further, the Company may potentially access equity capital through the capital markets if required.

The Company is obligated to the following contractual maturities relating to their undiscounted cash flows as at September 30, 2024:

	Carrying Amount	Contractual Cash Flows	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Accounts payable and accrued liabilities	$ 47,097	$ 47,097	$ 47,097	$ —	$ —	$ —
Long-term debt	25	85	60	25	—	—
	$ 47,122	$ 47,182	$ 47,157	$ 25	$ —	$ —

The contractual maturities noted above are based on contractual due dates of the respective financial liabilities.

In connection with the Company's facilities, the Company is contractually committed to approximately $1,676 of capital expenditures.

(c) Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the Company is comprised of:

(d) Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with a floating interest rate. The Company has determined that a 1% change in rates would not have a material impact on the consolidated financial statements.

19. REVENUE

Net revenue for the Company is defined as gross revenue, which is net of any customer discounts, rebates, and sales returns and recoveries, less excise taxes.

Revenue for the year ended September 30, 2024 and thirteen months ended September 30, 2023 is disaggregated as follows:

	YEAR ENDED	THIRTEEN MONTHS ENDED
	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023
Recreational wholesale revenue (Canadian)	$ 230,387	$ 209,001
Direct to patient medical and medical wholesale revenue (Canadian)	1,732	3,584
International wholesale (business to business)	9,651	18,874
Wholesale to licensed producers (Canadian)	5,310	2,129
Other revenue	97	59
Gross revenue	$ 247,177	$ 233,647
Excise taxes	(87,336)	(72,008)
Net revenue	$ 159,841	$ 161,639

Recreational revenue is primarily comprised of provincial government bodies and large retailers that sell cannabis through their respective distribution models, whereas international and domestic wholesale revenue is comprised of wholesale shipments to other cannabis companies, including licensed producers, for further processing and sales onto their end customers.

During the year ended September 30, 2024, the Company hadfour customers (September 30, 2023 – three customers), that individually represented more than 10% of the Company's net revenue.

20. COST OF SALES

Cost of sales is comprised of the cost of inventories sold during the year, shipping expenses, the production cost of late-stage biological assets that are disposed of, provisions for inventory that do not pass the Company's quality assurance standards and obsolete products and packaging, and other production overhead.

During the year ended September 30, 2024, the Company recorded provisions in relation to excess and unsaleable inventories and biological assets as well as adjustments to net realizable value totaling $5,483 (September 30, 2023 - $15,012), which are detailed in Note 6.

During the year ended September 30, 2024, the Company recorded $nil (September 30, 2023 - $nil) in charges for unabsorbed fixed overhead related to reduced production volumes.

21. CONTINGENCIES

The Company recognizes loss contingency provisions for probable losses when management can reasonably estimate the loss. When the estimated loss lies within a range, the Company records a loss contingency provision based on its best estimate of the probable loss. If no particular amount within that range is a better estimate than any other amount, the mid-point of the range is used. As information becomes known a loss contingency provision is recorded when a reasonable estimate can be made. The estimates are reviewed at each reporting date and the estimates are changed when expectations are revised. An outcome that deviates from the Company's estimate may result in an additional expense or release in a future accounting period.

22. GENERAL AND ADMINISTRATIVE EXPENSES BY NATURE

	YEAR ENDED SEPTEMBER 30, 2024	THIRTEEN MONTHS ENDED SEPTEMBER 30, 2023
Office and general	$ 19,109	$ 18,355
Wages and benefits	15,414	14,379
Professional fees	6,287	13,271
Depreciation and amortization	3,851	5,639
Travel and accommodation	628	788
Utilities	581	598
Total general and administrative expenses	$ 45,870	$ 53,030

During the year ended September 30, 2024, the Company recognized a provision for expected credit losses of$4,222, included in the office and general category above.

23. INCOME TAXES

Components of income tax recovery are as folows:

	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023
Current tax		
Current expense	$ —	$ 30
Prior year adjustments	—	(225)
	$ —	$ (195)
Deferred tax		
Origination and reversal of temporary differences	$ (7,052)	(57,438)
Change in unrecognized temporary differences	4,666	48,344
Prior year adjustments	2,386	5,477
	$ —	$ (3,617)
Total income tax recovery	$ —	$ (3,812)

A reconciliation of income tax recovery at the statutory rate to amounts recorded in the consolidated financial statements is provided below:

	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023
Loss before income taxes	$ (45,440)	$ (252,413)
Statutory income tax rate	29.0 %	29.0 %
Tax calculated at statutory rate	(13,178)	(73,200)
Non-deductible (non-taxable) items	5,614	11,489
Change in unrecognized temporary differences	4,666	48,495
Tax rate differences and tax rate changes	512	4,152
Prior year tax adjustments	2,386	5,252
Income tax recovery	$ —	$ (3,812)

Recognized deferred tax assets and liabilities consist of the following:

	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023
Deferred tax assets are attributable to the following:		
Non-capital losses	$ 10,485	$ 12,136
Property, plant and equipment		
	—	475
Other	—	114
Lease liabilities	985	1,041
Deferred tax assets	11,470	13,766
Set-off of tax	(11,470)	(13,766)
Net deferred tax asset	$ —	$ —
Deferred tax liabilities are attributable to the following:		
Property, plant and equipment	$ (375)	$ (1,300)
Intangible assets	(1,773)	(2,137)
Biological assets	(2,499)	(2,832)
Inventories	(5,859)	(6,422)
Right-of-use assets	(927)	(731)
Net investment in sublease	(13)	(316)
Other	(24)	(27)
Deferred tax liabilities	(11,470)	(13,765)
Set-off of tax	11,470	13,765
Net deferred tax liability	$ —	$ —

The changes in temporary differences during the year ended andthirteen months ended September 30, 2024 and September 30, 2023, respectively, were as follows:

	NET BALANCE AT SEPTEMBER 30, 2023	RECOGNIZED IN PROFIT OR LOSS	NET BALANCE AT SEPTEMBER 30, 2024
Non-capital losses	$ 12,136	$ 10,485	$ 22,621
Property, plant and equipment	(1,557)	(1,302)	(2,859)
Intangible assets	(2,117)	(1,773)	(3,890)
Biological assets	(2,832)	(2,499)	(5,331)
Inventories	(6,328)	(5,859)	(12,187)
Lease liabilities	1,041	985	2,026
Net investment in sublease	(316)	(13)	(329)
Other	(27)	(24)	(51)
Net tax liabilities	$ —	$ —	$ —

	NET BALANCE AT AUGUST 31, 2022	RECOGNIZED IN PROFIT OR LOSS	RECOGNIZED DIRECTLY IN EQUITY & OCI	NET BALANCE AT SEPTEMBER 30, 2023
Non-capital losses	$ 6,479	$ 5,657	$ —	$ 12,136
Property, plant and equipment	(1,131)	(426)	—	(1,557)
Intangibles	(3,719)	1,602	—	(2,117)
Biological assets	(2,628)	(204)	—	(2,832)
Inventories	(3,165)	(3,163)	—	(6,328)
Lease liabilities	862	179	—	1,041
Net investment in sublease	(315)	(1)	—	(316)
Other	—	(27)	—	(27)
Net tax (liabilities) assets	$ (3,617)	$ 3,617	$ —	$ —

As at September 30, 2024, the Company has $397,826 (September 30, 2023 - $313,727) non-capital loss carryforwards available to offset future taxable income in Canada, which begin to expire in 2035.

The Company recognizes tax benefits on losses or other deductible amounts where the probable criteria for the recognition of deferred tax assets has been met. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023
Deductible temporary differences	$ 93,950	$ 166,739
Tax losses	362,311	273,774
	$ 456,261	$ 440,513

24. PRODUCT DEVELOPMENT COLLABORATION

On March 10, 2021, in conjunction with the strategic investment received as described herein, the Company and BAT entered into a PDC Agreement pursuant to which the CoE was established to focus on developing the next generation of cannabis products with an initial focus on CBD. The CoE is located at the Company's Moncton Campus, which holds the Health Canada licenses required to conduct research and development ("R&D") activities with cannabis products. Both companies are contributing scientists, researchers, and product developers to the CoE and it is supervised by a steering committee consisting of an equal number of senior members from both companies. Under the terms of the PDC Agreement, both the Company and BAT have access to certain of each other's intellectual property ("IP") and, subject to certain limitations, have the right to independently, globally commercialize the products, technologies and IP created by the CoE pursuant to the PDC Agreement.

Pursuant to the terms of the PDC Agreement, $31,109 of the investment proceeds were reserved as restricted cash in order to satisfy certain of the Company's future obligations under the PDC Agreement, including the Company's portion of its funding obligations under a mutually agreed initial budget for the CoE. Costs relating to the CoE are funded equally by the Company and BAT. Balances are transferred from restricted cash to the Company's general operating account as CoE related expenditures are periodically reconciled and approved. The balance in restricted cash as at September 30, 2024 is $8,175 (September 30, 2023 - $17,893).

The CoE is accounted for as a joint operation, with the Company and BAT each paying 50% of the costs incurred by the CoE. The Company recognized its share of the expenses incurred by the CoE in the statements of operations and comprehensive loss under Research and development. For the year ended September 30, 2024, $6,666 (September 30, 2023 - $6,886) of expenses have been recorded in the statements of operations and comprehensive loss.

25. ACQUISITION OF SUBSIDIARIES

i. Laurentian Organic Inc.

On December 21, 2021, the Company acquired 100% of the shares and voting interests of the non-listed Laurentian for $36,000, consisting of $10,000 in cash consideration, $7,000 on closing and $3,000 held back, with the remaining $26,000 in share consideration at the acquisition date. The Company agreed to provide the seller additional share consideration based on Laurentian's future adjusted EBITDA over a period of two years, which were as follows (all capitalized terms used below not otherwise defined herein have the respective meanings described to them in the Company's agreement to acquire Laurentian):

a) First Year Earnout calculated for the period January 1, 2022 to December 31, 2022, as the greater of (i) zero and (ii) the difference obtained when the sum of $2,000 and 50% of the agreed capital expenditures is subtracted from 30% of the First Year adjusted EBITDA Multiple, payable in Common Shares, provided that, the sum of the Initial Consideration and the First Year Earnout Amount shall not exceed the First Year adjusted EBITDA Multiple; and

b) Second Year Earnout calculated for the period January 1, 2023 to December 31, 2023, as 19% of the Second Year adjusted EBITDA Multiple less the remaining balance of the agreed capital expenditures, payable in Common Shares, provided that, the sum of the Initial Consideration, the First Year Earnout Amount and the Second Year Earnout Amount shall not exceed the Second Year EBITDA Multiple.

Earnout payments paid in Common Shares were to be priced based on the five-day volume-weighted average price of the Company's Common Shares on the TSX as of the day prior to settlement. As at the acquisition date, the fair value of the contingent consideration was estimated to be $6,996 and subsequently as at August 31, 2022 adjusted to $2,913, to reflect changes in estimates.
The first year earnout milestone was not met and during the thirteen months ended September 30, 2023, the Company recognized a fair valuation gain of $2,864 in the statements of operations and comprehensive loss.

The second year earnout milestone was also not met and during the year ended September 30, 2024, the Company recognized a fair valuation gain of $0 in the statements of operations and comprehensive loss.

In July 2024, the Company received a dispute notice from the Laurentian vendors purporting to cover the first year and second year earnout. The Company and the Laurentian vendors have entered into an engagement letter appointing BDO Canada LLP as neutral accountant to review the items in the dispute notice in accordance with the share purchase agreement dated December 21, 2021.

ii. The Edibles and Infusions Corporation

On April 6, 2021, the Company acquired 100% of the shares and voting interests of the non-listed EIC, including SUHM Investments Inc. and Quality Confections Corporation who collectively owned 100% of EIC for $22,000 of share consideration at the acquisition date. The Company has agreed to provide the seller additional share consideration of $13,000 should EIC achieve its milestones.

Contingent share consideration
The acquisition included contingent share consideration based on various milestones as follows:

i) $3,500 to be paid in Common Shares upon the first listing of EIC or Organigram-branded product, manufactured at the EIC facility, in the Ontario or Alberta recreational markets prior to December 31, 2021. This was achieved in the year ended August 31, 2021 and subsequently settled on September 8, 2021;

ii) $7,000 to be paid in Common Shares on the generation of $15 million in net revenue during the 12 months ended December 31, 2022. This was achieved during the thirteen months ended September 30, 2023 and the Company issued 2,621,370 Common Shares as consideration to the former shareholders of EIC, for a total value of $6,500. The remaining $500 has been irrevocably disclaimed and waived as part of a negotiated settlement and the Company recorded it as a change in fair value of contingent share consideration during the thirteen months ended September 30, 2023; and

iii) $2,500 to be paid in Common Shares on the generation of $7 million in adjusted EBITDA for the 12 months ended December 31, 2022. The third milestone, calculated based on the adjusted EBITDA for the 12 months ended December 31, 2022, was not met.

26. OPERATING SEGMENTS

An operating segment is a component of the Company for which discrete financial information is available and whose operating results are regularly reviewed by the Company's chief operating decision maker, to make decisions about resources to be allocated to the segment and assess its performance, and that engages in business activities from which it may earn revenue and incur expenses. The Company only has one operating segment.

27. SUBSEQUENT EVENTS

On December 6, 2024, the Company acquired 100% of the issued and outstanding shares of Motif Labs Ltd. (“Motif”), a Canadian leader in the vape and infused pre-roll categories backed by a portfolio of strong owned brands, for upfront consideration of $90 million, consisting of $50 million in cash and $40 million of the Company's common shares priced based on the 30 day trading volume-weighted average price ("VWAP") of $2.3210. In addition, Motif shareholders are entitled to receive an additional contingent consideration of $10 million payable in Company's common shares (“Contingent Consideration”), conditional on the Company achieving a price per share exceeding $3.2203 per share, based on the rolling 30-trading day VWAP on the Toronto Stock Exchange, within 12 months of the date of the transaction. The Contingent Consideration shall be priced at $3.22031 per share. The Company believes that this acquisition will bring economies of scale and by leveraging the combined competitive advantages and respective market positions, the Company will continue to grow in Canada and internationally.


ORGANIGRAM

ORGANIGRAM



FISCAL 2024

Organigram Holdings Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A")

For the year ended September 30, 2024 and the thirteen months ended September 30, 2023

INTRODUCTION

This Management's Discussion and Analysis dated December 18, 2024 (this "MD&A"), should be read in conjunction with the audited annual consolidated financial statements (the "Financial Statements") of Organigram Holdings Inc. (together with its subsidiaries, the "Company", "Organigram",, "we", "us", or "our") for the year ended September 30, 2024 ("Fiscal 2024") and the thirteen months ended September 30, 2023 ("Fiscal 2023"), including the accompanying notes thereto.

CHANGE IN YEAR END

In May 2023, to better align our financial statement reporting periods with that of other public companies and with calendar quarters, we announced a change to our fiscal year end from August 31 to September 30. This change resulted in a transitional thirteen month period for Fiscal 2023 as opposed to a twelve month period, and a four month fourth quarter as opposed to a three month fourth quarter.

As required by International Financial Reporting Standards ("IFRS"), our Financial Statements for Fiscal 2024 compare our financial results for the twelve month period of Fiscal 2024 with the thirteen month period of Fiscal 2023. However, for comparative purposes in this MD&A, and to more accurately reflect period-over-period performance, this MD&A presents our financial results for the unaudited twelve month period beginning October 1, 2022 and ending September 30, 2023, and the unaudited and unreviewed three month period beginning July 1, 2023 and ending September 30, 2023. Management believes these comparative periods provide readers with more relevant information to better understand the Company's financial performance.

References in this MD&A to "**Fiscal 2024**" are to the twelve month period beginning October 1, 2023 and ending September 30, 2024. References in this MD&A to "**Fiscal 2023**" are to the thirteen month period beginning September 1, 2022, and ending September 30, 2023. References to "**Q4 Fiscal 2024**" are to the three month period beginning July 1, 2024 and ending September 30, 2024. References to "**Comparative Fiscal 2023**" are to the twelve month period beginning October 1, 2022, and ending September 30, 2023. References to "**Q4 Fiscal 2023**" are to the four month period beginning June 1, 2023, and ending September 30, 2023. References to "**Comparative Q4 Fiscal 2023**" are to the three month period beginning July 1, 2023, and ending September 30, 2023.

Under the heading below titled Comparative Key Annual Financial and Operating Results is a comparison of the results of Fiscal 2024, Fiscal 2023, and Comparative Fiscal 2023. Under the heading further below titled Comparative Key Quarterly Financial and Operating Results is a comparison of the results of Q4 Fiscal 2024, Q4 Fiscal 2023, and Q4 Comparative Fiscal 2023.

Comparative Key Annual Financial and Operating Results

	Fiscal 2024	Fiscal 2023 (thirteen months ended September 30, 2023)	Comparative Fiscal 2023 (twelve months ended September 30, 2023)[1]
Financial Results			
Gross revenue	$ 247,177	$ 233,647	$ 217,354
Net revenue	$ 159,841	$ 161,639	$ 150,397
Cost of sales	$ 111,390	$ 136,437	$ 128,142
Gross margin before fair value adjustments	$ 48,451	$ 25,202	$ 22,255
Gross margin % before fair value adjustments	30 %	16 %	15 %
Realized fair value on inventories sold and other inventory charges	$ (52,078)	$ (56,187)	$ (56,187)
Unrealized gain on changes in fair value of biological assets	$ 51,151	$ 68,981	$ 68,981
Gross margin	$ 47,524	$ 37,996	$ 35,049
Operating expenses	$ 83,195	$ 300,963	$ 295,067
Loss from operations	$ (35,671)	$ (262,967)	$ (260,018)
Other (income) expenses	$ 9,769	$ (10,554)	$ (9,204)
Net loss	$ (45,440)	$ (248,601)	$ (247,002)
Net loss per common share, basic and diluted	$ (0.477)	$ (3.058)	$ (3.116)
Net cash provided by (used in) operating activities	$ 3,872	$ (38,778)	$ (52,134)
Adjusted Gross Margin[2]	$ 53,934	$ 40,214	$ 37,268
Adjusted Gross Margin %[(2)]	34 %	25 %	25 %
Adjusted EBITDA[(2)]	$ 8,416	$ 5,951	$ 5,405

[1] Comparative Fiscal 2023 results is for the unaudited twelve month period beginning October 1, 2022 and ending September 30, 2023

[2] Adjusted gross margin, adjusted gross margin %, and Adjusted EBITDA are non-IFRS measures. See "Cautionary Statement Regarding Certain Non-IFRS Measures" and "Financial Results and Review of Operations" in this MD&A.

Comparative Key Quarterly Financial and Operating Results

	Q4 2024	Q4 2023 (four months ended September 30, 2023)	Comparative Q4 Fiscal 2023 (three months ended September 30, 2023)[3]
Financial Results			
Gross revenue	$ 69,877	$ 71,458	$ 56,179
Net revenue	$ 44,698	$ 46,040	$ 36,698
Cost of sales	$ 30,907	$ 42,885	$ 34,321
Gross margin before fair value adjustments	$ 13,791	$ 3,155	$ 2,377
Gross margin % before fair value adjustments	31 %	7 %	6 %
Realized fair value on inventories sold and other inventory charges	$ (15,365)	$ (15,901)	$ (15,901)
Unrealized gain on changes in fair value of biological assets	$ 18,790	$ 21,751	$ 21,751
Gross margin	$ 17,216	$ 9,005	$ 8,227
Operating expenses	$ 16,933	$ 45,550	$ 38,244
Income (loss) from operations	$ 283	$ (36,545)	$ (30,017)
Other (income) expenses	$ 5,686	$ (1,275)	$ (1,143)
Net loss	$ (5,433)	$ (32,991)	$ (26,595)
Net loss per common share, basic and diluted	$ (0.050)	$ (0.105)	$ (3.058)
Net cash provided by (used in) operating activities	$ 8,893	$ (17,017)	$ (8,469)
Adjusted Gross Margin[(2)]	$ 16,543	$ 7,939	$ 7,161
Adjusted Gross Margin %[(2)]	37 %	17 %	20 %
Adjusted EBITDA[(2)]	$ 5,860	$ (1,890)	$ 58

[3] Comparative Q4 Fiscal 2023 results are for the unaudited three month period beginning July 1, 2023 and ending September 30, 2023

Adjusted EBITDA (Non-IFRS Measure)

Adjusted EBITDA Reconciliation

	Fiscal 2024	Fiscal 2023 (thirteen months ended September 30, 2023)	Comparative Fiscal 2023 (twelve months ended September 30, 2023)[4]
Net income (loss) as reported	$ (45,440)	$ (248,601)	$ (247,002)
Add/(deduct):			
Financing costs, net of investment income	(3,311)	(3,692)	(3,423)
Income tax (recovery) expense	—	(3,812)	(3,812)
Depreciation, amortization, and (gain) loss on disposal of property, plant and equipment (per statement of cash flows)	11,446	26,606	23,959
Normalization of depreciation add-back due to changes in depreciable assets resulting from impairment charges	757	3,037	3,037
Impairment of intangible assets and goodwill	—	44,856	44,856
Impairment of property, plant and equipment	—	165,255	165,255
Share of loss (gain) from investments in associates and impairment loss (recovery) from loan receivable	5,284	938	829
Realized fair value on inventories sold and other inventory charges	52,078	56,187	56,187
Unrealized gain on changes in fair value of biological assets	(51,151)	(68,981)	(68,981)
Share-based compensation (per statement of cash flows)	7,182	5,727	5,008
Legal provisions (recoveries), government subsidies, insurance recoveries and other non-operating expenses (income)	(176)	(482)	(482)
Share issuance costs allocated to derivative liabilities and change in fair value of derivative liabilities, other financial assets and contingent consideration	8,605	(7,736)	(6,158)
ERP implementation costs	1,636	7,687	7,175
Transaction costs	915	1,463	1,437
Provisions (recoveries) and net realizable value adjustments related to inventory and biological assets	5,483	15,012	15,012
Research and development expenditures, net of depreciation	10,869	12,487	12,038
Adjusted EBITDA as previously reported	$ 4,177	$ 5,951	$ 4,935
Add: Provision for Canndoc expected credit losses	4,239	470	470
Adjusted EBITDA (revised)	$ 8,416	$ 6,421	$ 5,405
Divided by: net revenue	159,841	161,639	150,397
Adjusted EBITDA Margin % (revised) (Non-IFRS Measure)	5 %	4 %	4 %

[4] Comparative Fiscal 2023 results are for the unaudited twelve month period beginning October 1, 2022 and ending September 30, 2023

Adjusted EBITDA (Non-IFRS Measure)

Adjusted EBITDA Reconciliation

	Q4-F24	Q4-F23 (Four months ended September 30, 2023)	Comparative Q4 Fiscal 2023 (three months ended September 30, 2023)[5]
Net income (loss) as reported	$ (5,433)	$ (32,991)	$ (26,595)
Add/(deduct):			
Financing costs, net of investment income	(960)	(923)	(652)
Income tax (recovery) expense	30	(2,279)	(2,279)
Depreciation, amortization, and (gain) loss on disposal of property, plant and equipment (per statement of cash flows)	3,097	5,581	3,294
Normalization of depreciation add-back due to changes in depreciable assets resulting from impairment charges	—	3,037	3,037
Impairment of intangible assets and goodwill	—	6,951	6,951
Impairment of property, plant and equipment	—	11,918	11,918
Share of loss (gain) from investments in associates and impairment loss (recovery) from loan receivable	4,895	(51)	(51)
Realized fair value on inventories sold and other inventory charges	15,365	15,901	15,901
Unrealized gain on changes in fair value of biological assets	(18,790)	(21,751)	(21,751)
Share-based compensation (per statement of cash flows)	1,093	1,208	797
Legal provisions (recoveries), government subsidies, insurance recoveries and other non-operating expenses (income)	(184)	(407)	(407)
Share issuance costs allocated to derivative liabilities and change in fair value of derivative liabilities, other financial assets and contingent consideration	1,911	(53)	(53)
ERP implementation costs	465	2,415	1,588
Transaction costs	74	580	505
Provisions (recoveries) and net realizable value adjustments related to inventory and biological assets	2,752	4,784	4,784
Research and development expenditures, net of depreciation	1,545	3,720	2,601
Adjusted EBITDA as previously reported	$ 5,860	$ (2,360)	$ (412)
Add: Provision for Canndoc expected credit losses	—	470	470
Adjusted EBITDA (revised)	$ 5,860	$ (1,890)	$ 58
Divided by: net revenue	44,698	46,040	36,698
Adjusted EBITDA Margin % (revised) (Non-IFRS Measure)	13 %	(4)%	— %

Financial data in this MD&A is based on the Financial Statements of the Company, and has been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”), unless otherwise stated. All financial information in this MD&A is expressed in thousands of Canadian dollars (“$”), except for share and per share calculations, references to $ millions and $ billions, per gram (“g”) or kilogram (“kg”) of dried flower and per milliliter (“mL”) or liter (“L”) of cannabis extracts calculations.

This MD&A contains forward-looking information within the meaning of applicable securities laws, and includes the use of Non-IFRS Measures (as defined herein). Refer to “Cautionary Statement Regarding Forward-Looking Information” and “Cautionary Statement Regarding Certain Non-IFRS Measures” included within this MD&A.

The financial information in this MD&A also contains certain financial and operational performance measures that are not defined by and do not have any standardized meaning under IFRS, but are used by management to assess the financial and operational performance of the Company. These include, but are not limited to, the following:

- Adjusted gross margin; and
- Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA").

The Company believes that these Non-IFRS Measures, 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. The Non-IFRS Measures are defined in the sections in which they appear. Adjusted gross margin and Adjusted EBITDA are reconciled to IFRS in the “Financial Results and Review of Operations” section of this MD&A.

As there are no standardized methods of calculating these Non-IFRS Measures, the Company’s approaches may differ from those used by others, and the use of these measures may not be directly comparable. Accordingly, these Non-IFRS Measures are

[5] Comparative Q4 Fiscal 2023 results are for the unaudited three month period beginning July 1, 2023 and ending September 30, 2023

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. Refer to "Cautionary Statement Regarding Certain Non-IFRS Measures" included within this MD&A.

This MD&A contains information concerning our industry and the markets in which we operate, including our market position and market share, which is based on information from independent third-party sources. Although we believe these sources to be generally reliable, market and industry data is inherently imprecise, subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process, and other limitations and uncertainties inherent in any statistical survey or data collection process. We have not independently verified any third-party information contained herein.

Additional information relating to the Company, including the Company's most recent annual information form (the "AIF"), is available under the Company's issuer profile on the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval ("SEDAR+") at www.sedarplus.ca. The Company's reports and other information filed with or furnished to the United States Securities and Exchange Commission ("SEC") are available on the SEC's Electronic Data Gathering, Analysis and Retrieval System ("EDGAR") at www.sec.gov.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain information herein contains or incorporates comments that constitute forward-looking information within the meaning of applicable securities legislation ("forward-looking information"). Forward-looking information, in general, can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "could", "would", "might", "expect", "intend", "estimate", "anticipate", "believe", "plan", "continue", "budget", "schedule" or "forecast" or similar expressions suggesting future outcomes or events. They include, but are not limited to, statements with respect to expectations, forecasts or other characterizations of future events or circumstances, and the Company's objectives, goals, strategies, beliefs, intentions, plans, estimates, projections and outlook, including statements relating to the Company's plans and objectives, or estimates or predictions of actions of customers, suppliers, partners, distributors, competitors or regulatory authorities; and statements regarding the Company's future economic performance. These statements are not historical facts but instead represent management beliefs regarding future events, many of which by their nature are inherently uncertain and beyond management control. Forward-looking information in this MD&A is based on the Company's current expectations about future events.

Certain forward-looking information in this MD&A includes, but is not limited to the following:

- Moncton Campus (as defined herein), Winnipeg Facility (as defined herein) and Lac-Supérieur Facility (as defined herein) licensing and production capacity and timing thereof;
- Expectations regarding production capacity, facility size, tetrahydrocannabinol ("THC") content, costs and yields;
- Expectations regarding the prospects of the Company's collaboration and investment transaction with a wholly-owned subsidiary of British American Tobacco p.l.c. ("BAT");
- Expectations regarding the prospects for the Company's primary operating subsidiary, Organigram Inc., being the resulting entity from the October 2023 amalgamation between Organigram Inc., The Edibles and Infusions Corporation ("EIC") and Laurentian Organic Inc. ("Laurentian");
- The final outcome of the Anti-Dumping Investigation (as defined herein) in respect of Canadian cannabis exports to Israel;
- Expectations around demand for cannabis and related products, future opportunities and sales, including the relative mix of medical versus recreational cannabis products, the relative mix of products within the recreational category;
- Changes in legislation related to permitted cannabis classes, formats, cannabinoid content and potency, including regulations relating thereto, the timing and the implementation thereof, and our future product formats;
- Expectations around branded cannabis products with respect to timing, launch, product attributes, composition and consumer demand;
- Expectations around the Company's ability to develop current and future vapour hardware, and the Company's ability to enter into and expand its share of the cannabis vapour products market;
- Expectations around the revenue growth from innovative products, particularly the commercialization of its new FAST™ (Fast Acting Soluble Technology) nanoemulsion technology ("FAST™");
- The scope of protection the Company is able to establish and maintain, if any, for its intellectual property ("IP") rights;
- Strategic investments and capital expenditures, and expected related benefits;
- The expectation that the planned technical arrangement between Organigram and Phylos Bioscience Inc. ("Phylos") will permit Organigram to transition a portion of its garden to seed-based cultivation over time, and the anticipated benefits of seed-based production;
- Expectations regarding the Company's investments in Weekend Holdings Corp ("WHC"), the parent company of Green Tank Technologies Corp. ("Greentank"), Steady State LLC (d/b/a Open Book Extracts) ("OBX"), and Sanity Group GmbH ("Sanity Group");
- Expectations regarding European Union Good Manufacturing Practice ("EU-GMP")certification, including successful completion of the audit and timing for the issuance of the certification, if successful;

- Expectations regarding the resolution of litigation and other legal proceedings;
- The general continuance of current, or where applicable, assumed industry conditions;
- Changes in laws, regulations, guidelines, and policies, and the interpretation thereof, including those relating to the recreational and/or medical cannabis markets domestically and internationally, minor cannabinoids and environmental programs;
- The price of cannabis and derivative cannabis products;
- Expectations around the availability and introduction of new genetics including consistency and quality of seeds and plants and the characteristics thereof;
- The impact of the Company's cash flow and financial performance on third parties, including its supply partners;
- Fluctuations in the price of Common Shares and the market for Common Shares;
- The treatment of the Company's business under governmental regulatory regimes and tax laws, including the*Excise Act*2001 (Canada) and the renewal of the Company's licenses thereunder and the Company's ability to obtain export permits from time to time;
- The treatment of the Company's business under international regulatory regimes and impacts on changes thereto on the Company's international sales;
- Expectations related to the war between Israel and Hamas and its impact on the supply of product and collection of accounts receivable and the demand for product in Israel;
- The Company's growth strategy, targets for future growth and forecasts of the results of such growth;
- Expectations concerning access to capital and liquidity, the consummation of the outstanding tranche of the follow-on strategic equity investment from BT DE Investments Inc., a wholly-owned subsidiary of BAT (the "Follow-on BAT Investment" and the Company's ability to access the public markets from time to time to fund operational activities and growth;
- The Company's ability to remain listed on the Toronto Stock Exchange (the "TSX") and Nasdaq Global Select Market ("NASDAQ") and the impact of any actions it may be required to take to remain listed;
- Expectations concerning the Company's financial position, future liquidity and other financial results;
- The ability of the Company to generate cash flow from operations and from financing activities;
- The competitive conditions of the industry, including the Company's ability to maintain or grow its market share;
- Expectations regarding the Company's ability to generate cost savings from operational effectiveness and automation initiatives;
- Expectations regarding capital expenditures and timing thereof; and
- Expectations concerning the Company's performance during the first quarter of fiscal year 2025 ("Fiscal 2025"), including with respect to revenue, adjusted gross margin, selling, general and administrative expenses ("SG&A") and Adjusted EBITDA.

Forward-looking information is provided for the purposes of assisting the reader in understanding the Company and its business, operations, risks, financial performance, financial position and cash flows as at and for the periods ended on certain dates, and to present information about management's current expectations and plans relating to the future, and the reader is cautioned that such statements may not be appropriate for other purposes. In addition, this MD&A may contain forward-looking information attributed to third party industry sources. Undue reliance should not be placed on forward-looking information, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. Forward-looking information does not guarantee future performance and involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in the forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the expectations, predictions, forecasts, projections and conclusions will not occur or prove accurate, that assumptions may not be correct, and that objectives, strategic goals and priorities will not be achieved. These and other factors may cause actual results or events to differ materially from those anticipated in the forward-looking information.

Factors that could cause actual results to differ materially from those set forth in forward-looking information include, but are not limited to: financial risks; cyber security risks; dependence on senior management and other key personnel, the board of directors of the Company (the "Board of Directors"), consultants and advisors; availability and sufficiency of insurance including continued availability and sufficiency of director and officer and other forms of insurance; the Company and its subsidiaries being able to, where applicable, cultivate cannabis pursuant to applicable law and on the currently anticipated timelines and in anticipated volumes; industry competition; global events, including heightened economic and industry uncertainty as a result of any pandemic or epidemic and governmental action in respect thereto, including with respect to impacts on production, operations, disclosure controls and procedures or internal control over financial reporting, and supply chain and distribution disruptions; facility and technological risks; changes to government laws, regulations or policy, including environmental or tax, or the enforcement thereof; agricultural risks; ability to maintain any required licenses or certifications; supply risks; product risks; construction delays or postponements; packaging and shipping logistics; inflationary risk, expected number of medical and recreational cannabis users in Canada and internationally; continuation of shipments to existing and prospective international jurisdictions and customers; potential time frame for the implementation of legislation to legalize cannabis internationally; the Company's, its subsidiaries' and its investees' ability to, where applicable, obtain and/or maintain their status as licensed producers (a "Licensed Producer" or "LP") or other applicable licensees; risk factors affecting its investees; availability of any required financing on commercially acceptable

terms or at all; the potential size of the regulated recreational cannabis market in Canada; demand for and changes in the Company's cannabis and related products, including the Company's derivative products, and the sufficiency of the retail networks to supply such demand; ability of the Company to develop current and future vapour hardware and to expand into the vapour market; ability to enter and participate in international market opportunities; general economic, financial market, regulatory, industry and political conditions affecting the Company; expectations related to the ongoing war between Israel and Hamas and its impact on the supply of product in the market and the demand for product in Israel as well as the impact of the war on collection of accounts receivable; the outcome of the final Anti-Dumping Investigation; the ability of the Company to compete in the cannabis industry and changes in the competitive landscape; a material decline in cannabis prices; the Company's ability to manage anticipated and unanticipated costs; the Company's ability to implement and maintain effective internal control over financial reporting and disclosure controls and procedures; risks relating to potential failure of the Company's information technology ("IT") system; ongoing expansions to the Company's enterprise resource planning ("ERP") system; continuing to meet listing standards for the TSX and the NASDAQ; risks relating to the Company's IP; liquidity risk; concentration risk; and other risks and factors described from time to time in the documents filed by the Company with securities regulators in Canada and the United States. Material factors and assumptions used in establishing forward-looking information include that production activities will proceed as planned, and demand for cannabis and related products will change in the manner expected by management. All forward-looking information is provided as of the date of this MD&A.

The Company does not undertake to update any such forward-looking information whether as a result of new information, future events or otherwise, except as required by law.

ADDITIONAL INFORMATION ABOUT THE ASSUMPTIONS, RISKS AND UNCERTAINTIES OF THE COMPANY'S BUSINESS AND MATERIAL FACTORS OR ASSUMPTIONS ON WHICH INFORMATION CONTAINED IN FORWARD-LOOKING INFORMATION IS BASED IS PROVIDED IN THE COMPANY'S DISCLOSURE MATERIALS, INCLUDING IN THIS MD&A UNDER "RISK FACTORS" AND THE COMPANY'S CURRENT AIF UNDER "RISK FACTORS", FILED WITH THE SECURITIES REGULATORY AUTHORITIES IN CANADA AND AVAILABLE UNDER THE COMPANY'S ISSUER PROFILE ON SEDAR+ AT WWW.SEDARPLUS.CA, AND FILED WITH OR FURNISHED TO THE SEC AND AVAILABLE ON EDGAR AT WWW.SEC.GOV. ALL FORWARD-LOOKING INFORMATION IN THIS MD&A IS QUALIFIED BY THESE CAUTIONARY STATEMENTS.

CAUTIONARY STATEMENT REGARDING CERTAIN NON-IFRS MEASURES

This MD&A contains certain financial and operational performance measures that are not recognized or defined under IFRS ("Non-IFRS Measures"). As there are no standardized methods of calculating these Non-IFRS Measures, the Company's approaches may differ from those used by others and this data may not be comparable to similar data presented by other Licensed Producers of cannabis and cannabis companies. For an explanation of these measures to related comparable financial information presented in the Financial Statements prepared in accordance with IFRS, refer to the discussion below.

The Company believes that these Non-IFRS Measures are useful indicators of operating performance and are specifically used by management to assess the financial and operating performance of the Company. These Non-IFRS Measures include, but are not limited to, the following:

- Adjusted gross margin is calculated by subtracting cost of sales, before the effects of: (i) unrealized gain on changes in fair value of biological assets; (ii) realized fair value on inventories sold and other inventory charges; (iii) provisions and impairment of inventories and biological assets; and (iv) provisions to net realizable value. Adjusted gross margin percentage is calculated by dividing adjusted gross margin by net revenue. Adjusted gross margin is reconciled to the most directly comparable IFRS financial measure in the "Financial Results and Review of Operations" section of this MD&A.

  Management believes that these measures provide useful information to assess the profitability of our operations as they represent the normalized gross margin generated from operations and exclude the effects of non-cash fair value adjustments on inventories and biological assets, which are required by IFRS. The most directly comparable measure to adjusted gross margin calculated in accordance with IFRS is gross margin before fair value adjustments.

- Adjusted EBITDA is calculated as net income (loss) excluding: financing costs, net of investment income; income tax expense (recovery); depreciation, amortization, impairment, normalization of depreciation add-back due to changes in depreciable assets resulting from impairment charges, (gain) loss on disposal of property, plant and equipment (per the consolidated statement of cash flows); share-based compensation (per the consolidated statement of cash flows); share of loss (gain) from investments in associates including impairment loss; change in fair value of contingent consideration; change in fair value of derivative liabilities, other financial assets and preferred shares; expenditures incurred in connection with research and development activities (net of depreciation); unrealized gain on changes in fair value of biological assets; realized fair value on inventories sold and other inventory charges; provisions and net realizable value adjustments related to inventory and biological assets; government subsidies, insurance recoveries and other non-operating expenses (income); legal provisions (recoveries); ERP implementation costs; transaction costs; share issuance costs; and provision for Canndoc (as defined herein) expected credit losses. Adjusted EBITDA is reconciled to the most

directly comparable IFRS financial measure in the "Financial Results and Review of Operations" section of this MD&A.

During the second quarter of Fiscal 2024, Management changed the calculation of Adjusted EBITDA and has conformed prior quarters accordingly to include provision for expected credit losses.

Adjusted EBITDA is intended to provide a proxy for the Company's operating cash flow and derives expectations of future financial performance for the Company, and excludes adjustments that are not reflective of current operating results. The most directly comparable measure to Adjusted EBITDA calculated in accordance with IFRS is net income (loss).

Non-IFRS Measures should be considered together with other data prepared in accordance with IFRS to enable investors to evaluate the Company's operating results, underlying performance and prospects in a manner similar to the Company's management. Accordingly, these Non-IFRS Measures are 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.

BUSINESS OVERVIEW

NATURE OF THE COMPANY'S BUSINESS

The Company is a federally incorporated Canadian cannabis cultivator and manufacturer of finished cannabis goods. Our principal operating subsidiary, Organigram Inc., is a Licensed Producer of cannabis regulated by Health Canada. Organigram is authorized to cultivate cannabis and to manufacture and distribute cannabis products to wholesale and retail channels in the recreational and medical cannabis regimes.

The Company's head office is located at 1400-145 King Street West, Toronto, Ontario, M5H 1J8. The Company's registered office is located at 35 English Drive, Moncton, New Brunswick, E1E 3X3. The Company's common shares ("Common Shares") are listed under the ticker symbol "OGI" on both the NASDAQ and the TSX. Any inquiries regarding the Company may be directed by email to investors@organigram.ca.

The Company conducts its operations at several facilities: (i) our primary indoor cultivation and manufacturing facility in Moncton, New Brunswick (the "Moncton Campus"); (ii) our edibles manufacturing facility in Winnipeg, Manitoba (the "Winnipeg Facility"); and (iii) our craft flower cultivation and hash production facility in Lac-Supérieur, Québec (the "Lac-Supérieur Facility"). We also export cannabis to various international jurisdictions.

On December 6, 2024, the Company acquired Motif Labs Ltd. ("Motif"), a leading cannabis company, specializing in cannabis extraction and vape and infused pre-roll formulation and production. As a result of the acquisition, the Company now operates two additional cannabis processing facilities in Southwestern Ontario: one in Aylmer (the "Aylmer Facility") and the other in London (the "London Facility"). The Aylmer Facility houses best-in-class CO2 and Hydrocarbon extraction capabilities, and is optimized for formulation refinement, post-processing of minor cannabinoids, and pre-roll production. The London Facility will be optimized for labelling, packaging, and national fulfillment. The Aylmer Facility and London Facility provide the Company with physical footprints in Canada's most populous province, and are expected to aid the Company in further optimizing its production and logistics.

STRATEGY

Our corporate strategy is to leverage our broad consumer brand and product portfolio and our culture of innovation to increase our market share, drive profitability, expand internationally, and continue to be an industry leader that delivers long-term shareholder value.

The pillars of our strategy are:

1. Innovation;
2. Consumer Focus;
3. Efficiency; and
4. Market Expansion.

1. Innovation

Meeting the demands of a fast-growing industry with changing consumer preferences requires innovation and the creation of breakthrough products that are embraced by the market and provide a long-term competitive advantage. We are committed to maintaining a culture of innovation and have a track record of introducing differentiated products that quickly capture market share, specifically:

- **SHRED:** Canada's first milled flower product blended to create curated flavour profiles;

- **Monjour Wellness gummies:** a cannabidiol ("CBD") focused wellness brand available in a large format and offering multiple flavours in one package;
- **SHRED X Rip-Strip hash**: a patent-pending botanical terpene-infused hash product sold in convenient pre-cut strips;
- **SHRED X Heavies: a** line of ultra-high THC (40%+) infused pre-rolls with diamonds, distillate and botanical terpenes;
- **THCV:** Canada's first whole-flower derived tetrahydrocannabivarin ("THCV") products, including gummies and whole and milled flower, offering consumers a differentiated experience compared to THC;
- **SHRED Dartz:** tube-style pre-rolls delivered in a format familiar to consumers in a sleek and low-profile package;
- **SHRED Rainbow Oz. Dartz:** a multi-flavour offering containing 7 different packs of pre-rolls, for a total of 70 pre-rolls per package; and
- **Edison Sonics**: Canada's first gummy product utilizing FAST™ which is clinically validated to show onset of up to 50% faster and results in nearly double the amount of peak cannabinoid levels compared to gummies without FAST™. Edison Sonics were launched in November 2024.

Consistent with our innovation culture, we have a product development collaboration ("PDC") with BAT, our largest institutional shareholder and a leading multi-category consumer goods business, through which we established a "Centre of Excellence" (the "CoE") to focus on developing the next generation of cannabis products. The CoE is located at the Moncton Campus, where Organigram has been authorized to conduct research and development activities with cannabis. Under the terms of the Product Development Collaboration agreement (the "PDC Agreement") between the parties dated March 10, 2021, we have a worldwide, royalty-free, sub-licensable, perpetual license to exploit IP developed in the PDC in any field. This license, which is exclusive to us in Canada and non-exclusive to us outside of Canada, enhances our ability to enter international markets, including through sublicensing arrangements with established operators. Both companies contributed scientists, researchers, and product developers to the CoE, which is governed and supervised by a steering committee consisting of an equal number of senior members from both companies.

2. Consumer Focus

Organigram seeks to address the changing needs of the cannabis consumer through its broad brand and product portfolio in which it offers products in the most popular categories and at attractive price points. Based on ongoing consumer research, the Company's product portfolio is frequently refreshed with different flower strains and new package formats and product introductions. Organigram's alignment with consumers is evidenced by its #2 market position[6] as of the end of Q4 Fiscal 2024, and its category leadership:

- **SHRED:** $225 million in annual retail sales as of the last twelve months ("LTM") at the end of Q4 Fiscal 2024[6];
- **Hash:** since acquiring the Lac-Supérieur Facility, Organigram has expanded hash distribution nationally and introduced the innovative Rip-Strip Hash product. On September 30, 2024, Organigram held the #1 market position in the hash category
- **SHRED'ems and Monjour gummies**: among the top-selling gummies in Canada. As of the end of Q4 Fiscal 2024, the Company held the #3 market position in the gummy category with Monjour being the best-selling CBD-only gummy[6]; and **Boxhot:** the Company acquired the Boxhot brand through its acquisition of Motif in December, 2024. Boxhot is one of Canada's leading cannabis brands with $158 million in revenue in the last 12 months[7], and is the leading vape brand in the country[1], that represents products in the vape, infused pre-roll, and concentrates categories

In addition to third-party and direct consumer research, we maintain contact with consumers online via social media.

3. Efficiency

The Moncton Campus utilizes three-tier cultivation technology to maximize the use of facility square footage. It also employs proprietary information technology to track all aspects of the cannabis cultivation and harvest process. This is complemented by automation in post-harvest production, including high-speed pouch filling, pre-roll machines and automated excise stamping.

The Winnipeg Facility is highly automated and efficiently handles both small-batch artisanal manufacturing of edibles and large-scale nutraceutical-grade production, enabling us to produce a wide range of high-quality edible products at attractive price points.

The Lac-Supérieur Facility houses a cultivation and derivative products processing operation. We have strategically invested in the Lac-Supérieur Facility to increase cultivation capacity, processing and storage space, and accelerate automation.

Key efficiency milestones achieved in Q4 Fiscal 2024 include:

- Realized $9.1 million in annualized savings;
- Harvested 23,323 kg of flower representing an increase of 10% compared to Q4 Fiscal 2023;
- Produced 41.5 million gummies in Fiscal 2024, an increase of over 36% compared to Fiscal 2023;

[6] As of September 30, 2024 - Multiple sources (Hifyre, Weedcrawler, OCS wholesale sales and e-commerce orders shipped data, provincial boards data and internal sales data)
[7] Source: Hifyre (all provinces other than QC, NB and NS), Weedcrawler (QC), and Board Data (NB, NS, PE), R3M Oct 30

- Completed trials for reducing cannabinoid waste that are expected to deliver meaningful savings in Fiscal 2025, by changing to in-line active dosing tanks for the continuous edibles line;
- Achieved record yield per plant of 187 grams;
- The Company achieved 9% of its cannabis harvest from seeds in Q4 Fiscal 2024 and 22% by the end of calendar 2024, contributing to a reduction in cultivation costs and increased cultivation capacity. The Company expects to further leverage lower-cost seed-based technology by targeting approximately 20% of harvests from seeds in Fiscal 2025, with monthly fluctuations between 15% and 30% depending on the cultivar requirements;
- Optimized shift structure in Winnipeg from 8-hour shifts to 10-hour shifts for increase efficiencies, resulting in $650,000 of annualized salary savings;
- Increased yield per grow room in Lac Supérieur from 82 kg in the first quarter of Fiscal 2024, to 160 kg in the fourth quarter of Fiscal 2024, an increase of 95%;
- Excluding THC-capped Quebec flower, 43% of total harvests were above 26% THC;
- 56% of flower harvested in Lac Supérieur was over 26% THC in Q4 Fiscal 2024, up from 30% in Q3 Fiscal 2024;
- Successfully completed trial production of Edison Sonics, the Company's new fast-acting nanoemulsion gummies;
- Converted two vegetation rooms to flower at the Moncton Campus due to extra capacity from seeds which will provide an additional ~1,360kg flower from the garden annually; and
- Produced 1.1 million units of Hash in Fiscal 2024, compared to 0.7 million in Fiscal 2023.

4. Market Expansion

We are committed to expanding our market presence by diversifying our product offerings and broadening our geographical footprint. We expect to enable this via strategic investments and acquisitions, along with assessments for international expansion. Examples of market expansion include:

- The strategic acquisitions of (i) EIC, whose Winnipeg Facility added a purpose-built, highly-automated, 51,000-square-foot cannabis edibles manufacturing facility; and (ii) Laurentian, whose Lac-Supérieur Facility added craft cultivation and hash to our product portfolio and increased our presence in Québec;
- International shipments of bulk cannabis to Germany, Australia and the United Kingdom ("UK");
- The strategic Follow-on BAT Investment of $124.6 million and the creation of the "Jupiter" investment pool targeting international opportunities, with initial investments completed in OBX and Sanity Group; and
- The acquisition of Motif subsequent to Fiscal 2024 resulted in Organigram becoming the #1 LP in Canada by market share[8] and added two purpose-built facilities to its portfolio that are optimized for cannabis extraction, processing, manufacturing, and distribution. Motif's product portfolio is highly complementary to Organigram's, with minimal portfolio overlap.

KEY QUARTERLY FINANCIAL AND OPERATING RESULTS

	Q4-2024	Comparative Q4-2023	CHANGE	% CHANGE
Financial Results				
Net revenue	$ 44,698	$ 36,698	$ 8,000	22 %
Cost of sales	$ 30,907	$ 34,321	$ (3,414)	(10)%
Gross margin before fair value adjustments[2]	$ 13,791	$ 2,377	$ 11,414	480 %
Gross margin % before fair value adjustments[1]	31 %	6 %	25 %	417 %
Operating expenses	$ 16,933	$ 38,244	$ (21,311)	(56)%
Other expense (income)	$ 5,686	$ (1,143)	$ (6,829)	(597)%
Adjusted EBITDA[2]	$ 5,860	$ 58	$ 5,802	10,003 %
Net loss	$ (5,433)	$ (26,595)	$ (21,162)	(80)%
Net cash provided by (used in) operating activities	$ 8,893	$ (8,469)	$ 17,362	205 %
Adjusted Gross Margin[2]	$ 16,543	$ 7,161	$ 9,382	131 %
Adjusted Gross Margin %[2]	37 %	20 %	17 %	85 %
Operating Results				
Kilograms harvested - dried flower	23,323	21,238	2,085	10 %
Kilograms sold - dried flower	20,677	15,249	5,428	36 %

Note (1): Equals gross margin before fair value adjustments (as reflected in the Financial Statements) divided by net revenue.
Note (2): Adjusted EBITDA, Adjusted Gross Margin and Adjusted Gross Margin % are non-IFRS measures. See "Cautionary Statement Regarding Certain Non-IFRS Measures" and "Financial Results and Review of Operations" in this MD&A.
Note (3): Comparative Q4 Fiscal 2023 results is for the unaudited twelve month period beginning October 1, 2022 and ending September 30, 2023.

[8] Source: Hifyre (all provinces other than QC, NB and NS), Weedcrawler (QC), and Board Data (NB, NS, PE), R3M Oct 30

REVENUE

For Q4 Fiscal 2024, the Company reported $44,698 in net revenue. Of this amount $38,839 (88%) was attributable to sales to the recreational cannabis market, $4,075 (9%) to the international market, $513 (1%) to the medical market and $1,069 (2%) to other revenues. Q4 Fiscal 2024 net revenue increased 22%, or $8,000, from Comparative Q4 Fiscal 2023 net revenue of $36,698, primarily due to an increase in sales of dried flower and international sales.

Sale of flower from all product categories in the recreational market comprised 81% of total net revenue in the quarter. The average net selling price ("ASP") of recreational flower decreased to $1.47 per gram in Q4 Fiscal 2024 as compared to $1.59 per gram for Comparative Q4 Fiscal 2023. This decrease reflects historical price compression in the recreational market, as both the Company and the Canadian cannabis industry adapted to consumer and product mix increasingly focused on value offerings. Price compression for recreational flower stabilized in the third quarter of Fiscal 2024, with an ASP of $1.51 per gram. While selling prices are prone to fluctuation, the Company is committed to refining its product mix as customer preferences evolve.

The volume of flower sales in grams increased 36% to 20,677 kg in Q4 Fiscal 2024 compared to 15,249 kg in Comparative Q4 Fiscal 2023, primarily as a result of success of the Company's large format value products, as well as a significant increase in sales of infused pre-rolls.

COST OF SALES

Cost of sales for Q4 Fiscal 2024 decreased to $30,907 compared to $34,321 in Comparative Q4 Fiscal 2023, primarily due to lower cost of sales per unit and lower inventory provisions in Q4 Fiscal 2024. Included in Q4 Fiscal 2024 cost of sales are $2,752 of inventory provisions for unsaleable inventories. The Comparative Q4 Fiscal 2023 had inventory provision adjustments of $4,784.

GROSS MARGIN BEFORE FAIR VALUE ADJUSTMENTS AND ADJUSTED GROSS MARGIN

The Company realized gross margin before fair value adjustments for Q4 Fiscal 2024 of $13,791, or 31% as a percentage of net revenue, compared to $2,377, or 6%, in Comparative Q4 Fiscal 2023. The increase in gross margin before fair value adjustments, as a percentage of net revenue, is primarily driven by a higher proportion of international sales with stronger margins, lower cost of sales per unit achieved through greater scale and operating efficiencies (including but not limited to an improvement in yields), and reduced inventory provisions and net realizable value adjustments.

Adjusted gross margin[9] for Q4 Fiscal 2024 was$16,543, or 37% as a percentage of net revenue, compared to $7,161, or 20%, for Comparative Q4 Fiscal 2024 . This was largely due to lower cost of sales per unit and higher international sales.

OPERATING EXPENSES

	Q4-2024	Comparative Q4-2023	CHANGE	% CHANGE
General and administrative	$ 9,544	$ 11,524	$ (1,980)	(17) %
Sales and marketing	4,756	4,263	493	12 %
Research & development	1,667	2,856	(1,189)	(42) %
Share-based compensation	966	732	234	32 %
Impairment of intangible assets and goodwill	—	6,951	(6,951)	(100) %
Impairment of property, plant and equipment	—	11,918	(11,918)	(100) %
Total operating expenses	$ 16,933	$ 38,244	$ (21,311)	(56) %

Note (1): Comparative Q4 Fiscal 2023 results are for the unaudited and unreviewed three month period beginning July 1, 2023 and ending September 30, 2023.

GENERAL AND ADMINISTRATIVE

General and administrative expenses of $9,544 decreased from the Comparative Q4 Fiscal 2023 expenses of $11,524 primarily due to lower technology costs including implementation expenses for a new ERP system, as well as reduced insurance costs, professional fees, and depreciation and amortization.

SALES AND MARKETING

Sales and marketing expenses of $4,756 increased from Comparative Q4 Fiscal 2023 expenses of $4,263. The increase in expenses was due to the Company's continued investment in developing its share of the recreational market. These expenses as % of net revenue decreased to 12% from 13% in the Comparative Q4 Fiscal 2023.

[9] Adjusted gross margin is a non-IFRS financial measure. See the cautionary statement regarding non-IFRS financial measures in the “Introduction” section of this MD&A, and the discussion under the heading “Adjusted EBITDA” and the reconciliation to IFRS measures in the "Financial Results and Review of Operations" section of this MD&A.

RESEARCH AND DEVELOPMENT
Research and development costs of $1,667 decreased from the Comparative Q4 Fiscal 2023 costs of $2,856 primarily due to higher scientific research and experimental development (SR&ED) credits and reduced activity under the PDC Agreement with BAT and other product innovation projects.

SHARE-BASED COMPENSATION
Share-based compensation expense of $966 increased from the Comparative Q4 Fiscal 2023 expense of $732, primarily due to employee equity awards that were issued during the first half of the current fiscal year to retain talent.

OTHER (INCOME) / EXPENSES

	Q4-2024	Comparative Q4-2023	CHANGE	% CHANGE
Investment income, net of financing costs	(960)	(652)	(308)	(47)%
Share of loss (including impairment) from investments in associates	4,895	(10)	4,905	(49,050)%
Loss on disposal of property, plant and equipment	24	45	(21)	(47)%
Change in fair value of contingent consideration	—	(466)	466	(100)%
Share issue costs allocated to derivative liabilities and preferred shares	269	—	269	100 %
Change in fair value of derivative liabilities and other financial assets	1,642	413	1,229	(298)%
Other non-operating income	(184)	(473)	289	(61)%
Total other income	$ 5,686	$ (1,143)	$ 6,829	(597)%

Note (1): Comparative Q4 Fiscal 2023 results are for the unaudited and unreviewed three month period beginning July 1, 2023 and ending September 30, 2023.

INVESTMENT INCOME
Investment income (net of financing costs) of $960 increased from the Comparative Q4 Fiscal 2023 of $652, primarily due to a higher cash balance in the current period.

SHARE OF LOSS FROM INVESTMENTS IN ASSOCIATES
During Q4 Fiscal 2024, the Company determined that there are indicators of impairment related to its investment in Hyasynth Biologicals Inc. ("Hyasynth"). The Company determined the recoverable amount to be approximately $nil and a result, an impairment loss of $4,773 was recognized in the consolidated statement of operations and comprehensive loss for Fiscal 2024.

SHARE ISSUE COSTS
During Q4 Fiscal 2024, the Company closed the second tranche of the Follow-on BAT Investment andissued 4,429,740 Common Shares and 8,463,435 Preferred Shares (as defined herein). The transaction costs of $269 incurred in relation to the issuance of Preferred Shareswere recognized as an expense in the consolidated statement of operations and comprehensive loss for Fiscal 2024.

CHANGE IN DERIVATIVE LIABILITIES AND OTHER FINANCIAL ASSETS
Change in fair value of derivative liabilities and other financial assets was a loss of $1,642 during Q4 Fiscal 2024 compared to a loss of $413 in Comparative Q4 Fiscal 2023. The increase is primarily due to a fair value loss of $2,872 and $3,070 recorded in relation to the increase in the derivative warrant liabilities and top-up rights (the "Top-up Rights") granted to BAT under the amended and restated investor rights agreement dated January 23, 2024 (the "Amended IRA"), which amended and restated the original investor rights agreement between BAT and the Company dated March 10, 2021 (the "Original IRA"). This decrease was partially offset by a fair value gain on other financial assets.

ADJUSTED EBITDA
Adjusted EBITDA[10] was $5,860 in Q4 Fiscal 2024 compared to Adjusted EBITDA of $58 in Comparative Q4 Fiscal 2023. The $5,802 increase in Adjusted EBITDA from the comparative period is primarily attributable to higher net flower revenue, lower general and administrative expenses and the increase in adjusted gross margins[11]. Please refer to the “Financial Results and Review of Operations” section of this MD&A for a reconciliation of Adjusted EBITDA to net loss.

[10] Adjusted EBITDA is a Non-IFRS Measure. See "Cautionary Statement Regarding Certain Non-IFRS Measures" in this MD&A, and the discussion under the heading “Adjusted EBITDA” and the reconciliation to IFRS measures in the "Financial Results and Review of Operations" section of this MD&A.
[11] Adjusted gross margin is a Non-IFRS Measure. See "Cautionary Statement Regarding Certain Non-IFRS Measures" in this MD&A.

NET LOSS

The net loss was $5,433 in Q4 Fiscal 2024 compared to a net loss of $26,595 in Comparative Q4 Fiscal 2023. The decrease in net loss from the comparative period is primarily due to higher adjusted gross margins[10] and lower impairment losses in the current period.

KEY DEVELOPMENTS DURING THE QUARTER AND SUBSEQUENT TO SEPTEMBER 30, 2024

In July 2024, Organigram bolstered its auto-flower and rare cannabinoid portfolio with a partial third tranche investment of US$1 million in Phylos, a U.S. cannabis genetics company and provider of production-ready seeds, with the remaining portion of the final tranche to be funded upon completion of a newly expanded final milestone. Already a cultivation leader in high potency THCV cultivars, Organigram is expected to pilot higher potency rare cannabinoids such as cannabigerol ("CBG"), cannabichromene ("CBC") and cannabidivarin ("CBDV"). As part of the expanded milestone, Phylos delivered to Organigram 21 unique auto-flower seed varietals for testing and phenotyping, and will deliver a second cohort of 21 auto flower seed varietals by January 31, 2025. In addition to the auto-flower seeds, Organigram received an expanded genetics license from Phylos that, in addition to THCV, includes access to high potency CBG, CBC and CBDV seed-based cultivars. The balance of the third tranche, being an additional US$1 million, will be advanced to Phylos conditional upon successful completion of the expanded milestone no later than March 31, 2026.

In July 2024, the Company announced the appointment of Craig Harris to the Board of Directors, as BAT's third nominee under the Amended IRA, bringing the number of directors to 10.

In August 2024, the Company unveiled the preliminary results of a landmark clinical pharmacokinetic (PK) study conducted via the PDC on the Company's latest innovation, nanoemulsion technology. This patent-pending technology, branded as FAST™ , is the first innovation to be commercialized by Organigram leveraging the output of the PDC. The final results of the study revealed: up to a 50% faster onset time of effects compared to gummies without FAST™; improved bioavailability of cannabinoids delivering nearly double the cannabinoids at peak effect; and early indicators of a more predictable duration of effects.

In August 2024, the Company closed the second of three tranches of the previously announced $124,559,674 Follow-on BAT Investment for gross proceeds $41,519,891. The third and final tranche is expected to close around February 28, 2025.

In November 2024, the Company launched Edison Sonics gummies, its inaugural product powered by FAST™, an advanced nanoemulsion delivery system that breaks down cannabinoids into tiny particles, allowing them to be absorbed more quickly and efficiently during consumption, as described in the results of the PK study cited above.

In **December 2024**, the Company announced its acquisition of Motif, which resulted in the Company becoming Canada's largest cannabis company by market share[12]. The Company acquired 100% of the issued and outstanding shares of Motif for upfront consideration of $90 million, consisting of $50 million in cash and $40 million of Common Shares based on the 30 trading day volume weighted average price ("VWAP") of $2.3210 per Common Share. Motif's former shareholders will also be entitled to receive additional contingent consideration of $10 million payable in Common Shares with a deemed issue price of $3.22031 per Common Share, conditional on the Company achieving a price per Common Share exceeding $3.2203, based on the rolling 30-trading day VWAP within 12 months of the date of the transaction.

DISCUSSION OF OPERATIONS

Moncton Campus (Indoor Cultivation and Manufacturing)

We have implemented various initiatives that have increased the average THC potency in our products. We have also implemented changes to our growing and harvesting methodologies to improve operating conditions, resulting in higher quality flower and reduced production costs.

In Fiscal 2023, the Company continued to invest in driving operational efficiencies through automation and internalizing certain post-harvest processes including commissioning a new automated packaging line for SHRED milled products, internalizing THC testing, internalizing remediation, and commissioning new drying machines. These initiatives have reduced headcount and significantly reduced costs while streamlining operations and increasing efficiency. Of the $10 million in annual savings targeted by the Company in Fiscal 2024 as a result of the Fiscal 2023 capex programs, $9.1 million was realized, with the remainder expected to be realized in early Fiscal 2025.

The Company harvested 23,323 kg of dried flower during Q4 Fiscal 2024 compared to 21,238 kg of dried flower in Comparative Q4 Fiscal 2023.

[12] Source: Hifyre (all provinces other than QC, NB and NS), Weedcrawler (QC), and Board Data (NB, NS, PE), R3M Oct 30

Winnipeg Facility (Edibles)

This purpose-built, highly automated 51,000 square-foot manufacturing facility was designed to produce highly customizable, precise, and scalable cannabis-infused products in various formats including pectin and gelatin-based sugar-free gummies. The Winnipeg Facility is capable of producing over 4 million gummies on a monthly basis. In May 2024, Organigram installed specialized manufacturing equipment for its nanoemulsion technology, and launched its first nanoemulsion gummies in November 2024.

Lac-Supérieur Facility (Hash/Concentrates and Craft Flower)

This facility initially had 6,800 square feet of cultivation area, which the Company expanded to 33,000 square feet in Q4 Fiscal 2023 The facility is equipped to produce 2,400 kilograms of flower and over 2 million packaged units of hash annually. The production of SHRED X Rip Strip Hash started in February 2023 using proprietary patent-pending technology with a capacity of 150 units per minute. The Company is currently producing Quebec-grown cannabis for its Trailblazer and Wola brands at this facility.

Aylmer Facility (Extraction and Manufacturing)

The Aylmer Facility, acquired by the Company in December 2024, houses best-in-class extraction and manufacturing capabilities including hydrocarbon and CO2 extraction and refinement, formulation, post-processing of minor cannabinoids, and infused and regular pre-roll production. The facility provides low cost ingredients to Organigram, and produces on a monthly basis approximately 1,350 kg of distillate, 400,000 kg of hydrocarbon extract, 750,000 pre-rolls, and 1 million vapes.

London Facility (Warehousing and Distribution)

The London Facility, acquired by the Company in December 2024, is a centralized warehouse distribution hub in Canada's most populous province of Ontario. The facility will support growing demand for Organigram products, optimize fulfillment, and reduce the cost and complexity of shipping product from the Company's Moncton Campus in New Brunswick.

RESEARCH AND PRODUCT DEVELOPMENT

Management believes that the cannabis industry is still in the nascent stages of product development and that product innovation backed by core fundamental research and development ("R&D") is necessary to establish a long-term competitive advantage in the industry. Our investments in these areas are expected to position the Company at the forefront of launching new, innovative, differentiated products and formulations that appeal to consumers.

BAT Product Development Collaboration and Centre of Excellence

The CoE was established to focus on R&D activities for the next generation of cannabis products, as well as fundamental cannabis science.

Under the PDC Agreement, both Organigram and BAT have access to certain of each other’s IP and have the right to independently and globally commercialize the products, technologies, and IP created in the PDC. Costs relating to the CoE are funded equally by Organigram and BAT. Approximately $31 million of BAT’s initial investment in Organigram has been reserved for Organigram’s portion of its funding obligations.

The CoE's state-of-the-art biological experiment laboratory ("BioLab") enables us to conduct advanced research on plant science. Organigram has conducted R&D on several minor cannabinoids, which have since been introduced into our expanding product portfolio. The CoE is also developing a suite of emulsions, novel vapour formulations, flavour innovations, and packaging solutions that are expected to enhance Organigram's product portfolio.

The PDC has completed a PK study that enables us to substantiate certain innovations with application in the edibles and vapour product formats. The PK study was a significant milestone that generated a robust dataset validating our development efforts and enabling us to commercialize nanoemulsion technology beginning with the launch of our Edison Sonics gummies in November 2024.

Plant Science, Breeding and Genomics Research and Development in Moncton

Organigram’s sophisticated cultivation program has continued its expansion with the addition of a dedicated cultivation R&D space. The new space has accelerated rapid assessment and screening, delivering 20 to 30 unique cultivars every two months while freeing up rooms for commercial grow operations. The plant science team continues to move the garden towards unique, high-terpene and high-THC cultivars, while also leveraging the BioLab for ongoing plant science innovation focusing on quality, potency and disease-resistance marker discovery to enrich the cultivation pipeline. This activity is supported by the wide-ranging technical collaboration being undertaken as part of the Company's strategic investment in Phylos.

OUTLOOK

Market Size

The Company maintains a positive outlook on the cannabis market, both in Canada and internationally. Canada-wide legal sales for the industry are expected to total $6 billion in calendar 2028[13]. Canada's cannabis exports have increased significantly over the last five years, growing from $8 million in 2020, to approximately $218 million in its 2024[14].

The momentum of global cannabis reform has encouraged many cannabis operators to seek exposure to emerging medical and recreational markets. Furthermore, as international revenue is not subject to onerous Canadian cannabis excise duties, LPs have increasingly sought to grow this revenue stream to expand their revenues and margins, while further solidifying Canada's strong reputation for producing high quality cannabis abroad.

Business Outlook

Opportunities to scale new cannabis strains require a patient and deliberate process where cultivation protocols are trialed for each strain and adjusted through multiple growth cycles before roll-out across the facility. Organigram's commitment to investing in new genetics and innovations continues, and we expect to launch new genetics, ready-to-consume innovations, and products containing minor cannabinoid stacks in various formats.

In addition to traditional dried flower and pre-roll offerings, Organigram expects to be in a position to generate more revenue growth from innovative products, particularly through the commercialization of FAST™, which was first introduced to the Canadian market in November 2024 with the launch of Edison Sonics gummies. FAST™ gummies have been clinically validated to produce up to a 50% faster onset and nearly double the level of cannabinoid concentration at peak compared to traditional gummies without FAST™. The Company anticipates garnering a competitive edge in the gummy category with this new ingestible technology.

The Company's international sales have increased sequentially throughout Fiscal 2024. Organigram further diversified its international supply partners in Fiscal 2024, and established a foothold in the rapidly growing German cannabis market through a $21 million investment in Sanity Group. This investment enhanced Organigram's previously announced supply agreement with Sanity Group such that its cannabis export volumes to the German market are expected to increase throughout Fiscal 2025. The anticipated EUGMP certification of Organigram's Moncton Campus is also expected to drive the growth of its international revenue.

Organigram achieved significant production, manufacturing, and logistics efficiency gains in Fiscal 2024, driving notable growth in adjusted gross margins in Fiscal 2024.

The Company expects adjusted gross margin to exceed 35% for Fiscal 2025. It also anticipates positive full-year Adjusted EBITDA[15] surpassing Fiscal 2024 levels, along with positive cash flow from operations.

Organigram has identified the following opportunities that it believes have the potential to improve margins in the future:

- Increased sales of higher-margin ready-to-consume products, including edibles, vapes, and tube-style pre-rolls
- Growth in high-margin international sales, with a strategic focus on the growing German market
- Continued operational efficiencies across the Company's facilities and a ramp-up of seed-based production, reducing input costs and improving profitability
- The Company's acquisition of Motif in December 2024 also brings several margin-enhancing opportunities:
    - Expanded production capabilities, enabling better utilization of assets, improved inventory turnover, and economies of scale
    - Integration of Motif's operations, which is expected to deliver significant cost savings, including $10+ million in incremental EBITDA synergies within 24 months of the acquisition. The central Ontario distribution hub is anticipated to further reduce shipping costs and streamline logistics, enhancing overall operational efficiency
    - Leadership in high-margin categories such as vapes and infused pre-rolls, combined with the Product Development Collaboration with BAT, which supports the introduction of innovative, premium products tailored to evolving consumer preferences

[13] June 30, 2024 data from BDSA, Hifrye, Headset Data, Internal Modelling
[14] Source: https://mjbizdaily.com/canada-medical-cannabis-exports-jump-to-ca220-million-domestic-sales-decline/
[15] Adjusted EBITDA is a Non-IFRS Measure. See "Cautionary Statement Regarding Certain Non-IFRS Measures" and "Financial Results and Review of Operations" in this MD&A.

Industry Trends

Competition and Supply

The cannabis industry is highly competitive and has historically experienced oversupply owing both to regulated LPs and the still largely unfettered operations of the illicit market, including many online delivery platforms. Recently, supply and demand dynamics have stabilized as many LPs have reduced surplus cultivation capacity through M&A and liquidation, with increasing levels of cultivation surplus being directed toward international markets. Consumer trends and preferences continue to evolve, including strong demand in the large format value segment, a desire for higher THC potency particularly in dried flower, as well as a penchant for newness, including new genetic strains and ready to consume products such as infused pre-rolls, vapes, beverages and novel edibles.

Inflated THC

In 2024, Organigram joined the board of directors of the Cannabis Standards Alliance of Canada (CSAC), an organization dedicated to furthering the establishment of THC potency testing standards with the goal of developing a level playing field when it comes to THC potency levels indicated on labels of cannabis products. Both Health Canada and the Alberta Gaming and Liquor Corporation are members of the observer groups and are engaged in ongoing initiatives at CSAC.

In January 2024, the Ontario Cannabis Store ("OCS"), the largest provincial government purchaser of cannabis in Canada, launched a temporary program of secondary testing of high-THC flower products to verify the accuracy of potency claims on labels. Products with labelled potency outside an acceptable range of variance are at risk of being returned-to-vendor for re-labelling. This initiative by OCS signals the seriousness of inflated THC potency, and affirms our stance on the issue. In April, 2024, the OCS reported a decrease in the number of high-THC products in its catalog.

In July 2024, Health Canada launched a cannabis data gathering program to assess potency levels in cannabis products by randomly purchasing and testing cannabis from authorized retailers in Canada. The program aims to support Health Canada's efforts to ensure that legal cannabis products in the Canadian market meets regulatory requirements, including with respect to accurate potency labeling, which has been an issue in recent years. If Health Canada identifies deficiencies with the products they analyze, they may take enforcement action to mitigate health and safety risks to the public.

Product Formats

Dried Flower and Pre-Rolls

Dried flower and pre-rolls remain the first and second largest product categories, respectively, in the Canadian recreational cannabis market[16] and we believe these categories will continue to dominate based on market data from mature legal markets in certain U.S. states and due to regulatory restrictions on other product formats (e.g. the 10 mg per package THC limit in the edibles category). While we expect that consumer preferences will gradually shift away from THC content and price as primary purchase drivers, they appear to be the most important attributes to consumers for flower products today. Over time, we expect that genetic diversity and other quality-related attributes such as terpene profile, bud density, the presence of minor cannabinoids, and aroma, will become increasingly important to consumers. We continue to conduct R&D on genetic breeding and pheno-hunting, and are transitioning a portion of our production to seed-based cultivation, with the goal of offering unique and consistent flower assortments to consumers.

Our portfolio of brands continues to show strong momentum within the flower segment in Canada and as of September 30, 2024, Organigram holds the #3 market share position in the flower category[16]. The growth and significant prevalence of dried flower value segment brands, however, has contributed to overall margin pressure for Organigram and many of its peers over the last number of quarters. To counteract this phenomenon, the Company revitalized its Trailblazer brand, using added capacity at the Lac-Supérieur Facility to supply the brand with premium cannabis. To address the growing demand for strain differentiation in the value segment, the Company has routinely expanded the strains available in its Big Bag O' Buds brands. Organigram is also a leader in infused and non-infused pre-rolls. As of September 30, 2024, Organigram held the #4 market position in infused pre-rolls and the #3 market position in all pre-rolls[16].

Cannabis Derivatives

While dried flower and pre-rolls are currently the largest categories in Canada, derivative cannabis products, including vapes, concentrates and edibles, are projected to continue to gain market share over the next several years at the expense of dried flower. Organigram is committed to these growing categories.

The Winnipeg Facility enables Organigram to produce high quality ingestible products (such as gummies) at scale, positioning it to effectively compete in this segment. The Lac-Supérieur Facility enables Organigram to produce high-quality products in the

[16] As of September 30, 2024 - Multiple sources (Hifyre, Weedcrawler, OCS wholesale sales and e-commerce orders shipped data, provincial boards data and internal sales data)

growing hash segment. The Company has leveraged its industry-leading national distribution and field sales network to accelerate the distribution and sale of Tremblant Cannabis, its flagship hash brand, to all provinces in Canada. As of September 30, 2024, Organigram continues to hold the #1 market share in the hash category[16].

In Q4 Fiscal 2024, Organigram held the number #3 position in the gummy category between its SHRED'ems and Monjour brands[16].

Monjour, Organigram's wellness brand, predominantly provides consumers with THC-free products that are focused on CBD and other minor cannabinoids. In Q4 Fiscal 2024, Monjour was the leading pure CBD-infused gummy brand[6]. The Monjour product line was expanded to include gummies that contain minor cannabinoids beyond CBD. The CBN Bedtime Blueberry Lemon gummies combine the cannabinoid cannabidiol ("CBN") with CBD and THC, and the Twilight Tranquility gummies combine CBD, CBN and CBG.

Following the Company's acquisition of Motif, Organigram leads in market share in the vape category[17], and adds considerable vape expertise to its team, positioning the Company to better leverage its strong pipeline of vape innovation. After an initial test launch in the second quarter of Fiscal 2024 of Greentank's quantum vape technology, the Company elected to refine its go-to-market approach and re-launch the technology in an all-in-one vape format. The Greentank technology will now be added to Motif's vape portfolio plan. The vape segment is driving significant growth and is one of the fastest growing segments in the total Canadian cannabis category.

International Market

Outside of Canada, the Company serves several international markets via exports and seeks to augment these sales channels over tim. Future international shipments are contingent upon the timing and receipt of regulatory approval and an export permit from Health Canada, as well as timing and receipt of regulatory approval and an import permit from the purchaser's regulatory authority.

The Company serves eight international medical supply customers in Australia, Germany, the UK, and Israel, and has completed a major strategic investment in a German cannabis leader, Sanity Group, to establish a foothold in the growing European cannabis market. The Company has also completed strategic investments into two U.S.-based companies, OBX and Phylos, and continues to monitor and explore opportunities in the U.S. as regulations allow.

EU-GMP certification opens up business opportunities in international markets. Organigram submitted its EU-GMP certification application for its Moncton Campus in the first quarter of Fiscal 2024. A preliminary audit of the facility was completed in February 2024, enabling us to proceed to the next step in the process of securing an audit date with the European Union regulatory authority. The Company completed its EU-GMP audit in November, 2024, and is awaiting the results.

Jupiter Investment Pool

International expansion initiatives are expected to be supported in Fiscal 2024 and beyond by the Follow-on BAT Investment, with approximately $83 million earmarked for the "Jupiter Pool", a strategic investment pool targeting emerging growth opportunities. This positions the Company to expand into the U.S. and other international markets when appropriate and in compliance with to applicable laws. On Mach 26, 2024, the Company completed its inaugural Jupiter Pool investment, acquiring a stake in U.S.-based OBX. The Company completed its second Jupiter Pool investment and first European strategic investment in Sanity Group on June 25, 2024.

In January 2024, the Israeli government launched an "anti-dumping" investigation in respect of Canadian cannabis exports to Israel (the "Anti-Dumping Investigation"), the participation in which is voluntary for LPs. In March 2024, we submitted a response to the Israeli government with data demonstrating that we had not engaged in the practice of dumping. In June 2024, the Israeli government conducted an on-site data verification visit at Organigram's offices. In July 2024, the Israeli Anti-Dumping Commissioner issued a preliminary decision, finding dumping by all Canadian exporters, including the Company. We have since continued to make submissions advancing our original position that we did not engage in dumping. In November 2024, the Commissioner issued its final decision, continuing to find dumping by all Canadian exporters, including the Company, despite data to the contrary. The Israeli Ministry of Health, which regulates medical cannabis distribution in Israel, has opposed the Anti-Dumping Commissioner's decision on the basis that it is biased, inconclusive, and harmful to patients in Israel. The Anti-Dumping Commissioner's decision is being reviewed by Israeli authorities, and a final decision on the question of dumping is expected in 2025. A finding of dumping under international trade law could result in the imposition of a dumping duty on Israeli importers of Canadian cannabis exports by LPs. See "Risk Factors" in this MD&A.

[17] Source: Hifyre (all provinces other than QC, NB and NS), Weedcrawler (QC), and Board Data (NB, NS, PE), R3M Oct 30

Without limiting the generality of risk factors disclosed in the “Risk Factors” section of this MD&A and in the "Risk Factors" section of the Company's current AIF, the expectations concerning revenue, adjusted gross margin[18] and SG&A (comprised of general and administrative and selling and marketing expense) are based on the following general assumptions: consistency of revenue experience with indications of performance to date, consistency of ordering and return patterns or other factors with prior periods, and no material change in legal regulation, market factors or general economic conditions. The Company disclaims any obligation to update any of the forward looking information except as required by applicable law. See "Cautionary Statement Regarding Forward-Looking Information".

[18] Adjusted gross margin is a Non-IFRS Measure. See "Cautionary Statement Regarding Certain Non-IFRS Measures" and "Financial Results and Review of Operations" in this MD&A.

FINANCIAL RESULTS AND REVIEW OF OPERATIONS

CAUTIONARY NOTE REGARDING NON-IFRS FINANCIAL MEASURES

The Company uses certain Non-IFRS Measures such as Adjusted EBITDA and adjusted gross margin in its MD&A and other public documents, which are not measures calculated in accordance with IFRS and have limitations as analytical tools. These performance measures have no prescribed meaning under IFRS, and therefore, amounts presented may not be comparable to similar data presented by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance such as net income or other data prepared in accordance with IFRS. See the "Cautionary Statement Regarding Certain Non-IFRS Measures" section in this MD&A, and the following discussion.

FINANCIAL HIGHLIGHTS

Below is the period-over-period analysis of the changes that occurred between Fiscal 2024 and Comparative Fiscal 2023. Commentary is provided on the pages that follow.

	2024	Comparative Fiscal 2023	$ CHANGE	% CHANGE
Financial Results				
Gross revenue	$ 247,177	$ 217,354	$ 29,823	14 %
Net revenue	$ 159,841	$ 150,397	$ 9,444	6 %
Cost of sales	$ 111,390	$ 128,142	$ (16,752)	(13) %
Gross margin before fair value adjustments	$ 48,451	$ 22,255	$ 26,196	118 %
Gross margin % before fair value adjustments	30 %	15 %	15 %	100 %
Realized fair value on inventories sold and other inventory charges	$ (52,078)	$ (56,187)	$ 4,109	(7) %
Unrealized gain on changes in fair value of biological assets	$ 51,151	$ 68,981	$ (17,830)	(26) %
Gross margin	$ 47,524	$ 35,049	$ 12,475	36 %
Operating expenses	$ 83,195	$ 295,067	$ (211,872)	(72) %
Loss from operations	$ (35,671)	$ (260,018)	$ 224,347	(86) %
Other (income) expenses	$ 9,769	$ (9,204)	$ 18,973	206 %
Net loss	$ (45,440)	$ (247,002)	$ 201,562	(82) %
Net loss per common share, basic	$ (0.477)	$ (3.116)	$ 2.639	85 %
Net loss per common share, diluted	$ (0.477)	$ (3.116)	$ 2.639	85 %
Net cash provided by (used in) operating activities	$ 3,872	$ (52,134)	$ 42,650	82 %
Adjusted Gross Margin[1]	$ 53,934	$ 37,268	$ 16,666	45 %
Adjusted Gross Margin %[1]	34 %	25 %	9%	36 %
Adjusted EBITDA[1]	$ 8,416	$ 5,405	$ 3,011	56 %
Financial Position				
Working capital	$ 208,897	$ 133,545	$ 75,352	56 %
Inventory and biological assets	$ 82,524	$ 80,953	$ 1,571	2 %
Total assets	$ 407,860	$ 298,455	$ 109,405	37 %
Non-current financial liabilities[2]	$ 3,369	$ 3,630	$ (261)	(7) %

Note (1): Non-IFRS Measures that have been defined and reconciled within their respective subsections in this section of the MD&A.
Note (2): Non-current financial liabilities excludes non-monetary balances related to contingent share consideration and derivative liabilities.
Note (3): Comparative Fiscal 2023 results is for the unaudited twelve month period beginning October 1, 2022 and ending September 30, 2023.

NET REVENUE

Net revenue is defined as gross revenue, net of customer fees, discounts, rebates, and sales returns and recoveries, less excise taxes. Revenue consists primarily of dried flower and cannabis derivative products sold to the recreational cannabis, medical cannabis, wholesale, and international cannabis markets.

For Fiscal 2024, the Company recorded net revenue of $159,841 compared to net revenue of $150,397 for Comparative Fiscal 2023. Net revenue increased on a period-over-period basis primarily as a result of an increase in recreational cannabis revenue.

For Fiscal 2024, the ASP of recreational flower decreased to $1.50 per gram compared to $1.65 per gram for Comparative Fiscal 2023. The ASP of recreational flower in Q4 Fiscal 2024 as compared to Comparative Q4 Fiscal 2023 declined, as both the Company and the Canadian cannabis industry continued to experience general price compression in the recreational markets as the customer and product mix evolved to focus more on value offerings. Selling prices are prone to fluctuation, however, the Company has observed a more balanced supply and demand dynamic resulting in a stabilization of recreational flower ASP in Q4 Fiscal 2024 compared to Comparative Q4 Fiscal 2023.

Sales volumes of all flower in grams increased by 19% to 71,167 kg for the year ended September 30, 2024 compared to 59,797 kg in Comparative Q4 Fiscal 2023, primarily due to an increase in recreational cannabis sales.

REVENUE COMPOSITION

The Company's net revenue composition by product category was as follows for Fiscal 2024 and Comparative Fiscal 2023:

	2024	Comparative Fiscal 2023
Recreational Flower, net of excise duty	$ 91,193	$ 82,117
Recreational Vapes, net of excise duty	2,205	3,781
Recreational Hash, net of excise duty	11,294	11,208
Recreational Infused Pre-rolls, net of excise duty	12,205	2,871
Recreational Edibles, net of excise duty	21,414	22,113
Recreational Ingestible Extracts and Oil, net of excise duty	4,740	4,316
Medical, net of excise duty	1,732	2,986
International Flower and Oil	9,651	18,874
Wholesale and Other	5,407	2,131
Total Net Revenue	$159,841	$150,397

Note (1): Comparative Fiscal 2023 results is for the unaudited twelve month period beginning October 1, 2022 and ending September 30, 2023.

COST OF SALES AND GROSS MARGIN

The gross margin for Fiscal 2024 was $47,524, compared to $35,049 for Comparative Fiscal 2023. The changes and significant items impacting Fiscal 2024 were: (i) higher recreational cannabis revenue; (ii) lower cultivation and post-harvest costs; and (iii) lower unrealized gains on changes in the fair value of biological assets.

Included in gross margin are the changes in the fair value of biological assets related to IFRS standard IAS 41 – Agriculture. Unrealized gain on changes in the fair value of biological assets for Fiscal 2024 was $51,151 as compared to $68,981 in Comparative Fiscal 2023.

Cost of sales primarily consists of the following:

- Costs of sales of cannabis (dried flower, pre-rolls, and wholesale/international bulk flower), cannabis extracts, vapes, chocolates, and other wholesale formats such as extract) include the direct costs of materials and packaging, labour, including any associated share-based compensation, and depreciation of manufacturing building and equipment. This includes cultivation costs (growing, harvesting, drying, and processing costs), extraction, vape filling, quality assurance and quality control, as well as packaging and labelling;
- Costs related to other products, such as vaporizers and other accessories;
- Shipping expenses to deliver product to the customer; and
- The production costs of late-stage biological assets that are disposed of, plants destroyed that do not meet the Company's quality assurance standards, provisions for excess and unsaleable inventories, provisions related to adjustments to net realizable value that reduce the carrying value of inventory below the original production or purchase cost, and other production overhead.

ADJUSTED GROSS MARGIN

Adjusted gross margin is a Non-IFRS Measure that the Company defines as net revenue less cost of sales, before the effects of: (i) unrealized gains on changes in fair value of biological assets; (ii) realized fair value on inventories sold and other inventory charges; (iii) provisions and impairment of inventories and biological assets; and (iv) provisions to net realizable value. The Company believes that this measure provides useful information to assess the profitability of the Company's operations as it represents the normalized gross margin generated from operations and excludes the effects of non-cash fair value adjustments on inventories and biological assets, which are required by IFRS. See "Cautionary Statement Regarding Certain Non-IFRS Measures". The most directly comparable measure to adjusted gross margin calculated in accordance with IFRS is gross margin before fair value adjustments.

	Q1-F23	Q2-F23	Q3-F23	Comparative Q4-2023	Q1-F24	Q2-F24	Q3-F24	Q4-F24	2024
Net revenue	$ 43,321	$ 39,493	$ 32,785	$ 36,698	$ 36,455	$ 37,628	$ 41,060	$ 44,698	$ 159,841
Cost of sales before adjustments	30,492	26,121	26,711	29,537	25,259	26,019	26,474	28,155	105,907
Adjusted Gross margin	12,829	13,372	6,074	7,161	11,196	11,609	14,586	16,543	53,934
Adjusted Gross margin %	30 %	34 %	19 %	20 %	31 %	31 %	36 %	37 %	34 %
Less:									
Provisions of inventories and biological assets	1,067	1,256	2,823	532	1,672	314	628	2,043	4,657
Provisions to net realizable value	62	2,265	2,755	4,252	13	33	71	709	826
Gross margin before fair value adjustments	$ 11,700	$ 9,851	$ 496	$ 2,377	$ 9,511	$ 11,262	$ 13,887	$ 13,791	$ 48,451
Gross margin % (before fair value adjustments)	27 %	25 %	2 %	6 %	26 %	30 %	34 %	31 %	30 %
Add:									
Realized fair value on inventories sold and other inventory charges	$ (12,528)	$ (14,170)	$ (13,588)	$ (15,901)	$ (11,923)	$ (11,062)	$ (13,728)	$ (15,365)	$ (52,078)
Unrealized gain on changes in fair value of biological assets	$ 24,714	$ 14,121	$ 8,395	$ 21,751	$ 9,112	$ 9,400	$ 13,849	$ 18,790	$ 51,151
Gross margin[1]	$ 23,886	$ 9,802	$ (4,697)	$ 8,227	$ 6,700	$ 9,600	$ 14,008	$ 17,216	$ 47,524
Gross margin %[1]	55 %	25 %	(14)%	22 %	18 %	26 %	34 %	39 %	30 %

Note (1): Gross margin reflects the IFRS measure per the Company's Financial Statements.
Note (2): Comparative Q4 Fiscal 2023 results are for the unaudited and unreviewed three month period beginning July 1, 2023 and ending September 30, 2023.

Both adjusted gross margin and gross margin before fair value adjustments have improved throughout Fiscal 2024, approaching historical levels observed in first and second quarters of Fiscal 2023. Notably, the adjusted gross margin in Q4 2024 reached the highest level reported in the preceding eight quarters. This increase is attributed to several factors, including lower cultivation and post-harvest costs, reduced inventory provisions, lower depreciation resulting from impairment charges recorded in Fiscal 2023 and higher recreational cannabis revenue.

OPERATING EXPENSES

	2024	Comparative Fiscal 2023	CHANGE	% CHANGE
General and administrative	$ 45,870	$ 49,748	$ (3,878)	(8) %
Sales and marketing	19,851	17,913	1,938	11 %
Research and development	11,200	12,709	(1,509)	(12) %
Share-based compensation	6,274	4,586	1,688	37 %
Impairment of property, plant and equipment	—	44,856	(44,856)	(100) %
Impairment of intangible assets and goodwill	—	165,255	(165,255)	(100) %
Total operating expenses	$ 83,195	$ 295,067	$ (211,872)	(72) %

Note (1): Comparative Fiscal 2023 results are for the unaudited twelve month period beginning October 1, 2022 and ending September 30, 2023.

GENERAL AND ADMINISTRATIVE

For Fiscal 2024, the Company incurred general and administrative expenses of $45,870 compared to $49,748 for Comparative Fiscal 2023. The decrease in expenses mainly relates to lower technology costs including implementation expenses for a new ERP system, insurance costs, professional fees and lower depreciation resulting from impairment charges recorded in Fiscal 2023.

SALES AND MARKETING

For Fiscal 2024, the Company incurred sales and marketing expenses of $19,851 or 12% of net revenues as compared to $17,913 or 12% of net revenues for Comparative Fiscal 2023. The increase in the current period is on account of higher trade investments with retail partners, driven by a more competitive retail landscape.

RESEARCH AND DEVELOPMENT

Research and development costs of $11,200 for Fiscal 2024decreased from $12,709 in Comparative Fiscal 2023. The decrease in expenses mainly relates to higher SR&ED credits, which is an offset to research and development expenses, and reduced activity under the PDC Agreement relative to Comparative Fiscal 2023.

SHARE-BASED COMPENSATION

For Fiscal 2024, the Company recognized $6,274, in share-based compensation expense in relation to selling, marketing, general and administrative, and research and development employees, compared to $4,586 for Comparative Fiscal 2023.

Total share-based compensation charges, including those related to production employees that are charged to biological assets and inventory, and amounts expensed, for Fiscal 2024, were $7,182 compared to $5,008 for Comparative Fiscal 2023. The increase in expense is mainly due to a greater number of equity settled awards issued during the current period, a portion of which vested immediately.

Share-based compensation represents a non-cash expense and was valued using the Black-Scholes valuation model for stock options and using the fair value of the shares on the date of the grant for restricted share units ("RSUs"). The fair value of performance share units ("PSUs") was based on the Company's share price at the grant date, adjusted for an estimate of likelihood of achievement of the defined performance criteria.

OTHER (INCOME) EXPENSES

	Fiscal 2024	Comparative Fiscal 2023	CHANGE	% CHANGE
Investment income, net of financing costs	(3,311)	(3,423)	(112)	(3)%
Share of loss (including impairment) from investments in associates	5,284	895	4,389	490 %
Change in fair value of contingent consideration	(50)	(3,364)	(3,314)	99 %
(Gain) Loss on disposal of property, plant and equipment	(633)	30	(663)	(2,210)%
Share issue costs allocated to derivative liabilities	937	—	937	N/A
Change in fair value of derivative liabilities	7,718	(2,794)	(10,512)	376 %
Other non-operating income	(176)	(548)	(372)	68 %
Total other (income) expenses	$ 9,769	$ (9,204)	$ 18,973	(206)%

Note (1): Comparative Fiscal 2023 results are for the unaudited twelve month period beginning October 1, 2022 and ending September 30, 2023.

INVESTMENTS IN ASSOCIATES AND CONTINGENT CONSIDERATION

During Fiscal 2024, the Company determined that there are indicators of impairment related to its investment in Hyasynth. The Company determined the recoverable amount to be approximately $nil and a result, an impairment loss of $4,773 was recognized in the consolidated statement of operations and comprehensive loss for Fiscal 2024.

In connection with the Company's acquisition of Laurentian, the Company had contingent commitments to deliver additional consideration should Laurentian achieve certain milestones. There was a $50 decrease in the estimated fair value of the Laurentian contingent liability for Fiscal 2024, compared to $3,364 in the prior year comparative period.

(GAIN) LOSS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

During Fiscal 2024, the Company recognized a gain on disposal of property, plant and equipment of $633 compared to loss of $30 in Comparative Fiscal 2023. The change in (gain) loss on disposal of property, plant and equipment was primarily as a result of an early termination of one lease agreement in the current period, which resulted in a gain of $416.

SHARE ISSUE COSTS

On April 2, 2024, the Company closed an offering (the "Unit Offering") for gross proceeds of $28.8 million pursuant to the Company's final Canadian base shelf prospectus dated October 6, 2023, and a corresponding amended Form F-10 registration statement filed with the SEC on October 6, 2023, and declared effective by the SEC on November 29, 2023 (SEC File No. 333-274686). The Company sold 8,901,000 units (each a "Unit") at a price of $3.23 per Unit, which included 1,161,000 Units sold pursuant to the exercise in full of the underwriters' over-allotment option. Each Unit is comprised of one Common Share and one-half of one warrant (a "Warrant"). Each Warrant is exercisable to acquire one Common Share (a "Warrant Share") for a period of four years following the closing date of the Unit Offering at an exercise price of $3.65 per Warrant Share, subject to adjustment in certain events. $7,798 of the gross proceeds was allocated to derivative liabilities with the residual, $20,953, which represents the value allocated to the Common Shares, being recorded in share capital. Share issue costs were $2,464 which included a 4.7% cash commission of $1,366 paid to placement agents with the balance related to filing, legal, and other professional fees directly related to the Unit Offering. Of the total, $668 of the share issue costs were allocated to the derivative liabilities and expensed in the consolidated statement of operations and comprehensive loss in the current period. Refer to Note 11 (iv) of the Financial Statements for more details.

CHANGE IN DERIVATIVE LIABILITIES AND OTHER FINANCIAL ASSETS

Change in fair value of derivative liabilities and other financial assets was a loss of $7,718 for Fiscal 2024, compared to a gain of $2,794 for Comparative Fiscal 2023.

During Fiscal 2024, the Company recorded a fair value loss of $6,208 and $5,390 for Top-up-Rights and derivatives in relation to the Follow-on BAT Investment, respectively. Additionally, during the year ended September 30, 2024, the Company recorded a fair value loss of $1,275 for the Preferred Shares liability. Refer to Note 11 and 12 of the Financial Statements for more details.

The above fair value loss was partially offset by gain in fair valuation of other financial assets. Refer to Note 9 of the Financial Statements for more details.

The comparative period fair value gain of $2,794 was primarily related to derivative warrant liabilities.

NET LOSS

Net loss for Fiscal 2024 was $45,440 or $0.477 per Common Share (basic and diluted), compared to $247,002 or $3.116 per Common Share (basic and diluted) for Comparative Fiscal 2023. The decrease in net loss from Comparative Fiscal 2023 is primarily due to higher adjusted gross margins and lower impairment loss that was recorded in Fiscal 2023.

SUMMARY OF QUARTERLY RESULTS

	Q1-F23	Q2-F23	Q3-F23	Comparative Q4-2023	Q1-F24	Q2-F24	Q3-F24	Q4-F24
Financial Results								
Adult-use recreational cannabis revenue (net of excise)	$ 35,859	$ 27,415	$ 29,202	$ 35,249	$ 34,425	$ 33,118	$ 36,467	$ 38,839
Medical international, wholesale and other revenue	$ 7,462	$ 12,078	$ 3,583	$ 1,450	$ 2,030	$ 4,510	$ 4,593	$ 5,859
Net revenue	$ 43,321	$ 39,493	$ 32,785	$ 36,699	$ 36,455	$ 37,628	$ 41,060	$ 44,698
Net income (loss)	$ 5,329	$ (7,488)	$ (213,451)	$ (26,595)	$ (15,750)	$ (27,075)	$ 2,818	$ (5,433)
Net income (loss) per common share, basic	$ 0.068	$ (0.096)	$ (2.708)	$ (0.330)	$ (0.194)	$ (0.297)	$ 0.027	$ (0.050)
Net income (loss) per common share, diluted	$ 0.068	$ (0.096)	$ (2.708)	$ (0.330)	$ (0.194)	$ (0.297)	$ 0.026	$ (0.050)
Operational Results								
Dried flower yield per plant (grams)	168	156	144	163	164	164	185	187
Harvest (kg) - dried flower	22,296	20,624	18,604	21,238	19,946	20,962	21,420	23,323
Employee headcount (#)	921	939	923	935	984	987	914	875

Note (1): Comparative Q4 Fiscal 2023 results are for the unaudited and unreviewed three month period beginning July 1, 2023 and ending September 30, 2023.

The Company saw a decrease in net revenues from the first quarter of Fiscal 2023 until the third quarter of Fiscal 2023, followed by an increase in Q4 Fiscal 2023[19]. This was followed by a sequential decrease in net revenues in the first quarter of Fiscal 2024 and a subsequent increase in remaining quarters of Fiscal 2024. Net revenue in Q4 Fiscal 2024 was the highest that the Company has reported in the preceding eight quarters. The variability in net revenues over the preceding eight quarters is primarily as a result of fluctuations in international sales.

Continued growth in net revenues, lower costs of production (on a per unit basis) and lower impairment charges, resulted in net income or a reduced net loss as compared to net losses recognized during the different quarters of Fiscal 2023. In the first quarter of Fiscal 2023, the Company generated positive net income as a result of higher international sales and higher unrealized gain on changes in fair value of biological assets. In the remaining quarters of Fiscal 2023, the Company recorded a higher net loss than historical periods primarily due to impairment charges and lower net flower revenue. In the first and second quarters of Fiscal 2024, the Company recorded a higher net loss primarily due to lower gross margin, higher operating expenses and lower gain on the change in fair value of derivative liabilities. In the third quarter of Fiscal 2024, both net revenue and gross margin increased, resulting in net income. In Q4 Fiscal 2024, the Company recorded a net loss primarily due to an impairment loss of $4,773 for investments in associates and change in fair value of derivative liabilities and other financial assets (investments which are measured at fair value through profit and loss) of $1,642.

Adjusted EBITDA

Adjusted EBITDA is a Non-IFRS Measure and the Company calculates Adjusted EBITDA as net income (loss) excluding: financing costs, net of investment income; income tax expense (recovery); depreciation, amortization, impairment, normalization of depreciation add-back due to changes in depreciable assets resulting from impairment charges, (gain) loss on disposal of property, plant and equipment (per the consolidated statement of cash flows); share-based compensation (per the consolidated statement of cash flows); share of loss (gain) from investments in associates and impairment loss from loans receivable; change in fair value of contingent consideration; change in fair value of derivative liabilities. Preferred shares and other financial assets; expenditures incurred in connection with research and development activities (net of depreciation); unrealized (gain) loss on changes in fair value of biological assets; realized fair value on inventories sold and other inventory charges; provisions and net realizable value adjustments related to inventory and biological assets; government subsidies, insurance recoveries and other non-operating expenses (income); legal provisions (recoveries); incremental fair value component of inventories sold from acquisitions; ERP implementation costs; transaction costs; share issuance costs; and provision for Canndoc expected credit losses. Management believes that Adjusted EBITDA is intended to provide a proxy for the Company's operating cash flow and derives expectations of future financial performance for the Company, and excludes adjustments that are not reflective of current

[19] Q4 Fiscal 2023 results are for the four month period from June 1, 2023 through September 30, 2023

operating results. See "Cautionary Statement Regarding Certain Non-IFRS Measures". The most directly comparable measure to Adjusted EBITDA calculated in accordance with IFRS is net income (loss).

During the second quarter of Fiscal 2024, management changed the calculation of Adjusted EBITDA to include provisions for expected credit losses and has conformed prior quarters accordingly.

Adjusted EBITDA (Non-IFRS Measure)

Adjusted EBITDA Reconciliation	Q1-F23	Q2-F23	Q3-F23	Comparative Q4-2023	Q1-F24	Q2-F24	Q3-F24	Q4-F24	Fiscal 2024
Net income (loss) as reported	$ 5,329	$ (7,488)	$(213,451)	$ (26,595)	$ (15,750)	$ (27,075)	$ 2,818	$ (5,433)	$ (45,440)
Add/(deduct):									
Financing costs, net of investment income	(815)	(1,051)	(903)	(652)	(522)	(650)	(1,179)	(960)	(3,311)
Income tax (recovery) expense	(232)	1	(1,302)	(2,279)	—	(30)	—	30	—
Depreciation, amortization, and (gain) loss on disposal of property, plant and equipment (per statement of cash flows)	7,183	6,867	6,975	3,294	2,837	3,180	2,332	3,097	11,446
Normalization of depreciation add-back due to changes in depreciable assets resulting from impairment charges	—	—	—	3,037	757	—	—	—	757
Impairment of intangible assets and goodwill	—	—	37,905	6,951	—	—	—	—	—
Impairment of property, plant and equipment	—	—	153,337	11,918	—	—	—	—	—
Share of loss (gain) from investments in associates and impairment loss (recovery) from loan receivable	406	296	287	(51)	155	112	122	4,895	5,284
Realized fair value on inventories sold and other inventory charges	12,528	14,170	13,588	15,901	11,923	11,062	13,728	15,365	52,078
Unrealized gain on changes in fair value of biological assets	(24,714)	(14,121)	(8,395)	(21,751)	(9,112)	(9,400)	(13,849)	(18,790)	(51,151)
Share-based compensation (per statement of cash flows)	1,852	1,342	1,325	797	2,007	1,995	2,087	1,093	7,182
Legal provisions (recoveries), government subsidies, insurance recoveries and other non-operating expenses (income)	—	(75)	—	(407)	(218)	87	139	(184)	(176)
Share issuance costs allocated to derivative liabilities and change in fair value of derivative liabilities, preferred shares, other financial assets and contingent consideration	(1,012)	(2,457)	(4,214)	(53)	406	12,529	(6,241)	1,911	8,605
ERP implementation costs	1,334	1,377	2,561	1,588	991	173	7	465	1,636
Transaction costs	318	27	538	505	590	(170)	421	74	915
Provisions and net realizable value adjustments related to inventory and biological assets	1,129	3,521	5,578	4,784	1,685	347	699	2,752	5,483
Research and development expenditures, net of depreciation	2,271	3,239	3,257	2,601	4,387	2,556	2,381	1,545	10,869
Adjusted EBITDA as previously reported	$ 5,577	$ 5,648	$ (2,914)	$ (412)	$ 136	$ (5,284)	$ 3,465	5,860	4,177
Add: Provision for Canndoc expected credit losses	—	—	—	470	—	4,239	—	—	4,239
Adjusted EBITDA (revised)	$ 5,577	$ 5,648	$ (2,914)	$ 58	$ 136	$ (1,045)	$ 3,465	5,860	8,416
Divided by: net revenue	43,321	39,493	32,785	36,698	36,455	37,628	41,060	44,698	159,841
Adjusted EBITDA Margin % (revised) (Non-IFRS Measure)	13 %	14 %	(9)%	— %	— %	(3)%	8 %	13 %	5 %

Note (1): Comparative Q4 Fiscal 2023 results are for the unaudited and unreviewed three month period beginning July 1, 2023 and ending September 30, 20 23.

In the fist quarter of Fiscal 2023, the Company achieved Adjusted EBITDA of $5.6 million and in the second quarter of Fiscal 2024, the Company continued its track record of Adjusted EBITDA growth with $5.6 million reported in the second quarter of Fiscal 2023. During the third quarter of Fiscal 2023, the Company's Adjusted EBITDA decreased to a loss of $2.9 million due to lower international sales, continued price compression in the recreational market, low flower yields, and higher SG&A costs. In Q4 Fiscal 2023, continued price compression and lower international sales led to an Adjusted EBITDA loss of $1.9 million. In the first quarter of Fiscal 2024, the Company returned to a positive Adjustive EBITDA position due to a higher adjusted gross margin (31%) resulting from lower cultivation and post-harvest costs and positive contributions from Edison Jolts product sales. In the second quarter of Fiscal 2024, the Company's Adjusted EBITDA position was a loss of $1 million and the decrease in Adjusted EBITDA from the first quarter of Fiscal 2024 was primarily due to increased sales and marketing expenses. In the third quarter of Fiscal 2024, as a result of higher recreational cannabis revenue and a higher adjusted gross margin resulting from lower cultivation and post-harvest costs, Adjusted EBITDA increased to $3.5 million. In Q4 Fiscal 2024, the Company continued the momentum and achieved Adjusted EBITDA of $5.9 million which was the highest Adjusted EBITDA the Company had ever reported in any quarter.

BALANCE SHEET, LIQUIDITY AND CAPITAL RESOURCES

The following represents selected balance sheet highlights of the Company at the end Fiscal 2024 and Fiscal 2023:

	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023	% CHANGE
Cash, restricted cash & short-term investments	$ 133,426	$ 51,757	158 %
Inventories	$ 67,351	$ 63,598	6 %
Working capital	$ 208,897	$ 133,545	56 %
Total assets	$ 407,860	$ 298,455	37 %
Total current and long-term debt	$ 25	$ 79	(68) %
Non-current financial liabilities[(1)]	$ 3,369	$ 3,630	(7) %
Total shareholders' equity	$ 305,989	$ 271,623	13 %

Note 1: Non-current financial liabilities excludes non-monetary balances related to contingent share consideration, derivative liabilities and deferred income taxes.

On September 30, 2024, the Company had unrestricted cash of $133,426 compared to $51,757 at September 30, 2023. The increase is primarily a result of proceeds from the Follow-on BAT Investment and the Offering of Units that closed on April 2, 2024. Subsequent to year-end, the Company acquired Motif which included a cash component of approximately $50 million and approximately $5 million in transaction costs. The funds to finance this acquisition were not drawn from the Jupiter Pool. Furthermore, the Company is expecting to close the third tranche from the Follow-on BAT Investment in the amount of $41.5 million on or about February 28, 2025.

Management believes its capital position is healthy and that sufficient liquidity is available to fund operations and strategic growth initiatives in the medium term. Furthermore, the Company may be able to, if necessary and subject to prevailing market conditions, obtain equity or debt financing through capital markets. Additionally, subject to the restrictions in the Amended IRA, the Company may be able to use its shares as a currency for additional acquisitions. The Common Shares are listed for trading on both the NASDAQ and TSX, and there is analyst coverage among sell-side brokerages. However, there can be no assurance that capital will be available on terms acceptable to the Company or at all.

On October 6, 2023, the Company filed a final Canadian base shelf prospectus and corresponding amended Form F-10 registration statement (SEC File No. 333-274686) under the United States Securities Act of 1933, as amended, enabling the Company to qualify for the distribution of up to $500,000,000 of Common Shares, debt securities, subscription receipts, warrants and units, during the 25-month period that the base shelf prospectus remains effective. The specific terms of any future offering of securities are required to be disclosed in a prospectus supplement filed with the applicable Canadian securities regulators and the SEC. In April 2024, the Company successfully closed the Unit Offering pursuant to the base shelf prospectus and the corresponding Form F-10 registration statement.

The following highlights the Company's cash flows during Q4 Fiscal 2024 and Comparative Q4 Fiscal 2024:

	Q4-F24	Comparative Q4 Fiscal 2023 (three months ended September 30, 2023)	Fiscal 2024	Comparative Fiscal 2023 (twelve months ended September 30, 2023)
Cash provided (used) by:				
Operating activities	$ 8,893	$ (8,469)	$ 3,872	$ (52,134)
Financing activities	41,011	(151)	107,779	(748)
Investing activities	(22,415)	$ (1,499)	(38,770)	$ 8,456
Cash provided (used)	$ 27,489	$ (10,119)	$ 72,881	$ (44,426)
Cash position				
Beginning of period	79,256	43,983	33,864	78,290
End of period	$ 106,745	$ 33,864	$ 106,745	$ 33,864
Short-term investments	821	—	821	—
Cash and short-term investments	$ 107,566	$ 33,864	$ 107,566	$ 33,864

Note (1): Comparative Q4 Fiscal 2023 results are for the unaudited and unreviewed three month period beginning July 1, 2023 and ending September 30, 2023.

Note (2): Comparative Fiscal 2023 results are for the unaudited twelve month period beginning October 1, 2022 and ending September 30, 2023.

Cash provided by operating activities for Q4 Fiscal 2024 and Fiscal 2024 was $8,893 and $3,872, respectively, compared to cash used for Comparative Q4 Fiscal 2023 and Comparative Fiscal 2023 of $8,469 and $52,134, respectively. The decrease in cash

used by operating activities is primarily attributed to a reduced net loss. Working capital changes included an increase in accounts payable and accrued liabilities, reflecting the Company's focus on cash flow management.

Cash provided by financing activities for Q4 Fiscal 2024 and Fiscal 2024 was $41,011 and $107,779, respectively. In comparison, for Comparative Q4 Fiscal 2023 and Comparative Fiscal 2023 cash used by financing activities was 151 and 748, respectively. The increase in cash from financing activities in the current period was primarily due to proceeds from the Offering of Units that closed on April 2, 2024, and the Follow-on BAT Investment.

Cash used by investing activities for Q4 Fiscal 2024 and Fiscal 2024 was $22,415 and $38,770, respectively, compared to cash (used) provided by investing activities of $(1,499) and $8,456 in Comparative Q4 Fiscal 2023 and Comparative Fiscal 2023, respectively. The increase in cash used is primarily on account of purchase of other financial assets (investment in Sanity Group and Phylos).

OFF BALANCE SHEET ARRANGEMENTS

There were no off-balance sheet arrangements during Q4 Fiscal 2024 and Fiscal 2024.

RELATED PARTY TRANSACTIONS

MANAGEMENT AND BOARD COMPENSATION

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling activities of the Company, directly or indirectly. The key management personnel are the members of the Company's executive management team and Board of Directors. The transactions are conducted at arm's length and in the normal course of operations.

For Q4 Fiscal 2024 and Fiscal 2024 and for Q4 Fiscal 2023 and Fiscal 2023, the Company's expenses included the following: management and Board of Directors compensation:

	Q4-F24	Q4-F23	Fiscal 2024	Fiscal 2023
Salaries, bonus and consulting fees	$ 1,743	$ 1,195	$ 7,155	$ 4,388
Share-based compensation	806	494	4,620	3,446
Total key management compensation	$ 2,549	$ 1,689	$ 11,775	$ 8,262

During Q4 Fiscal 2024 and Fiscal 2024, Nil and 62,000 stock options (Fiscal 2023 – 6,250 and 206,250) were granted to key management personnel with an aggregate fair value of $nil and $123, respectively (September 30, 2023 – $34 and $665). In addition, during the Q4 Fiscal 2024 and Fiscal 2024, 29,762 and 2,175,879 RSUs, (September 30, 2023 – nil and 285,191), were granted to key management personnel with an aggregate fair value of $nil and $4,373, respectively (September 30, 2023 – $nil and $1,325). For the Q4 Fiscal 2024 and Fiscal 2024, nil and 678,717 PSUs, (September 30, 2023 – nil and 136,920) were issued to key management personnel with an aggregate fair value of $nil and $543, respectively (September 30, 2023 – $nil and $305).

SIGNIFICANT TRANSACTIONS WITH ASSOCIATES AND JOINT OPERATIONS

The Company has transactions with related parties, as defined in IAS 24*Related Party Disclosures*, all of which are undertaken in the normal course of business.

For Q4 Fiscal 2024 and Fiscal 2024, under the PDC Agreement, BAT incurred $504 and $3,708 (Fiscal 2023 -$635 and $3,134) for direct expenses and the Company incurred $1,266 and $9,623 (Fiscal 2023 - $3,764 and $10,638) of direct expenses and capital expenditures of $nil and $96 (Fiscal 2023 - $462 and $1,768) related to the CoE, respectively. The Company recorded $885 and $6,666 (Fiscal 2023 - $2,001 and $6,886) of these expenditures in the consolidated statements of operations and comprehensive loss. For Q4 Fiscal 2024 and Fiscal 2024, the Company recorded $nil and $49 (Fiscal 2023 - $231 and $884) of capital expenditures in the consolidated statements of financial position.

During Q4 Fiscal 2024 and Fiscal 2024, BAT exercised nil and nil Top-up Rights. As at September 30, 2024, there is a receivable balance of $167 (September 30, 2023 - receivable of $167) from BAT.

FAIR VALUE MEASUREMENTS

(i) Financial Instruments

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation

techniques. A level is assigned to each fair value measurement based on the lowest-level input significant to the fair value measurement in its entirety.

The three levels of the fair value hierarchy are described as follows:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The fair values of cash, short-term investments, accounts and other receivables, accounts payable and accrued liabilities and restricted cash approximate their carrying amounts due to their short-term nature. The fair value of long-term debt approximates $25.

The fair value of the investment in WHC is primarily based on Level 3 unobservable inputs and is determined using a market-based approach, based on revenue multiples for comparable companies.

In determining the impairment loss, the FVLCD of property, plant and equipment was determined based on a third-party appraisal using market and replacement cost approaches. Consideration is given to information from historical data and industry standards which constitute both observable and unobservable inputs (level 2 and level 3).

The fair value of the convertible promissory note issued to OBX was determined using the binomial lattice model. The key assumptions used in the model are OBX stock price, dividend yield, expected future volatility of OBX stock, credit risk-adjusted discounting rate, risk-free rate, and probability and timing of certain qualified events. The credit risk-adjusted discounting rate and the expected equity volatility are based on unobservable inputs and are categorized as Level 3 in the fair value hierarchy.

The fair value of the Secured Convertible Loan advanced to Phylos was determined using the binomial lattice model and has been classified as level 3 in the fair value hierarchy. The fair value of the Secured Convertible Loan was based on certain assumptions, including likelihood, and timing of the federal legalization or decriminalization of cannabis in the United States. Similarly, the fair value of the commitment to fund an additional US $1 millionwas based on certain assumptions, including the probability of Phylos meeting certain required milestones.

The fair value of the Convertible Note advanced to Sanity Group was determined using the binomial lattice model. The key assumptions used in the Model for are Sanity Group stock price, dividend yield, expected future volatility of Sanity Group stock, credit risk-adjusted discounting rate, risk-free rate, and probability and timing of certain qualified and non-qualified events. The credit risk-adjusted discounting rate and the expected equity volatility are based on unobservable inputs and are categorized as Level 3 in the fair value hierarchy.

The fair value of equity interest in the Sanity Group was determined using the option pricing model wherein the current value of the Sanity Group was allocated to the various types of shares based on their rights and preferences. The current value of the Sanity Group was determined using the backsolve approach which benchmarks the original issue price of the Sanity Group's latest funding transaction.

The fair value of the Laurentian contingent share consideration is primarily based on Level 3 unobservable inputs in a Monte Carlo pricing model. The determination of the fair value of this liability is primarily driven by the Company’s expectations of Laurentian achieving its business objectives. The key assumptions used in the model are the expected future sales volumes and selling prices used in determining Laurentian's future adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") and WACC. At September 30, 2024, the fair value of the Laurentian contingent share consideration was $Nil.

The fair value of derivative warrant liabilities is based on Level 1 and 2 inputs utilized in a Black-Scholes option pricing model to estimate the fair value of such Warrants. The key assumption used in the model is the expected future volatility in the price of the Company’s Common Shares. If the expected future volatility in the common share price of the Company increased by 10%, the estimated fair value of the derivative warrant liability and net loss would increase by $456, or if it decreased by 10%, the estimated fair value of the derivative warrant liability and net loss would decrease by $508.

The fair value of the Top-up Rights is based on Level 3 inputs utilized in a Monte Carlo pricing model to estimate the fair value of such Top-up Rights. The key assumptions used in the model are the expected future price of the Company’s Common Shares, the weighted average expected life of the instruments and the expected future volatility in the price of Common Shares. A sensitivity

analysis for changes in key inputs was not presented as it was deemed that the impact of reasonable changes in key inputs would not be significant.

The fair value of the contractual commitment to issue Preferred Shares in the future is based on level 1, level 2 and level 3 inputs and is determined based on estimated fair value of the Preferred Shares and the present value of the share price agreed with BAT. The fair value of the Preferred Shares was estimated using certain assumptions, including tenure of BAT's common shares and potential shareholding meeting 30% and 49% thresholds, respectively, market price and volatility of the Company's Common Shares, risk free rate and discount for lack of marketability.

The fair value of Preferred Shares is based on level 1, level 2 and level 3 inputs and is determined based on market price and volatility of the Company's Common Shares, risk free rate and discount for lack of marketability.

During the year, there were no transfers of amounts between Levels 1, 2 and 3.

Derivative Warrant Liabilities

Unit Offering 2024

On April 2, 2024, the Company closed the Unit Offering. The Company sold 8,901,000 Units (each a "Unit") at a price of $3.23 per Unit, which included 1,161,000 Units sold pursuant to the exercise in full of the underwriters' over-allotment option. Each Unit is comprised of one Common Share of the Company and one-half of one Warrant. Each Warrant is exercisable to acquire one Warrant Share for a period of four years following the closing date of the Unit Offering at an exercise price of $3.65 per Warrant Share, subject to adjustment in certain events.

The holders of the Warrants issued pursuant to the Unit Offering may elect, if the Company does not have an effective registration statement under the United States Securities Act of 1933, as amended, or the prospectus contained therein is not available for the offer and sale of the Common Shares to the Warrant holder, in lieu of exercising the Warrants for cash, a cashless exercise option to receive Common Shares equal to the fair value of the gain implied by the Warrants at the time of exercise. The fair value is determined by multiplying the number of Warrants to be exercised by the weighted average market price less the exercise price with the difference being divided by the weighted average market price. If a Warrant holder exercises this option, there will be variability in the number of shares issued per Warrant.

In accordance with IAS 32 *Financial Instruments: Presentation*, a contract to issue a variable number of shares fails to meet the definition of equity and must instead be classified as a derivative liability and measured at fair value with changes in fair value recognized in the statement of operations and comprehensive loss at each reporting period. The derivative warrant liabilities are expected to ultimately be converted into the Company's equity (Common Shares) when the Warrants are exercised or will be extinguished on the expiry of the outstanding Warrants and will not result in the outlay of any cash by the Company.

At initial recognition on April 2, 2024, the Company recorded derivative liabilities of $7,798 based on the estimated fair value of the Warrants at that date using the Black-Scholes option pricing model. Share issuance costs of $668 were recognized as costs allocated to derivative liabilities based on a pro-rata allocation of total issuance costs based on the relative fair value of the Warrants and the Common Shares issued as part of the Unit Offering.

As at September 30, 2024, the Company revalued the remaining derivative liabilities to an estimated fair value of $7,772. The Company recorded an increase in the estimated fair value change of the derivative liabilities for Fiscal 2024 of $26.

The following inputs were used to estimate the fair value of the Warrants at September 30, 2024:

	SEPTEMBER 30, 2024	
Risk free interest rate	2.70	%
Life of Warrants (years)	3.51	
Market price of Common Shares	$ 2.45	
Expected future volatility of Common Shares	123.00	%
Fair value per Warrant	$ 1.75	

If the expected future volatility in the common share price of the Company increased by 10%, the estimated fair value of the derivative warrant liability and net loss would increase by $456, or if it decreased by 10%, the estimated fair value of the derivative warrant liability and net loss would decrease by $508.

Unit offering 2020

The Warrants outstanding as at September 30, 2023, have expired in November 2023. See "Other (Income) Expenses - Derivative Warrant Liabilities" in this MD&A for further information.

Top-up Rights

On March 10, 2021, the Company issued 14,584,098 Common Shares to BAT in connection with BAT's initial equity investment in the Company. On January 23, 2024, the Company issued an additional 12,893,175 Common Shares to BAT in connection with the closing of the first tranche of the Follow-on BAT Investment, which, at the time, increased BAT's beneficial ownership in the Company to 29.90% (measured on a non-diluted basis).

In connection with the closing of the first tranche of the Follow-on BAT Investment in late January 2024, BAT and the Company entered into the Amended IRA, which amended and restated the Original IRA between the parties. Pursuant to the Amended IRA, BAT has been granted certain Top-Up Rights to subscribe for additional Common Shares or Preferred Shares, and together with the Common Shares, the "Shares") in specified circumstances where the pre-emptive rights are not applicable (referred to in the Amended IRA as "Exempt Distributions") and in specified circumstances where pre-emptive rights were not exercised (referred to in the Amended IRA as “bought deal Distributions”).

The Follow-on BAT Investment is structured such that the aggregate number of Common Shares beneficially owned or controlled, directly or indirectly, by BAT, its affiliates, associates, related parties and any joint actors, may not exceed 30% of the issued and outstanding Common Shares (the "30% Common Share Limit"). As a result, pursuant to the terms of the Amended IRA, if the issuance of Common Shares upon BAT exercising its Top-Up Rights would result in BAT's aggregate ownership exceeding the 30% Common Share Limit, the Company shall issue Preferred Shares in lieu of Common Shares on the exercise of such rights, in order to restrict BAT's voting control to 30.0% of the issued and outstanding Common Shares. Such Preferred Shares would be convertible into Common Shares in accordance with their terms.

The price per Share to be paid by BAT pursuant to the exercise of its Top-up Rights will equal to the price paid by other participants in the Exempt Distribution or bought deal Distribution, subject to certain restrictions (including, if such price is not permitted pursuant to applicable securities laws, at the lowest price permitted thereunder).

The Company has classified the Top-up Rights as a derivative liability, and pursuant to the exercise of stock options, RSUs, PSUs and warrants that were outstanding at initial recognition on March 10, 2021 (the date of the Original IRA), the Company recorded a derivative liability of $2,740 based on the estimated fair value of the Top-up Rights at this date using a Monte Carlo pricing model.

As at September 30, 2024, the Company revalued the Top-up Rights of BAT pursuant to the Amended IRA to an estimated fair value of $6,338 (September 30, 2023 – $130). The Company recorded an increase in the estimated fair value of the Top-up Rights for the Fiscal 2024 of $6,208 (Fiscal 2023 - $605).

The following inputs were used to estimate the fair value of the Top-up Rights as at September 30, 2024, and September 30, 2023:

	SEPTEMBER 30, 2024				
	STOCK OPTIONS	WARRANTS	PSUs	RSUs	TOP-UP OPTIONS
Average exercise price[1]	$1.20 - $45.08	$2.50	$—	$—	$1.20 - $2.23
Risk free interest rate	2.78% - 2.89%	2.79%	2.83%	2.87%	3.10%
Expected future volatility of Common Shares	75.00% - 85.00%	75.00%	75.00%	75.00%	60.00%
Expected life[1]	2.14 - 4.40	0.12	5.92	5.18	1.41
Forfeiture rate	10%	—%	25%	6%	—%

	September 30, 2023			
	STOCK OPTIONS	WARRANTS	PSUs	RSUs
Average exercise price[1]	$1.20 - $45.08	$2.50	—	—
Risk free interest rate	4.11% - 4.54%	3.59%	3.65%	3.78%
Expected future volatility of Common Shares	70.00% - 90.00%	90.00%	85.00%	85.00%
Expected life[1]	1.34 - 5.12	0.12	5.92	5.18
Forfeiture rate	10%	—%	25%	6%

[1]Exercise price and expected life for stock options were determined using the range of exercise prices disclosed in Note 13(iv) in the Financial Statements

Secured Convertible Loan Agreement
On May 25, 2023, the Company entered into a secured convertible loan agreement (the "Secured Convertible Loan Agreement") with Phylos. Under the terms of the Secured Convertible Loan Agreement, upon the completion of certain milestones the Company has a commitment to fund US $4.75 million over two tranches within 12 and 24 months from the initial closing date. This commitment meets the definition of a derivative and the value of such derivative was considered as part of the overall transaction price in the initial recognition of the secured convertible loan and intangible assets. At initial recognition, the Company recorded a derivative liability of $1,424 based on the estimated fair value of the secured convertible loan.

In November, 2023, the Company funded the second tranche of US$2.75 million and a derivative liability of $1,385 was derecognized. Thereafter, in July 2024, the Company also funded US$1 million for the third tranche and a derivative liability of $752 was derecognized. As at September 30, 2024, the Company revalued the commitment to fund the remaining third tranche at an estimated fair value of $368 (September 30, 2023 – $1,743) and recorded a change in fair value of $762 for the year ended September 30, 2024.

Convertible Note
The fair value of the Convertible Note advanced to Sanity was determined using the binomial tree model. The key assumptions used in the Model for are Sanity stock price, dividend yield, expected future volatility of Sanity stock, credit risk-adjusted discounting rate, risk-free rate, and probability and timing of certain qualified and non-qualified events. The credit risk-adjusted discounting rate and the expected equity volatility are based on unobservable inputs and are categorized as Level 3 in the fair value hierarchy.

Non-voting Class A preferred shares
In relation to the Follow-on BAT Investment, the Company is required to issue non-voting Class A convertible preferred shares ("Preferred Shares"). The Preferred Shares to be issued as part of future tranches represent an obligation for the Company to deliver a variable number of its own Common Shares and hence meet the definition of an instrument classified as a derivative financial instrument as per IAS 32 *Financial Instruments: Presentation*. The Company measured the derivative at fair value on initial recognition. The derivative financial instrument is classified as a derivative asset or a derivative liability depending partly on whether the fair value of the Company's Preferred Shares is above or below the $3.2203 subscription price. At initial recognition, the derivative financial instrument was recognized as a derivative financial liability with a fair value off $1,921. Refer to Note 12 and 13 (iii) of the Financial Statements for further information regarding the Follow-on BAT Investment.

In August 2024, the Company closed the second tranche of the Follow-on BAT Investment and issued 8,463,435 Preferred Shares. The fair value of the derivative liability that was derecognized on closing of the second tranche was $4,339. As at September 30, 2024, the Company revalued the derivative liability for the third tranche to an estimated fair value of $4,771. Accordingly, the Company recognized a total fair value loss of $7,189 in the consolidated statements of operations and comprehensive loss.

The fair value of the contractual commitment to issue Preferred Shares in the future is based on level 1, level 2 and level 3 inputs and is determined based on estimated fair value of the Preferred Shares and the present value of the share price agreed with BAT. The fair value of the Preferred Shares was estimated using certain assumptions, including tenure of BAT's common shares and potential shareholding meeting 30% and 49% thresholds, respectively, market price and volatility of the Company's Common Shares, risk free rate and discount for lack of marketability.

Preferred Shares
On August 30, 2024, in relation to the Follow-on BAT Investment (as hereinafter defined), the Company issued 8,463,435 Preferred Shares of the Company. The Preferred Shares are eligible for conversion into Common Shares at BAT's option, provided that such conversion would not result in BAT's voting interest in the Company exceeding 30%. The number of shares that will be issued on conversion is not fixed and therefore, Preferred Shares are classified as liabilities. These liabilities are measured at FVTPL. The conversion feature is considered to be an embedded derivative that qualifies for bifurcation. However, the Company has elected to account for the entire instrument as FVTPL after determining under IFRS 9 that the Preferred Shares qualify to be accounted for under such FVTPL method.

On initial recognition, the Preferred Shares were measured at a fair value of $31,594. As at September 30, 2024, the Preferred Shares had an estimated fair value of $31,070, resulting in a fair value gain of $524 which was recognized in the consolidated statements of operations and comprehensive loss.

The fair value of Preferred Shares is based on level 1, level 2 and level 3 inputs and is determined based on market price and volatility of the Company's Common Shares, risk free rate and discount for lack of marketability.

(ii) Biological Assets

The Company measures biological assets, which consist of cannabis plants, at fair value less costs to sell up to the point of harvest, which then becomes the basis for the cost of finished goods inventories after harvest. Subsequent expenditures incurred on these finished goods inventories after harvest are capitalized based on IAS 2 Inventories.

The changes in the carrying value of biological assets as at September 30, 2024 are as follows:

	CAPITALIZED COST	BIOLOGICAL ASSET FAIR VALUE ADJUSTMENT	AMOUNT
Balance, September 30, 2023	$ 6,945	$ 10,410	$ 17,355
Unrealized gain on change in fair value of biological assets	—	51,151	51,151
Production costs capitalized	40,229	—	40,229
Transfer to inventory upon harvest	(41,226)	(52,336)	(93,562)
Carrying amount, September 30, 2024	$ 5,948	$ 9,225	$ 15,173

The fair value less costs to sell of biological assets is determined using a model which estimates the expected harvest yield in grams for plants currently being cultivated, then adjusts that amount for the average selling price per gram, and for any additional costs to be incurred, such as post-harvest costs. The following unobservable inputs, all of which are classified as level 3 within the fair value hierarchy (see Note 18 of the Financial Statements), are used in determining the fair value of biological assets:

i. average selling price per gram – calculated as the weighted average current selling price of cannabis sold by the Company, adjusted for expectations about future pricing;

ii. expected average yield per plant – represents the number of grams of finished cannabis inventory which is expected to be obtained from each harvested cannabis plant currently under cultivation;

iii. wastage of plants based on their various stages of growth – represents the weighted average percentage of biological assets which are expected to fail to mature into cannabis plants that can be harvested;

iv. post-harvest costs – calculated as the cost per gram of harvested cannabis to complete the sale of cannabis plants post-harvest, consisting of the cost of direct and indirect materials and labour related to drying, labelling, and packaging; and

v. stage of completion in the cultivation process – calculated by taking the average number of weeks in production over a total average grow cycle of approximately 14 weeks.

The Company estimates the harvest yields for the cannabis on plants at various stages of growth, based on expected yield of mature plants. As of September 30, 2024, it is expected that the Company's biological assets will yield 28,889 kg (September 30, 2023 – 26,917 kg) of cannabis when eventually harvested. The Company's estimates are, by their nature, subject to change, and differences from the expected yield will be reflected in the fair value adjustment to biological assets in future periods. The Company accretes fair value on a straight-line basis according to stage of growth. As a result, a cannabis plant that is 50% through its 14-week growing cycle would be ascribed approximately 50% of its harvest date expected fair value less costs to sell (subject to wastage adjustments).

Management believes the most significant unobservable inputs and their impact on fair value are as follows:

SIGNIFICANT INPUTS & ASSUMPTIONS	WEIGHTED AVERAGE INPUT			EFFECT ON FAIR VALUE	
	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023	SENSITIVITY	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023
Average selling price per gram (excluding trim)	$ 1.59	$ 1.73	Increase or decrease by 10% per gram	$ 1,463	$ 1,690
Expected average yield per plant	187 grams	173 grams	Increase or decrease by 10 grams	$ 781	$ 978

The expected average yield per plant at September 30, 2024 primarily reflects the average yield of the flower component of the plant.

OUTSTANDING SHARE DATA

(i) Outstanding Shares, Warrants and Options and Other Securities

The following table sets out the number of Common Shares, options, warrants, Top-up Rights, RSUs and PSUs outstanding of the Company as at September 30, 2024 and December 18, 2024:

	SEPTEMBER 30, 2024	DECEMBER 18, 2024
Common shares issued and outstanding	108,585,492	108,585,492
Options	2,691,336	2,683,636
Warrants	4,235,913	4,235,913
Top-up rights	7,078,727	8,465,797
Restricted share units	2,973,643	3,710,864
Performance share units	1,117,218	1,845,571
Total fully diluted shares	126,682,329	129,527,273

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

The following are the estimates and judgments made by management in applying the accounting policies of the Company that have the most significant effect on the consolidated financial statements:

1. Biological assets and inventories

Determination of the fair value of biological assets requires management to make a number of estimates, including estimating the average selling price per gram and expected average yield per plant. The Company records obsolete and unsaleable inventories at the lower of cost and net realizable value. Adjustments to the carrying value of inventories are based on obsolescence trends, historical experience, forecast demand and average selling price for obsolete and unsaleable inventories. Refer to Note 5 and 6 of the Financial Statements for further information.

2. Useful lives and impairment of property, plant and equipment and finite-life intangible assets

Amortization of property, plant and equipment and finite life intangible assets requires estimates of useful lives, which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts, taking into consideration factors such as economic and market conditions.

3. Share-based payments

In determining the fair value of options and related costs, management estimates the expected life of the option, the expected volatility of the Company's share price, the risk-free interest rate, and the rate of forfeitures. Refer to Note 13 of the Financial Statements for further information.

4. Provision for returns and price adjustments

Government customers typically have the right to return products, and in some cases, the right to pricing adjustments for products that are subsequently discounted or sold for a lower price in another jurisdiction. The estimation of potential future returns and pricing adjustments includes the use of management estimates and assumptions that may not be certain given the evolving nature of the industry.

5. Impairment of non-financial assets

The recoverable amount of an individual CGU and group of CGUs is determined based on value in use which involves the use of a discounted cash flow model and significant assumptions which include forecasted cash flows, terminal growth rate and post-tax discount rates. In allocating any impairment loss, the Company determines the recoverable amounts of its property, plant and equipment. The recoverable amount of property and plant is determined based on fair value less costs of disposal and involves the use of capitalization rates, market rentals, market transactions and demolition costs. Refer to Note 8 for further information.

6. Derivative liabilities

Warrants issued pursuant to equity offerings that are potentially exercisable in cash or on a cashless basis resulting in a variable number of shares being issued are considered derivative liabilities and therefore measured at fair value through profit or loss. The Company uses the Black-Scholes option pricing model to estimate the fair value of such warrants at inception, on

each exercise, and subsequently at the period end date. The key assumption used in the model is the expected future volatility in the price of the Company's Common Shares.

The potential issuance of Common Share related to top-up rights is classified as a derivative liability and is therefore measured at fair value through profit or loss. The Company uses the Monte Carlo pricing model to estimate the fair value of such top-up rights at inception, upon each exercise, and at year-end. The key assumption used in the model is the expected future volatility of the price of the Company's Common Shares. The impact of changes in these key assumptions is described in Note 11 of the Financial Statements.

7. Recognition and measurement of preferred shares and derivative financial instrument
In determining the initial and subsequent measurement of the preferred shares and relative derivative, management has applied significant judgment and estimation in regards to the fair valuation of the preferred shares and related derivative liability. Refer to Note 11 and 18 for further information.

8. Recognition and measurement of other financial assets
In determining the initial and subsequent recognition and measurement of the other financial assets, management has applied significant judgment and estimates including but not limited to determing the appropriate valuation methodology and key inputs. Refer to Note 9 and 18 for further information.

Accounting standards issued but not yet effective

The new and amended standards and interpretations that are issued, but are not yet effective, up to the date of issuance of the Company's consolidated financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations when they become effective.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
The amendments to IFRS 10 and IAS 28 apply to situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, under IFRS 10, when an investor loses control of a subsidiary that does not contain a business as a result of a transaction involving an associate or a joint venture that is accounted for using the equity method, the gain or loss resulting from the transaction is recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. The full gain or loss continues to be recognized if the subsidiary contains a business. Similarly, IAS 28 is amended such that a full gain or loss is recognized when a downstream transaction involves assets that constitute a business.

These amendments shall be applied prospectively to the sale or contribution of assets occurring after the effective date. The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. These amendments are not expected to have a material impact on the Company's financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants
In January 2020 and October 2022, the IASB issued amendments to IAS 1 to specify the requirements relating to determining whether a liability should be presented as current or non-current in the consolidated statements of financial position. Under the new requirements, the assessment of whether a liability is presented as current or non-current is based on the contractual arrangements in place as at the reporting date and does not impact the amount or timing of recognition. These amendments also clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments apply retrospectively for annual reporting periods beginning on or after January 1, 2024. These amendments are not expected to have a material impact on the Company's consolidated financial statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
On September 22, 2022, the IASB issued amendments to IFRS 16, Leases, to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed. The Company has not entered into any sale and leaseback transactions in the past and does not anticipate doing so in the future. These amendments are not expected to have a material impact on the Company's consolidated financial statements.

Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements
In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed. These amendments are not expected to have a material impact on the Company's consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements
In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of financial statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows. These include changing the starting point for determining cash flows from operations under the indirect method from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18 and the amendments to the other standards, is effective for annual reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Company is currently evaluating the potential impact of IFRS 18 on the Company's consolidated financial statements.

PRODUCT DEVELOPMENT COLLABORATION

On March 10, 2021, in conjunction with the strategic investment we received from BAT, the Company and BAT entered into the PDC Agreement pursuant to which the CoE was established at the Moncton Campus to focus on developing the next generation of cannabis products.

Pursuant to the terms of the PDC Agreement, $31,109 of BAT's original investment in the Company was reserved as restricted cash in order to satisfy certain of the Company's future obligations under the PDC Agreement, including the Company's portion of its funding obligations under a mutually agreed initial budget for the CoE. Costs relating to the CoE are funded equally by the Company and BAT. Balances are transferred from restricted cash to the Company's general operating account as CoE related expenditures are periodically reconciled and approved. The balance in restricted cash as at September 30, 2024 is $25,860 (September 30, 2023 - $17,893).

The CoE is accounted for as a joint operation, with the Company and BAT each paying50% of the costs incurred by the CoE.. For the year ended September 30, 2024, $6,666 (September 30, 2023 - $6,886) of expenses have been recorded in the statements of operations andcomprehensive loss.

ACQUISITION OF SUBSIDIARIES

i. Laurentian Organic Inc.

On December 21, 2021, the Company acquired 100% of the shares and voting interests of the non-listed Laurentian for $36,000, consisting of $10,000 in cash consideration, $7,000 on closing and $3,000 held back, with the remaining $26,000 in share consideration at the acquisition date. The Company agreed to provide the seller additional share consideration based on Laurentian's future adjusted EBITDA over a period of two years, which were as follows (all capitalized terms used below not otherwise defined herein have the respective meanings described to them in the Company's agreement to acquire Laurentian):

a) First Year Earnout calculated for the period January 1, 2022 to December 31, 2022, as the greater of (i) zero and (ii) the difference obtained when the sum of $2,000 and 50% of the agreed capital expenditures is subtracted from 30% of the First Year adjusted EBITDA Multiple, payable in Common Shares, provided that, the sum of the Initial Consideration and the First Year Earnout Amount shall not exceed the First Year adjusted EBITDA Multiple; and

b) Second Year Earnout calculated for the period January 1, 2023 to December 31, 2023, as 19% of the Second Year adjusted EBITDA Multiple less the remaining balance of the agreed capital expenditures, payable in Common Shares, provided that, the sum of the Initial Consideration, the First Year Earnout Amount and the Second Year Earnout Amount shall not exceed the Second Year EBITDA Multiple.

Earnout payments paid in Common Shares were to be priced based on the five-day volume-weighted average price of the Company's Common Shares on the TSX as of the day prior to settlement. As at the acquisition date, the fair value of the contingent consideration was estimated to be $6,996 and subsequently as at August 31, 2022 adjusted to $2,913, to reflect changes in estimates.

The first year earnout milestone was not met and during thethirteen months ended September 30, 2023, the Company recognized a fair valuation gain of $2,864 in the statements of operations and comprehensive loss.

The second year earnout milestone was also not met and during the year ended September 30, 2024, the Company recognized a fair valuation gain of $50 in the statements of operations and comprehensive loss.

In July 2024, the Company received a dispute notice from the Laurentian vendors purporting to cover the first year and second year earnout. The Company and the Laurentian vendors have entered into an engagement letter appointing BDO Canada LLP as neutral accountant to review the items in the dispute notice in accordance with the share purchase agreement dated December 21, 2021.

ii. The Edibles and Infusions Corporation

On April 6, 2021, the Company acquired 100% of the shares and voting interests of the non-listed EIC, including SUHM Investments Inc. and Quality Confections Corporation who collectively owned 100% of EIC for $22,000 of share consideration at the acquisition date. The Company has agreed to provide the seller additional share consideration of $13,000 should EIC achieve its milestones.

Contingent share consideration

The acquisition included contingent share consideration based on various milestones as follows:

i) $3,500 to be paid in Common Shares upon the first listing of EIC or Organigram-branded product, manufactured at the EIC facility, in the Ontario or Alberta recreational markets prior to December 31, 2021. This was achieved in the year ended August 31, 2021 and subsequently settled on September 8, 2021;

ii) $7,000 to be paid in Common Shares on the generation of $15 million in net revenue during the 12 months ended December 31, 2022. This was achieved during the thirteen months ended September 30, 2023 and the Company issued 2,621,370 Common Shares as consideration to the former shareholders of EIC, for a total value of $6,500. The remaining $500 has been irrevocably disclaimed and waived as part of a negotiated settlement and the Company recorded it as a change in fair value of contingent share consideration during the thirteen months ended September 30, 2023
iii) $2,500 to be paid in Common Shares on the generation of $7 million in adjusted EBITDA for the 12 months ended December 31, 2022. The third milestone, calculated based on the adjusted EBITDA for the 12 months ended December 31, 2022, was not met.
Refer to Note25 to the Financial Statements for further information.

CONTINGENT LIABILITIES

The Company recognizes loss contingency provisions for probable losses when management can reasonably estimate the loss. When the estimated loss lies within a range, the Company records a loss contingency provision based on its best estimate of the probable loss. If no particular amount within that range is a better estimate than any other amount, the mid-point of the range is used. As information becomes known a loss contingency provision is recorded when a reasonable estimate can be made. The estimates are reviewed at each reporting date and the estimates are changed when expectations are revised. An outcome that deviates from the Company's estimate may result in an additional expense or release in a future accounting period.

Alberta Claim

On June 16, 2020, a claim in connection with a proposed national consumer protection class-action lawsuit (the "Alberta Claim") was filed with the Court of Queen's Bench in Alberta (the "AB Court") seeking damages against several Canadian cannabis companies including the Company (the "Defendants"). The Alberta Claim does not particularize all of the claims against the Defendants; however, it makes allegations with respect to the content of THC and CBD in the Defendants' products. In order to proceed as a class action, the AB Court must certify the action as a class action. A certification hearing has not yet been scheduled. The Company has reported the Alberta Claim to its insurers.

Estimating an amount or range of possible losses resulting from litigation proceedings is inherently difficult, particularly where the matters involve indeterminate claims for monetary damages and are in the stages of the proceedings where key factual and legal issues have not been resolved. For these reasons, the Company is currently unable to predict the ultimate timing or outcome of, or reasonably estimate, the possible losses or a range of possible losses resulting from the matter described above. In July, 2024, the plaintiffs filed a discontinuance of claim with the AB Court.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

In accordance with National Instrument 52-109 -*Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109") and Rule 13a-15 under the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), the establishment and maintenance of Disclosure Controls and Procedures ("DCP") and Internal Control Over Financial Reporting ("ICFR") is the responsibility of management.

The Company engaged PKF O'Connor Davies ("PKF") to perform an "integrated audit" which encompassed an opinion on the fairness of presentation of the Company's annual consolidated financial statements for the year ended September 30, 2024, as well as an opinion on the effectiveness of the Company's ICFR. PKF, the Company's independent registered public accounting firm, has audited the Company's consolidated financial statements and has issued an adverse report on the effectiveness of ICFR. PKF's audit report on the Company's ICFR is incorporated by reference into the Company's annual report on Form 40-F under the Exchange Act for the year ended September 30, 2024.

DISCLOSURE CONTROLS AND PROCEDURES

The Company maintains a set of DCP designed to provide reasonable assurance that information required to be publicly disclosed is recorded, processed, summarized and reported on a timely basis. As required by NI 52-109 and Exchange Act Rule 13a-15(b), an evaluation of the design and operation of our DCP was completed as of September 30, 2024 under the supervision and with the participation of management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") using the criteria set forth in Internal Control - Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO 2013 Framework"). Based upon this evaluation, our CEO and CFO concluded that because of the material weaknesses in our ICFR described below, our DCP were not effective as of such date.

INTERNAL CONTROL OVER FINANCIAL REPORTING

NI 52-109 requires the CEO and CFO to certify that they are responsible for establishing and maintaining ICFR for the Company and that those internal controls have been designed and are effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. Similarly, Exchange Act Rule 13a-15(c) requires the Company's management, with the participation of the CEO and CFO, to evaluate ICFR as of the end of the fiscal year. The CEO and CFO are also responsible for disclosing any changes to the Company's internal controls during the most recent period that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

MATERIAL CHANGES TO INTERNAL CONTROL OVER FINANCIAL REPORTING

There has been a change to the Company's ICFR during the three months ended September 30, 2024 that has materially affected, or is likely to materially affect, the Company's ICFR.

Control Environment

With respect to the material weakness related to the control environment during Fiscal 2024, the Company took the following actions:

- Bolstered the financial reporting, IT and accounting department's internal controls and accounting knowledge by hiring new full-time employees including those in more senior roles; and
- Implemented additional ongoing oversight, training and communication programs for management and personnel to reinforce the Company's control standards and expectations and clarified individual responsibility for control activities at various levels within the Company. Roles and responsibilities are continually assessed with a view to meeting the needs of the Company's internal control environment.

During Q4 Fiscal 2024, the Company completed its evaluation of the impact of these actions and concluded that this material weakness related to control environment was successfully remediated.

Information Process

With respect to the material weakness related to the information process during Fiscal 2024:

- The Company substantially progressed its ERP system implementation and successfully completed the second phase of ERP that included the implementation of finance and supply chain modules at our Winnipeg and Lac-Superieur facilities
- During Q4 Fiscal 2024, the Company launched the planning and design phase for a further enhancement to the ERP system, which will allow for improved costing management and reduction of complex spreadsheets related to inventory costing
- During Q4 Fiscal 2024, the Company launched the planning and design phase for a financial planning and management reporting tool, which is expected to further enhance the Company's analytical and review procedures

- As of September 30, 2024 the Company completed the implementation of a new human resources information system, or HRIS, that is intended to further streamline internal processes, support employee retention efforts and facilitate remediation activities.
- The Company hired a Director of IT to oversee and enhance the IT department, support the remediation of deficiencies in general IT controls and facilitate the development and implementation of the new ERP system. Under the direction of the Director of IT, the Company continued to make progress during the period in remediating certain IT general controls.
- The Company hired and trained a dedicated resource to review the third-party service organization control reports and assess their impact in relation to the Company's control environment. The Company streamlined its complex spreadsheet models, with the exception of biological asset models and inventory costing, to reduce the risk of errors in mathematical formulas and to improve the ability to verify the logic of complex spreadsheets.

Control Activities

With respect to the material weakness related to control activities during Fiscal 2024:

- The Company amalgamated Organigram Inc. with EIC and Laurentian. Post amalgamation, the Company's three facilities continued to operate as a single corporation under the name "Organigram Inc." which significantly simplified and streamlined the financial statement close process.
- The Company added a new dedicated resource with assigned responsibilities to support management in their ongoing remediation efforts.

MANAGEMENT'S EVALUATION OF INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management, under the supervision and with the participation of its CEO and CFO, conducted an evaluation of the effectiveness of the Company's ICFR as defined by NI 52-109 and Rule 13a-15(f) of the Exchange Act as of September 30, 2024, using the criteria set forth by the COSO 2013 Framework. Based on this evaluation, management concluded that the Company's ICFR was not effective as of September 30, 2024, due to material weaknesses in internal control over ICFR that have been previously identified but continue to exist.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. Management has identified the following material weaknesses:

- Management review controls to ensure the completeness and accuracy of complex spreadsheets used for biological assets and inventory were not designed or operating effectively; and
- The Company had ineffective general IT controls related to security and administration and monitoring of service organizations.

As a consequence of the above, the Company had ineffective control activities related to the design, implementation and operations of process level and financial statement close controls .

STATUS OF REMEDIATION PLAN

The Company was successful in remediating the material weakness related to the control environment and made progress in remediating other control deficiencies as discussed above under “Material Changes to Internal Control Over Financial Reporting” as at the end of Fiscal 2024. Management, with the assistance of external and internal specialists, has continued reviewing and revising its ICFR, and remains committed to implementing changes to its ICFR to ensure that the control deficiencies that contributed to the remaining material weaknesses are remediated in Fiscal 2025.

The following remedial activities remain in progress as at the date of this MD&A and are expected to continue at least throughout the first half of Fiscal 2025. The controls associated with these remedial activities have not yet been subject to control testing to conclude on the design or operational effectiveness.

- We will continue to engage internal control specialists that will assist management in evaluating internal controls and in designing remediation plans.
- Under the direction of the Chief Information Officer and the Director of IT, the Company will continue to remediate certain IT general controls.
- We will continue to work on implementing controls that are intended to evaluate information from organizations providing services to the Company.
- We will continue to streamline our complex spreadsheet models related to biological assets and inventory to reduce the risk of errors in mathematical formulas and to improve the ability to verify the logic of complex spreadsheets, while continuing to automate processes.

Following the substantial improvement and remediation of the material weakness described above, senior management has discussed the remaining material weaknesses with the Audit Committee which will continue to review progress on these remediation activities. While we believe these actions, including the third phase of the ERP system, will contribute to the remediation of material weaknesses, we have not yet completed all of the corrective processes, procedures and related evaluation or remediation that we believe are necessary. As we continue to evaluate and work to remediate the remaining material weaknesses, we may need to take additional measures to address the deficiencies. Until the remediation steps set forth above, including the efforts to implement any additional control activities identified in the process, are fully implemented and operate for a sufficient period of time that they can be concluded to be operating effectively, the remaining material weaknesses described above will not be considered fully remediated. While significant progress has been made toward remediation of the remaining material weaknesses, no assurance can be provided at this time that the actions and remediation efforts will effectively remediate the remaining material weaknesses described above or prevent the incidence of other material weaknesses in the Company’s ICFR in the future. Management expects to fully remediate the remaining material weaknesses identified before the end of Fiscal 2025. See “Risk Factors” in this MD&A and the AIF.

Management, including the CEO and CFO, does not expect that DCP or ICFR will prevent all misstatements, even as the remediation measures are implemented and further improved to address the material weaknesses. The design of any system of internal controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving the stated goals under all potential future conditions.

RISK FACTORS

The Company's business is subject to risks inherent in a high growth, heavily regulated enterprise. We have identified certain risks pertinent to our business that may have affected or may affect our business, financial conditions, results of operations and cash flows, as further described throughout this MD&A and under "Risk Factors" in the AIF. For additional risk factors, readers are directed to the Company's AIF, which is (a) available under the Company's issuer profile on SEDAR+ at www.sedarplus.com, and (b) incorporated into and forms part of the Company's annual report on Form-40F filed on EDGAR at www.sec.gov. As a general matter, management of the Company attempts to assess and mitigate any risks and uncertainties by retaining experienced professional staff and ensuring that the Board of Directors and senior management of the Company are monitoring the risks impacting or likely to impact the business on a continuous basis.

(i) Credit Risk

Credit risk arises from deposits with banks, short-term investments, outstanding trade and other receivables, restricted cash and other financial assets. For trade receivables, the Company does not hold any collateral as security but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance. For other receivables, outside of the normal course of business, management generally obtains guarantees and general security agreements. The maximum exposure to credit risk of cash, short-term investments, restricted cash, other financial assets and accounts receivable and other receivables on the statement of financial position at September 30, 2024 approximates $211,306 (September 30, 2023 - $90,351).

As of September 30, 2024 and September 30, 2023, the Company's aging of trade receivables was as follows:

	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023
0-60 days	$ 32,349	$ 22,946
61-120 days	5,502	5,845
Gross trade receivables	$ 37,851	$ 28,791
Less: Expected credit losses and reserve for product returns and price adjustments	(5,196)	(1,334)
	$ 32,655	$ 27,457

(ii) Liquidity Risk

The Company's liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by reviewing on an ongoing basis its capital requirements. As at September 30, 2024, the Company had $106,745 (September 30, 2023 – $33,864) of cash and working capital of $208,897 (September 30, 2023 - $133,545). Further, the Company may potentially access equity capital through the capital markets if required.

The Company is obligated to the following contractual maturities relating to their undiscounted cash flows as at September 30, 2024:

	Carrying Amount	Contractual Cash Flows	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Accounts payable and accrued liabilities	$ 47,097	$ 47,097	$ 47,097	$ —	$ —	$ —
Long-term debt	25	85	60	25	—	—
	$ 47,122	$ 47,182	$ 47,157	$ 25	$ —	$ —

The contractual maturities noted above are based on contractual due dates of the respective financial liabilities.

In connection with the Company's facilities, the Company is contractually committed to approximately $1,676 of capital expenditures.

(iii) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the Company is comprised of interest rate risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with a floating interest rate. The Company has determined that a 1% change in rates would not have a material impact on the consolidated financial statements.

(iv) Concentration risk

The Company's accounts receivable are primarily due from provincial government agencies (three of which, individually, represented more than 10% of the Company's revenues during the year ended September 30, 2024), corporations (none of which

represented more than 10% of the Company’s revenues during the period), and legal trusts and, thus, the Company believes that the accounts receivable balance is collectible.

(v) Risks related to the listing of Company's Common Shares on TSX and NASDAQ

On January 23, 2023, the Company received notification from NASDAQ that it is not in compliance with the minimum bid price requirement in NASDAQ Listing Rule 5450(a)(1) for continued listing on NASDAQ (the "Minimum Bid Requirement"), since the closing bid price for the Company's common shares listed on NASDAQ was below US$1.00 for 30 consecutive trading days. Under NASDAQ Listing Rule 810(c)(3)(A), the Company had a period of 180 calendar days from the date of notification, or until July 24, 2023, to regain compliance with the Minimum Bid Requirement, during which time the Common Shares would continue to trade on NASDAQ. To regain compliance, the closing bid price of the Common Shares was required to remain at or above US$1.00 per share for a minimum of 10 consecutive business days. In the event the Company did not regain compliance with the Minimum Bid Requirement by July 24, 2023, the Company would have been eligible for an additional period of 180 calendar days to regain compliance or would have been subject to delisting of the Common Shares from NASDAQ.

The Company effected the Share Consolidation regaining compliance with the Minimum bid Requirement, with legal effect from July 5, 2023. However, there can be no assurance that the Company will remain compliant with the Minimum Bid Requirement or otherwise maintain compliance with any of the other NASDAQ listing requirements. Any delisting of the Common Shares from NASDAQ could adversely affect the Company's ability to attract new investors, reduce the liquidity of the outstanding Common Shares, reduce the Company's ability to raise additional capital, reduce the price at which the Common Shares trades on the TSX, result in, negative publicity and increase the transaction costs inherent in trading such shares with overall negative effects for the Company's stockholders. In addition, delisting of the Common Shares could deter U.S. broker-dealers from making a market in or otherwise seeking or generating interest in the Common Shares and might deter certain institutions or persons from investing in the Company's securities at all. For these reasons and others, delisting of the Common Shares from NASDAQ could adversely affect the Company's business, financial condition and liquidity.

(vii) Risks related to third party data

The Company relies on independent third party data for market share position and there is no assurance third party data provides an accurate representation of actual sales as some third parties use different methodologies or calculations to estimate market share position, and because market and industry data is inherently imprecise, subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process, and other limitations and uncertainties inherent in any statistical survey or data collection process. The Company also relies on its own market research and internal data to determine the accuracy of such third-party data.

(vii) Risks related to international sales

The Company currently exports cannabis to a number of countries whose laws vary, and many are unsettled and still developing. There is no assurance that the Company will continue to meet the evolving legal and regulatory requirements applicable to each export jurisdiction. Any change in laws or regulations may adversely impact the Company’s ability to export its products. In Israel, a potential dumping tariff on cannabis imports may impact the Company's ability to resume exports to this jurisdiction.

In January 2024, the Israeli government notified the Company that it was the subject of the Anti-Dumping Investigation in respect of its cannabis exports to Israel. The Company last shipped products to Israel in the second quarter of fiscal year 2023. Future shipments to Israel are contingent on, among other factors, customer buying patterns, receipt of applicable import and export permits, and contractual matters. Although the Company believes it is in compliance with international trade law related to its shipments to Israel, the outcome of the Israeli Anti-Dumping Investigation may result in risks to future shipments to Israel including potential imposition of a dumping duty on Israeli importers of Canadian cannabis exports. In July 2024, a preliminary determination was issued by the Israeli government, finding dumping by all Canadian exporters, including the Company. The Company intends to make submissions to advance its position that it has not engaged in dumping. A final decision on the question of dumping is expected in calendar 2025.

(ix)Israel-Hamas War and Conditions in Israel

On October 7, 2023, a war began between the terrorist organization Hamas and Israel. The Company continues to monitor the conflict in Israel and impacts the conflict has had and potential impacts the conflict could have on the Company's business in Israel. The extent to which the conflict may continue to impact the Company’s business and activities will depend on future developments which remain highly uncertain and cannot be predicted. Any losses or damages incurred by the Company could have a material adverse effect on its business.

(x) Information Systems Risk

The Company's business operations are managed through a variety of IT systems. Certain of the Company's key IT systems are dated and require, or are in the process of, modernization. The Company's IT systems may also be vulnerable to damage or interruption from circumstances beyond the Company's control, including fire, flood, natural disasters, systems failures, network or communications failures, power outages, public health emergencies, security breaches, cyber-attacks and terrorism. If one of the Company's key IT systems were to suffer a failure, no assurance can be given that the Company's backup systems or contingency plans will sustain critical aspects of the Company's operations, and the Company's business, results of operations or financial condition could be materially adversely affected. Further, the Company relies on large outsourcing contracts for IT services with major third-party service providers, and if such service providers were to fail or the relationships with the Company were to end, and the Company were unable to find suitable replacements in a timely manner, the Company's business, results of operations or financial condition could be materially adversely affected.

The Company is continually modifying and enhancing its IT systems and technologies to increase productivity, efficiency and security. As new systems and technologies are implemented, the Company could experience unanticipated difficulties resulting in unexpected costs and adverse impacts to its financial reporting and manufacturing and other business processes. When implemented, the systems and technologies may not provide the benefits anticipated and could add costs and complications to ongoing operations, which may have a material adverse effect on the Company's business, results of operations or financial condition.

During Fiscal 2023 and Fiscal 2024, the Company launched a new ERP system, which provides for a more robust and secure financial system of record, among other supply chain and operational data. Various IT general controls are now centralized currently in the midst of stabilizing a new ERP system, which replaces its previous financial system. There can be no assurance
that the ERP system will provide the information and benefits expected by management.

The Company is in the midst of implementing Phase 3 of its ERP system,*D365 Advanced Manufacturing* ("Phase 3"). The design and implementation of Phase 3 requires an investment of significant personnel and financial resources, including substantial expenditures for outside consultants, system hardware and software in addition to other expenses in connection with the implementation. The Company may not be able to implement Phase 3 successfully without experiencing delays, increased costs and other difficulties, including potential design defects, miscalculations, testing requirements, and the diversion of management's attention from day-to-day business operations. If it is unable to implement Phase 3 as planned, the effectiveness of the internal control over financial reporting could be adversely affected, the ability to assess those controls adequately and to disseminate its financial documents could be delayed, the Company's operations can be affected and the Company's financial condition, results of operations and cash flows could be negatively impacted.


ORGANIGRAM



2024 ANNUAL INFORMATION FORM OF ORGANIGRAM HOLDINGS INC.

For the Year Ended September 30, 2024

Dated December 11, 2024

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ANNUAL INFORMATION FORM

In this annual information form ("Annual Information Form"), unless otherwise noted or the context indicates otherwise, the "Company", "Organigram", "we", "us" and "our" refer to Organigram Holdings Inc. and its wholly-owned subsidiaries. All financial information in this Annual Information Form is in Canadian dollars and was prepared using International Financial Reporting Standards as issued by the International Accounting Standards Board. The information contained herein is dated as of September 30, 2024 unless otherwise stated.

FORWARD-LOOKING STATEMENTS

This Annual Information Form contains certain information that may constitute "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws (collectively, "forward-looking statements") which are necessarily based upon the Company's current internal expectations, estimates, forecasts, assumptions and beliefs regarding, among other things, the future performance and results of the Company's business and operations, general economic conditions, global events and applicable regulatory regime. Such statements can be identified by the use of forward-looking terminology such as "expect", "likely", "may", "will", "should", "intend", "anticipate", "potential", "proposed", "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may", "will" or "could" happen, or by discussions of strategy. Forward-looking statements include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance, and all other statements that are not statements of fact. The forward-looking statements included in this Annual Information Form are made only as of the date of this Annual Information Form. Forward-looking statements in this Annual Information Form include, but are not limited to, statements with respect to:

- Moncton Campus (as defined herein), Winnipeg Facility (as defined herein) and Lac-Supérieur Facility (as defined herein) licensing and production capacity and timing thereof;
- Expectations regarding production capacity, facility size, tetrahydrocannabinol ("THC") content, costs and yields;
- Expectations regarding the prospects of the Company's collaboration and ongoing investment transaction with a wholly-owned subsidiary of British American Tobacco p.l.c. ("BAT");
- Expectations regarding the prospects for the Company's principal operating subsidiary Organigram Inc. (formerly, Organigram, EIC and LAU (as defined herein));
- Expectations regarding demand for cannabis and related products, future opportunities and sales, including the relative mix of medical versus adult-use recreational cannabis products, the relative mix of products within the adult-use recreational category including wholesale and international, the Company's financial position, future liquidity and other financial results;
- Changes in legislation related to permitted cannabis types, forms and potency and legislation of additional cannabis types and forms for adult-use recreational cannabis in Canada, including regulations relating thereto, the timing and the implementation thereof, and our future product forms;
- Expectations around branded products and derivative-based products with respect to timing, launch, product attributes, composition and consumer demand;
- Expectations about the Company's ability to develop current and future vapour hardware, and the Company's ability to enter and expand its share of the vapour market;
- The scope of protection the Company is able to establish and maintain, if any, for its intellectual property ("IP") rights;
- Strategic investments and capital expenditures, and expected related benefits;
- The expectation that the technical arrangement between Organigram and Phylos Bioscience Inc. ("Phylos") will permit Organigram to continue to transition a portion of its garden to seed-based cultivation over time, and the anticipated benefits of seed-based production;

- The expectations regarding the Company's investment in Green Tank Technologies Corp. ("Greentank");
- Expectations regarding the Company's investment in Steady State LLC doing business as Open Book Extracts ("OBX");
- Expectations regarding the Company's investment in Sanity Group GmbH ("Sanity Group");
- Expectations regarding the Company's acquisition of Motif Labs Ltd. and its integration ("Motif");
- Expectations regarding the resolution of litigation and other legal proceedings;
- The general continuance of current, or where applicable, assumed industry conditions;
- Changes in laws, regulations and guidelines, including those relating to the recreational and/or medical cannabis markets domestically and internationally;
- Changes in laws, regulations, guidelines and policies, including those related to minor cannabinoids;
- The price of cannabis and derivative cannabis products;
- Expectations around the availability and introduction of new genetics including consistency and quality of seeds and plants and the characteristics thereof;
- The impact of the Company's cash flow and financial performance on third parties, including its supply partners;
- Fluctuations in the price of Common Shares and the market for Common Shares;
- The treatment of the Company's business under governmental regulatory regimes and tax laws, including the Excise Act 2001 and the renewal of the Company's licenses thereunder and the Company's ability to obtain export licenses from time to time;
- The treatment of the Company's business under international regulatory regimes and impacts on changes thereto to the Company's international sales;
- Expectations related to the war in Israel and surrounding regions and its impact on the supply of product and collection of accounts receivable in the market and the demand for product in Israel;
- The Company's growth strategy, targets for future growth and forecasts of the results of such growth;
- Expectations concerning access to capital and liquidity, the consummation of the last tranche of the Follow-on BAT Investment (as defined below) and the Company's ability to access the public markets from time to time to fund operational activities and growth;
- The Company's ability to remain listed on the Toronto Stock Exchange (the "TSX") and NASDAQ Stock Market LLC ("NASDAQ") and the impact of any actions it may be required to take to remain listed;
- The ability of the Company to generate cash flow from operations and from financing activities;
- The competitive conditions of the industry, including the Company's ability to maintain or grow its market share;
- Expectations regarding capital expenditures, current and targeted production capacity and timing thereof; and
- Expectations concerning the fiscal year 2025 performance.

Certain of the forward-looking statements and other information contained herein are based on estimates prepared by the Company using data from publicly available governmental sources as well as from market research and industry analysis, and on assumptions based on data and knowledge of the medical cannabis industry, industrial hemp industry and the adult-use recreational cannabis industry which the Company believes to be reasonable. However, although generally indicative of relative market positions, market shares and performance characteristics, such data is inherently imprecise. While the Company is not aware of any misstatement regarding any industry or government data presented herein, the medical cannabis industry, industrial hemp industry, and the adult-use recreational cannabis industry involve risks and uncertainties that are subject to change based on various factors.

Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. The Company's

forward-looking statements are expressly qualified in their entirety by this cautionary statement. A number of factors could cause actual events, performance or results to differ materially from what is projected in the forward-looking statements. These factors include, but are not limited to, risks related to competition, changes in the Canadian cannabis industry and market, governmental regulation, changes in laws, regulations and guidelines, reliance primarily on a single cultivation facility, reliance on key inputs and volatility in the wholesale and retail prices of cannabis, the Company's success in developing new products and finding a market for the sale of new products, licence renewal risks, risk inherent in the agricultural business, rising energy costs, negative cash flows from operations, dividends, competition from illicit markets, acquisition and integration risk, volatility in the market for the Company's securities, history of losses, product liability, sufficiency of insurance, management of growth, financing risks, risks relating to developing and maintaining effective internal controls for reliable financial reporting and for fraud prevention, reliance on key personnel, risks relating to the resurgence of pandemic and catastrophic events, product recalls, risks relating to litigation and securities class actions, difficulties with forecasts, uninsured and uninsurable events risks, risks relating to inflation, unknown health impacts of the use of cannabis and cannabis-derivatives, reliance on third-party transportation, ability to meet target production capacity, scale of operations, supply chain and distribution disruptions, facility and technological risks, packaging and shipping logistics, potential time frame for the implementation of legislation to legalize cannabis internationally, risks relating to the ability of the Company to obtain and/or maintain their status as a licensed producer, the potential size of the regulated adult-use recreational cannabis market, demand for and changes to products, the development of the vapour market, political conditions, market opportunities, timing of final implementation of the Company's enterprise resource planning system ("ERP system"), contracts or other arrangements with provincial governments are not guaranteed, TSX and NASDAQ listing requirements and the ability to continue to meet listing standards for the TSX and the NASDAQ, risks relating to the Company's designation as a "large accelerated filer", differing shareholder protections across jurisdictions, increased volatility for dual-listed shares, market liquidity risks, investment risk, risks relating to the Company's status as a foreign private issuer in the U.S., risks relating to expansion into new markets, foreign investment risk, risk of corruption and fraud in emerging markets and relating to ownership of real property, risks relating to the Israel-Hamas war and its impact on the supply of product in the market and the demand for product in Israel as well as the impact of the war on collection of accounts receivable; the outcome of the final determination in the Anti-Dumping Investigation, risks relating to the Company's IP, credit risk, liquidity risk, concentration risk, risks associated with significant shareholders, dividends, publicity or consumer perception, cyber security and privacy, product security, environmental and employee health and safety regulations, regulatory proceedings, investigations and audits, fraudulent or illegal activity by employees, restrictions on foreign investors, regulatory and operational risks associated with expansion into foreign jurisdictions, reliance on international advisers and consultants, anti-money laundering laws and regulation risks, anti-corruption and anti-bribery laws, global economic risks, future acquisitions, general business risks and liabilities, dilution, constraints on marketing products, provincial legislative controls, suppliers and skilled labour, conflicts of interest, risks associated with the Company's status as a holding company and the other risks described in this Annual Information Form under the heading "Risk Factors". Material factors and assumptions used in establishing forward-looking information include that construction and production activities will proceed as planned and regulatory conditions will advance in the manner expected by management. The purpose of forward-looking statements is only to provide the reader with a description of management's expectations relating to future periods, and, as such, forward-looking statements are not appropriate for any other purpose. You should not place undue reliance on forward-looking statements contained in this Annual Information Form. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

CORPORATE STRUCTURE

Organigram Holdings Inc. was incorporated under the Business Corporations Act (British Columbia) on July 5, 2010 as "Inform Resources Corp.". The Company changed its name to "0885160 B.C. Ltd." on

September 13, 2010, and subsequently to "Inform Exploration Corp." ("Inform") on February 16, 2011. On November 21, 2011, Inform completed its initial public offering and its common shares commenced trading on the TSX Venture Exchange (the "TSX-V") on November 24, 2011.

On August 22, 2014, Inform and Organigram Inc. entered into an acquisition agreement (the "Acquisition Agreement") pursuant to which Inform agreed, among other things, to change its name to "Organigram Holdings Inc." and to effect a consolidation of the outstanding Inform common shares on a 0.883604747 to 1 basis. Under the Acquisition Agreement, Inform acquired all of the outstanding common shares of Organigram Inc. On April 6, 2016, the Company was continued under the Canada Business Corporations Act ("CBCA").

The Company graduated from the TSX-V to the TSX in August 2019. As a result of the graduation, the common shares of the Company (the "Common Shares") commenced trading on the TSX under the symbol "OGI" effective August 22, 2019. The Common Shares have also been listed for trading on the NASDAQ Global Select Market under the symbol "OGI" effective May 21, 2019, and were delisted from the OTCQX Best Market after market close on May 20, 2019.

In May 2023, the Company decided to change its financial year end from August 31 to September 30, resulting in a 13-month period for the financial year ending September 30, 2023.

The Company's core operations are based in Moncton, New Brunswick with two other facilities in Winnipeg, Manitoba and Lac-Supérieur, Québec. As a result of the acquisition of Motif described below, the Company now operates two additional cannabis processing facilities in Southwestern Ontario, one in Aylmer and the other in London.

The Company's head office is located at 1400-145 King Street West, Toronto, Ontario, and the registered office is located at 35 English Drive, Moncton, New Brunswick. The Company's telephone number is 1 (844) 644-4726 and its corporate website is www.organigram.ca.

Subsidiaries

Organigram Inc. was incorporated under the Business Corporations Act (New Brunswick) on March 1, 2013. On October 1, 2023, Organigram Inc. amalgamated under the CBCA with The Edibles and Infusions Corporation ("EIC") and Laurentian Organic Inc. ("LAU"), both then 100% owned subsidiaries of Organigram Holdings Inc. (the "Amalgamation"), and continued as a single corporation under the name "Organigram Inc." ("OGI"), a 100% owned subsidiary of Organigram Holdings Inc.

10870277 Canada Inc., incorporated under the CBCA on July 4, 2018, is a 100% owned subsidiary of Organigram Holdings Inc., and is used as a special purpose holding company for the Company's investment in alpha-cannabis Pharma GmbH as further described herein.

Motif Labs Ltd., incorporated under the CBCA on December 18, 2017, is a 100% owned subsidiary of Organigram Holdings Inc. Organigram Holdings Inc. acquired 100% of the shares in Motif on December 6th, 2024.

The following chart illustrates, as of December 11, 2024, the Company's corporate structure:



Certain subsidiaries of the Company, each of which does not represent more than 10% of the consolidated assets of the Company and not more than 10% of the consolidated revenue of the Company, and all of which, in the aggregate, represent not more than 20% of the total consolidated assets and the total consolidated revenue of the Company as at the most recent financial year end of the Company, have been omitted from the chart above.

GENERAL DEVELOPMENT OF THE BUSINESS

Licences

OGI holds a licence for the Moncton Campus (the "OGI Licence") issued by Health Canada under the Cannabis Act (Canada) ("Cannabis Act") on November 9, 2018 for standard cultivation, standard processing and sale of cannabis for medical purposes as well as for sale of dried cannabis and cannabis oil products to adult-use recreational sales channels. The OGI Licence was amended by Health Canada on October 21, 2019 following changes to the Cannabis Regulations (Canada) (the "Cannabis Regulations") to expand the classes of cannabis products that may be sold to include cannabis topicals, cannabis extracts and edible cannabis. The OGI Licence is valid until March 20, 2025.

OGI also holds a cannabis licence ("Excise Licence") under the Excise Act, 2001 (the "Excise Act"), which is valid until March 20, 2025. All holders of a licence under the Cannabis Act who are authorized to cultivate, produce and package cannabis products are required to hold a cannabis licence under the Excise Act. The Excise Licence applies to all three of the Company's operational sites in Moncton, NB, Winnipeg, MB, and Lac-Supérieur, QC.

On October 23, 2019, Health Canada issued a research licence to OGI, authorizing the conduct of research on cannabis (the "Research Licence"). The Research Licence allowed the Company to test inhalable cannabis in the extracts class of cannabis, and ingestible cannabis in the extracts and edibles classes of cannabis, on human research subjects for assessments of taste, sight, smell or touch ("Sensory Research"). The activities authorized under the Research Licence supported the Company's innovation initiatives and commercialization of cannabis products. The Research Licence expired on October 23, 2024. The Company did not seek to renew it as the regulatory regime for research on cannabis was phased out by Health Canada effective December 2, 2024, and replaced with a new research regime having more onerous application and authorization requirements. The Company intends to continue conducting Sensory Research under the new Non-Therapeutic Research on Cannabis (NTRC) regime. The Company was issued its first NTRC licence

on July 18, 2024, authorizing it to conduct research on cannabis vapour topography. The Company subsequently applied for an additional NTRC licence for Sensory Research, and it expects such licence to be issued imminently.

Prior to the Amalgamation, EIC held a research licence having an effective date of November 22, 2019, authorizing it to develop confectionary cannabis product formulations. The Company allowed the licence to expire on November 22, 2024 as it no longer conducts research at the Winnipeg Facility. On December 11, 2020, Health Canada issued EIC a standard processing and medical sales licence under the Cannabis Act. On May 3, 2022, Health Canada issued EIC an amended licence authorizing the sale of cannabis extracts, edible cannabis and topical cannabis products to adult-use recreational sales channels, such licence being valid until November 29, 2028 (the "EIC Licence").

Prior to the Amalgamation, LAU held a standard cultivation and standard processing licence issued April 17, 2020, authorizing the cultivation of cannabis and manufacturing of dried cannabis, cannabis extract, edible and topical products. On December 3, 2020, Health Canada issued LAU an amended licence authorizing the sale of dried cannabis, cannabis extract, edible and topical products to adult recreational sales channels, such licence being valid until April 17, 2025 (the "LAU Licence").

As a result of the Amalgamation, the EIC Licence and the LAU Licence are held by OGI. The Company intends to renew its licences prior to their respective expiration dates, and it is anticipated that Health Canada and the CRA will renew such licences at the end of their current terms. See "Risk Factors - Reliance on Licence Renewal".

Facilities

The Company acquired its Moncton facility (the "Moncton Campus") located in Moncton, New Brunswick in March 2014, and undertook a series of expansions since its acquisition.

The Company continually assesses the critical facets of the lighting and environmental elements in its facilities in an effort to drive maximum quality and yield in the plants it produces. The Company intends to continuously improve its cultivation and post-harvesting practices in an effort to achieve a competitive advantage. In July 2022, the Company completed an expansion of 29 additional grow rooms. With the addition of environmental enhancements and the expansion, the Moncton Campus now has the capacity to produce approx. 85,000 kg of flower annually. In June 2023, the Company commissioned its high-speed pre-roll tube-style machine enabling the Company to enter the growing tube-style pre-roll segment with its popular SHRED brand.

The Company is in the process of obtaining European Union Good Manufacturing Practice (EUGMP) certification at the Moncton Campus, which opens up business opportunities in international markets where this manufacturing standard is in demand. The Company submitted an EUGMP certification application in Q1 Fiscal 2024. A preliminary audit of the Monton Campus facility was completed in February 2024. The final audit was conducted in November 2024, and the Company is currently awaiting the results. The Company expects to achieve EUGMP certification at the Moncton Campus in 2025.

The Company has a purpose-built, highly-automated manufacturing facility in Winnipeg, Manitoba (the "Winnipeg Facility") that was acquired in 2021 as part of the acquisition of EIC. The facility and equipment specifications were designed under EUGMP standards and are capable of handling both smaller-batch artisanal manufacturing as well as large-scale nutraceutical-grade high-efficiency manufacturing. The Winnipeg Facility can produce highly customizable, precise and scalable cannabis-infused products in various formats and dosages including pectin, gelatin, and sugar-free soft chews (gummies). In May 2022, a high speed packaging line for pouches was commissioned as part of the Company's effort to optimize the Winnipeg Facility.

The Company has a facility in Lac-Supérieur, Quebec that was acquired in 2021 as part of the acquisition of LAU (the "Lac-Supérieur Facility"). The Lac-Supérieur Facility was recently expanded with the addition of four new grow rooms and an expanded packaging area.

As a result of the acquisition of Motif on December 6, 2024, the Company now operates two additional cannabis processing facilities in Southwestern Ontario; one in Ayler and the other in London. The facility in Aylmer houses best-in-class CO2 and Hydrocarbon extraction capabilities, and is optimized for formulation refinement, post-processing of minor cannabinoids, and pre-roll production. The facility in London will be optimized for labelling, packaging, and national fulfillment.

The forward-looking estimate of production capacity and budget amounts noted above are based on a number of material factors and assumptions including that: (a) the facility size will be as estimated with the same amount of cultivation space being used per grow room for cultivation as used to date, (b) the ratio of dried flower cultivated per canopy square foot of grow room will be consistent with historical output in the Company's existing facilities, (c) all grow rooms designated as production rooms will be utilized for their intended purposes (from time to time rooms may be used for other purposes, such as for storage), and (d) a number of factors can cause actual costs to differ from estimates. See "Risk Factors".

Three-Year History

Developments during the financial year ended August 31, 2022

On November 1, 2021, the Company announced it had made an international shipment to Canndoc Ltd. ("Canndoc") in Israel in the first quarter of fiscal year 2022 pursuant to a supply agreement. The Company also announced it had signed a supply agreement with the Yukon Liquor Corporation adding territorial distribution to its existing 10 provincial distribution arrangements.

On November 18, 2021, the Company announced the launch of Monjour, a wellness brand offering high quality CBD-based products. Monjour's first offerings included vegan-friendly and sugar-free soft chews, both in assorted flavours.

On December 21, 2021, the Company announced the acquisition of LAU for $36 million, net of working capital adjustments, plus earnout share consideration, if any. The acquisition added more premium products to the Company's portfolio and strengthened its presence in the province of Québec.

On December 22, 2021, the Company announced that it had made an additional $2.5 million investment in Hyasynth Biologicals Inc. ("Hyasynth"). The Company has to date invested $10 million in Hyasynth.

On February 23, 2022, the Company announced that the BAT nominee, Mr. Simon Ashton, was appointed to the Company's board of directors.

On March 1, 2022, the Company announced that BAT had invested $6.3 million to exercise its rights pursuant to the Investor Rights Agreement (as defined below) to enhance its equity ownership position in the Company to 19.5% (as at December 31, 2021) from 18.8%.

On March 17, 2022, the Company launched its social impact strategy, Organigram Operating for Good, joining the 'Pledge 1%' movement by donating up to 1% of employee time towards causes aimed at "Building Healthy Communities Where We Live and Work."

On June 23, 2022, the Company announced that it had reached a proposed settlement (the "Settlement") in a class action related to medical cannabis that was voluntarily recalled in December 2016 and January 2017. As part the Settlement, the Company agreed to pay an amount in the aggregate of $2,310,000. On

August 31, 2022, the Supreme Court of Nova Scotia held a hearing and approved the Settlement. See "Legal Proceedings and Regulatory Actions".

Developments during the financial year ended September 30, 2023

On November 17, 2022, the Company announced that it had entered into a new multi-year agreement for the supply of dried flower to Canndoc (the "2022 Canndoc Agreement"). The 2022 Canndoc Agreement provides for a commitment of 10,000kg of dried flower. As of December 15, 2023, approximately 4,900kg have been delivered to Canndoc and credited against their total volume commitment. The Company agreed to exclusively supply Canndoc in Israel during the three-year term of the 2022 Canndoc Agreement. The Company granted exclusivity to Canndoc on certain popular genetics for distribution into Canndoc's international supply chain, subject to local regulations.

On December 8, 2022, the Company announced that it had won KIND Magazine's Cannabis Company of the Year award and Most Innovative Product of the Year for the Company's Edison Cannabis Co. brand's Edison JOLTS product.

On January 26, 2023, the Company announced that it received notification (the "Notification") from NASDAQ that it was not in compliance with the minimum bid price requirement in NASDAQ Listing Rule 5450(a)(1) for continued listing on the NASDAQ Global Select Market, as the closing bid price for the Company's common shares listed on NASDAQ was below US$1.00 for 30 consecutive trading days. NASDAQ Listing Rule 5450(a)(1) requires the issuer's common shares to maintain a minimum bid price of US$1.00 per share (the "Minimum Bid Requirement"), and NASDAQ Listing Rule 5810(c)(3)(A) provides that failure to meet such requirement exists if the deficiency continues for a period of 30 consecutive business days. The Notification had no immediate effect on the listing of the Company's common shares on the NASDAQ. Under NASDAQ Listing Rule 5810(c)(3)(A), the Company had a period of 180 calendar days from the date of Notification, being until July 24, 2023, to regain compliance with the Minimum Bid Requirement.

On February 27, 2023, the Company announced the launch of SHRED X Rip-Strip Hash, which is an extension of the Company's SHRED product portfolio that includes SHRED pre-milled flower, SHRED Jar of Joints, SHRED'ems gummies and SHRED X Vapes.

On March 13, 2023, the Company announced that Health Canada had determined that certain Edison JOLTS lozenge products in their 100mg THC per package format (the "Edison JOLTS Products") had been improperly classified as a cannabis extract rather than edible cannabis under the Cannabis Regulations. The Company launched the Edison JOLTS products in August 2021 following significant research, development and regulatory work.

On March 21, 2023, the Company announced that BAT had designated Caroline Ferland as a nominee to the Company's board of directors. On September 1, 2023, the Company announced that Caroline Ferland had resigned from the Company's board of directors as a result of her appointment to Group Company Secretary & Assistant General Counsel for BAT.

On March 31, 2023, the Company announced that it had entered into a product purchase agreement ("Purchase Agreement") with Greentank and a subscription agreement (the "Greentank Subscription Agreement") with Greentank's parent company, Weekend Holdings Corp ("Weekend Holdings"). The Purchase Agreement provided the Company with an exclusivity period in Canada for new technology incorporated into 510 vape cartridges (along with other formats) for use with cannabis, including the development of a custom all-in-one device that will be proprietary to the Company. Pursuant to the terms of the Greentank Subscription Agreement, the Company subscribed for preferred shares for an aggregate

subscription price of US$4.0 million (~$5.5 million CAD) representing an approximate 2.6% interest in Weekend Holdings.

On May 12, 2023, the Company filed a notice that it had decided to change its financial year end from August 31 to September 30, resulting in a 13 month period for the financial year ending September 30, 2023. The change was undertaken by the Company on the basis that it would better align the Company's financial statement reporting requirements with other public companies and calendar quarters.

On May 23, 2023, the Company announced that it had entered into a supply agreement (the "Supply Agreement") for dried flower with the medical division of German cannabis company Sanity Group, a health and life sciences company based in Berlin, Germany, dedicated to the medical applications of cannabinoids. Under the terms of the Supply Agreement, the Company will provide high-quality, indoor-grown dried flower product to Sanity Group and grant Sanity Group strain exclusivity on certain genetics.

On May 25, 2023, the Company announced that it had reached agreement with Phylos, a U.S. cannabis genetics company and provider of production ready seeds, based in Portland, Oregon, to initiate a wide-ranging technical and commercial relationship in Canada. Under the terms of the loan agreement with Phylos (the "Loan Agreement"), the Company will advance up to US$8 million to Phylos in three tranches. The Company advanced Phylos an initial US$3.25 million on May 25, 2023 ("Initial Closing Date") with a commitment to fund up to an additional US$4.75 million over two tranches within 12 and 24 months from the Initial Closing Date, upon the completion of certain milestones. The convertible loan will accrue paid-in-kind interest, subject to certain conditions. The maturity date of the convertible loan will be on the fifth anniversary of the Initial Closing Date subject to one-year extensions and subject to certain conditions. The convertible loan (principal and paid-in-kind interest outstanding) is convertible into common share equity of Phylos under certain circumstances (including but not limited to federal legalization or decriminalization of cannabis in the United States). In November 2023, the Company announced that Phylos achieved the first milestone under the Loan Agreement and closed the second tranche under the Loan Agreement with Organigram advancing US$2.75 million to Phylos.

On June 21, 2023, the Company announced the launch of SHRED X Heavies, a line of innovative infused pre-rolls.

On July 5, 2023, the Company completed a consolidation of its issued and outstanding Common Shares at a consolidation ratio of four pre-consolidation Common Shares for every one post-consolidation Common Share (the "Share Consolidation"). The Share Consolidation was implemented to ensure the Company continues to comply with NASDAQ Minimum Bid Requirement.

On August 2, 2023, the Company announced the launch of its new tube-style pre-rolls, SHRED Dartz and Holy Smokes.

On August 10, 2023, the Company announced that the Federal Court of Canada (the "Federal Court") had granted the Company's application for judicial review of the decision by Health Canada to reclassify the Edison Jolts Product as a cannabis edible rather than a cannabis extract. The matter was remitted back to Health Canada for redetermination taking the Federal Court's reasons into consideration.

On August 15, 2023, the Company announced that it had entered into a supply agreement to provide dried medical cannabis flower to 4C LABS, a healthcare, technology, and pharmaceutical company focused on virtual prescribing, pharmaceutical distribution, and clinical development of cannabis-based products for human health in the United Kingdom. Pursuant to the terms of the agreement, the Company has supplied approximately 288 kilograms of high-quality, indoor-grown dried flower product to 4C LABS to date, less than the initially anticipated 600 kilograms. The Company has also granted 4C LABS strain exclusivity

within the geographical boundaries of the United Kingdom and Channel Islands for as long as minimum purchase commitments are satisfied under the terms of the agreement.

On September 25, 2023, the Company filed a preliminary short form base shelf prospectus with the securities commissions in each of the provinces and territories of Canada, and concurrently filed a base shelf registration statement with the United States Securities and Exchange Commission (the "SEC") on Form F-10 under the United States Securities Act of 1933, as amended, pursuant to the Multijurisdictional Disclosure System (SEC File No. 333-274686). The base shelf prospectus allows the Company to qualify the distribution of up to $500 million of Common Shares, debt securities, subscription receipts, warrants, and units during the 25-month period that the base shelf prospectus remains effective. The Company obtained a receipt for its final short form base shelf prospectus (the "Base Shelf Prospectus") on October 11, 2023, and related Form F-10 base shelf registration statement was declared effective by the SEC on November 29, 2023.

Developments during the financial year ended September 30, 2024

On November 6, 2023, the Company announced a $124.6 million follow-on strategic equity investment from BT DE Investments Inc. (the "Investor"), a wholly-owned subsidiary of BAT (the "Follow-on BAT Investment"). The majority of the $124.6 million investment will be used by Organigram to create a strategic investment pool, named Jupiter ("Jupiter"). Jupiter will target investments in emerging cannabis opportunities that will enable the Company to apply its industry-leading capabilities to new markets. Pursuant to the terms of a Subscription Agreement (as defined below) and subject to the receipt of certain regulatory approvals, approval from the Company's shareholders and other conditions, the Investor will subscribe for a total of 38,679,525 Common Shares and Class A preferred shares (the "Class A Preferred Shares" and together with the Common Shares, the "Shares") in the capital of the Company (the "Investment") across three tranches. As of the entering into the Subscription Agreement, BAT beneficially owned 15,249,027 Common Shares, representing approximately 18.8% of the issued and outstanding Common Shares on a non-diluted basis. Pursuant to the terms of the Subscription Agreement, Shares issued in each of the three tranches will be allocated between Common Shares and Class A Preferred Shares such that if the number of Common Shares owned by the Investor or its affiliates, associates, related parties and any joint actors, including BAT, would exceed 30% of the aggregate number of Common Shares issued and outstanding (the "30% Threshold") after the closing of the applicable tranche, the Company will issue to the Investor the greatest number of Common Shares issuable pursuant to such closing without exceeding the 30% Threshold, with the remainder of the Common Shares issuable as Class A Preferred Shares, as set for in greater detail in the Subscription Agreement.

On November 10, 2023, the Company announced that Derrick West had resigned as Chief Financial Officer of the Company. Paolo De Luca had been appointed interim Chief Financial Officer effective November 13, 2023, while the Company completed a search for a new permanent Chief Financial Officer.

On November 28, 2023, the Company announced that Phylos has achieved the first milestone under the Loan Agreement entered into in May 2023 and closed the second tranche under the Loan Agreement with Organigram advancing US$2.75 million to Phylos. This second tranche followed the initial tranche of US$3.25 million advanced in May 2023 for a total of US$6 million in senior secured convertible loans then outstanding.

On December 13, 2023, the Company announced it had won KIND Magazine's 2023 Innovation of the Year Award (the "Award") for its revolutionary SHRED X Rip-Strips Hash. This was the second consecutive time the Company won the Award, having won in 2022 for its patented Edison JOLTS product.

On December 18, 2023, the Company announced that Greg Guyatt CPA, CA, formerly of Phoena Holdings Inc., had been appointed to the role of Chief Financial Officer of Organigram effective January 8, 2024.

Mr. Guyatt leads Organigram's Finance and IT divisions and reports directly to Beena Goldenberg, Organigram's Chief Executive Officer.

On January 18, 2024, the Company obtained Shareholders' approval of the Follow-on BAT Investment and the amendment of the Company's articles to create a new class of Class A Preferred Shares to be issued by the Company to the Investor in the Follow-on BAT Investment. Following receipt of the necessary Shareholder approval, the Company filed articles of amendment to create the new class of Class A Preferred Shares.

On January 19, 2024 the Company announced the appointment of BAT nominee Karina Gehring to the Company's board of directors.

On January 24, 2024, the Company announced that it closed the first of three tranches of the previously announced Follow-on BAT Investment. Pursuant to the first tranche closing, the Investor acquired 12,893,175 common shares of the Company at a price of C$3.2203 per share (the "Per Share Price") for gross proceeds of C$41,519,891.

On January 31, 2024, the Company announced that it had sent its first shipment of bulk dried flower to the medical division of German cannabis company Sanity Group, a health and sciences organization dedicated to the medical applications of cannabinoids. The shipment was completed under the Company's multi-year agreement with Sanity Group. Under the terms of the agreement first announced in 2023, Organigram would provide high-quality, indoor-grown dried flower product to Sanity Group and grant Sanity Group strain exclusivity on certain genetics.

On February 28, 2024, the Company announced its support of the recommendation by the Canadian House of Commons Standing Committee on Finance that the excise duty framework for cannabis be adjusted to a 10% ad valorem rate from the current 35%, reflecting the lower average selling price per gram of cannabis in 2024 compared to when cannabis was legalized recreationally in 2018.

On March 22, 2024, the Company announced that, despite strong evidence supporting the classification of its Edison JOLTS product as a cannabis extract, it had received a final redetermination from Health Canada that the products are to be classified as edible cannabis. The final redetermination followed the August 2023 decision of the Federal Court to grant Organigram's application for judicial review of a decision of Health Canada determining that the Edison JOLTS Products are to be classified as edible cannabis. The Court found there was a breach of procedural fairness by Health Canada and the matter was then remitted back to Health Canada for redetermination taking the Federal Court's reasons into consideration.

On March 26, 2024, the Company announced a USD $2 million minority investment in OBX in the form of a convertible note, using proceeds from its Jupiter strategic investment pool. Based in Roxboro, NC within North Carolina's "Research Triangle," OBX specializes in legal cannabinoid ingredient production and serves as a one-stop formulation and finished goods manufacturer, simplifying its clients' supply chains.

On April 2, 2024, the Company announced the closing of its previously announced public offering (the "Offering") of units of the Company (the "Units") pursuant to an underwriting agreement entered into between the Company and ATB Securities Inc., as lead underwriter, on behalf of itself and a syndicate of underwriters including A.G.P. Canada Investments ULC (collectively, the "Underwriters") for total gross proceeds of C$28,750,230. The Offering was completed pursuant to a prospectus supplement filed under the Base Shelf Prospectus and the Registration Statement. The Company sold 8,901,000 Units at a price of C$3.23 per Unit, which included 1,161,000 Units sold pursuant to the exercise in full of the Underwriters' over-allotment option. Each Unit comprised of one common share of the Company (a "Common Share") and one half of one common share purchase warrant of the Company (each full common share purchase

warrant, a "Warrant"). Each Warrant will be exercisable to acquire one Common Share (a "Warrant Share") for a period of four years following the closing date of the Offering at an exercise price of C$3.65 per Warrant Share, subject to adjustment in certain events.

On April 8, 2024, the Company announced it was recognized on the 2024 Globe & Mail's Report on Business 'Women Lead Here' list for gender diversity for the fourth consecutive year. Fifty percent of the Company's executive leadership team, including its chief executive officer ("CEO"), are women. The Women Lead Here benchmark was established in 2020 and applies a proprietary research methodology to provide an overview of the largest Canadian corporations with the highest degree of gender diversity among executive ranks. The ranked companies have made tangible and organizational progress related to executive gender parity.

On April 16, 2024, KPMG LLP provided the Company with notice that it would not stand for reappointment as auditor of the Company for the fiscal year 2025. The Company filed a notice of change of auditor under the Company's profile on SEDAR+ on April 25, 2024. On June 28, 2024, the Company appointed PKF O'Connor Davies, LLP as its successor auditor.

On May 28, 2024, the Company announced its second international medical cannabis customer in the United Kingdom, Avida Medical Limited ("Avida"), a full-service medical cannabis and specials medicines manufacturing business. Subject to the terms of the agreement with Avida, the Company expects to supply 1,700 kilograms of high quality, indoor-grown dried cannabis flower to Avida in the United Kingdom over a period of three years.

On June 25, 2024, the Company announced a strategic investment in Sanity Group, representing its first significant strategic investment aimed at expanding its presence in the European cannabis market. Using proceeds from its Jupiter strategic investment pool, the Company agreed to invest €14 million (~ C$21 million) initially comprised of €11.5 million via an unsecured convertible note and €2.5 million in cash to purchase equity interests from existing Sanity Group founders and shareholders providing the Company with a minority stake in Sanity Group. In addition, the Company may advance another €3 million (~ C$4.5 million) as a second tranche of the unsecured convertible note for future opportunities to be pursued by Sanity subject to the satisfaction of certain conditions.

On July 24, 2024 the Company announced that it completed an early partial funding of its final third tranche investment into Phylos with the remaining portion of the final tranche to be funded upon completion of the newly expanded final milestone. As part of the expanded milestone, Phylos delivered 21 unique auto-flower seed varietals for testing and phenotyping by Organigram by September 30, 2024, and is required to deliver a second cohort of 21 auto flower seed varietals no later than January 31, 2025. In addition to the auto-flower seeds, Organigram received an expanded genetics licence from Phylos that, in addition to tetrahydrocannabivarin ("THCV"), includes access to high potency cannabigerol ("CBG"), cannabichromene ("CBC") and cannabidivarin ("CBDV") seed based cultivars.

On July 29, 2024, the Company announced the appointment of BAT nominee Craig Harris to the Company's board of directors.

On August 7, 2024, the Company unveiled the preliminary results of its landmark clinical pharmacokinetic study conducted via the Product Development Collaboration (the "PDC") between the Company and BAT on its latest innovation, nanoemulsion technology. This patent-pending technology, branded FAST™ (Fast Acting Soluble Technology) ("FAST"), is the first innovation to be commercialized by Organigram leveraging the output of the PDC, a "Center of Excellence" established to focus on developing next-generation cannabis products. The clinical study was completed in January 2024, and the final data set has been received and reviewed. The final report is expected to be published in 2025.

On September 3, 2024, the Company announced that on August 30, 2024, the Company closed the second of three tranches of the previously announced Follow-on BAT Investment. Pursuant to the closing of the second tranche of the Follow-on BAT Investment, the Investor acquired 4,429,740 Common Shares and 8,463,435 Class A Preferred Shares of the Company at the Per Share Price for gross proceeds of USD$30,821,684.69 (equal to C$41,519,891). The remaining 12,893,175 Common Shares and Class A Preferred Shares subscribed for are due to be issued at the Per Share Price in the final tranche on or around February 28, 2025.

Developments subsequent to the financial year ended September 30, 2024

On November 26, 2024, the Company announced the launch of Edison Sonics gummies, Organigram's inaugural product powered by FAST™. Products with FAST™ deliver up to ~50% faster onset and improved bioavailability delivering nearly double the cannabinoids at peak effect compared to traditional edible products. This is made possible as FAST™ is an advanced nanoemulsion technology delivery system that breaks down cannabinoids into tiny particles, allowing them to be absorbed more quickly and efficiently during consumption. These results have been scientifically verified through one of the largest pharmacokinetic studies conducted in the cannabis industry, completed in January 2024.

On December 6th, 2024, the Company announced the acquisition of 100% of the issued and outstanding shares of Motif for upfront consideration of $90 million, consisting of $50 million in cash and $40 million of Organigram common shares priced based on the 30 day trading volume weighted average price ("VWAP") of $2.3210 on the Toronto Stock Exchange ("TSX"). In addition, Motif shareholders will be entitled to receive additional contingent consideration of $10 million payable in Organigram common shares ("Contingent Consideration"), conditional on Organigram achieving a price per share exceeding $3.2203, based on the rolling 30-trading day VWAP on the TSX, within 12 months of the date of the transaction. The Contingent Consideration shall be priced at $3.22031 per share.

DESCRIPTION OF THE BUSINESS

Company Overview

The Company is a leading Canadian licensed producer of high quality cannabis and cannabis-derived products for adult-use recreational consumers and medical patients in Canada. The Company also has various international business relationships that it continuously seeks to develop in order to expand its global footprint.

A description of the regulatory framework is included below under the heading "Canadian Regulatory Framework". For a summary of the Cannabis Act and Cannabis Regulations as well as the Company's licences issued under the Cannabis Act and Excise Act, see "Canadian Regulatory Framework – Licences, Permits and Authorizations".

Principal Products and Brands

The Company has established strong brands for use in the adult-use recreational cannabis market and seeks to create a portfolio of diverse brands and products. The Company's adult-use recreational cannabis brand strategy reflects its views about current and potential consumers, the industry, future product development and opportunities for growth.

Adult Use Recreational Cannabis

The Company developed its portfolio of adult-use recreational cannabis brands to specifically meet the diverse needs of Canada's adult-use recreational cannabis consumers. Based on a robust consumer

segmentation study, Organigram has and will continue to develop a competitive range of brands designed to deliver profitable growth across the largest product categories. The suite of brands includes SHRED, Holy Mountain, Big Bag O' Buds, Monjour, Trailblazer, Edison Cannabis Co., and Tremblant. Each brand is unique to a specific consumer segment with a product offering designed to meet the needs of its target audience, as described below, including potencies, cannabinoid content and price point.



Medical Cannabis

The Company offers a broad range of medical cannabis products in Canada and abroad through our international business partners. Our range of products available in the medical channel includes whole flower, milled flower, pre-rolls, infused pre-rolls, vapes, gummies & concentrates.

New Product Development and Innovation

Research & Development

The Company continues to focus on consumer insight driven innovation, research and product development ("R&D") across all key product categories. Current development work is focused on the operationalization of pre-rolls and infused pre-rolls at high throughput speed, the development and re-launch of the vapour portfolio across a number of brands and pricing tiers, and continued investment in milled flower, gummies and hash portfolios with a robust pipeline of disruptive and innovative products.

R&D efforts in cannabis extraction and raw material processing have resulted in a significant yield increase and quality improvements to our CO2 and solventless extraction and isolation capabilities. The Company has begun extraction and isolation of several minor cannabinoids such as THCV and cannabidiol ("CBN") at scale, and has developed methods and processes to assess, analyse and extract a robust range of rare minor cannabinoids that are being cultivated at the Moncton Campus with novel and proprietary high-potency cultivars.

Product Development Collaboration – Centre of Excellence with BAT

The PDC agreement (the "PDC Agreement") entered into with BAT in March 2021 and the strategic investment of approximately $221 million in the Company by BAT is another example of the Company's hallmark dedication to consumer-driven product innovation. The strategic collaboration with BAT strengthens Organigram's ability to create innovative, differentiated products that appeal to adult consumers. No assurance can be given that the Company will be successful in bringing these products to

the market. See "Risk Factors - The Company May Not be Able to Successfully Develop New Products or Find a Market for Their Sale".

The Company and BAT entered into the PDC Agreement pursuant to which the Centre of Excellence ("CoE") was established to focus on research and product development activities for the next generation of cannabis products, with an initial focus on CBD. The CoE is located at the Moncton Campus, which holds the Health Canada licences required to conduct R&D activities with cannabis products. Both companies contributed scientists, researchers, and product developers to the CoE which is governed and supervised by a steering committee consisting of an equal number of senior members from both companies. Under the terms of the PDC Agreement, both Organigram and BAT have access to certain of each other's IP and, subject to certain limitations, have the right to independently, globally commercialize the products, technologies and IP created in the CoE.

Per the PDC Agreement, Organigram and BAT have agreed to jointly develop cannabis vapour products, cannabis oral products and any other products, IP or technologies the parties mutually agree to develop. BAT will own all IP developed under this collaboration and will grant to Organigram a royalty-free, perpetual, global licence to all such IP. Each party has also agreed to grant to the other a non-exclusive, perpetual and irrevocable licence to certain existing IP of such party and its affiliates for purposes of conducting the development activities and exploiting the products, technologies and IP created by the CoE per the PDC Agreement, subject to certain restrictions.

All key working spaces of the CoE have been completed including the R&D laboratories, enhanced analytics space, quality assurance and control laboratory, GPP (Good Production Practices, as prescribed by Part 5 of the Cannabis Regulations) production space, sensory testing laboratory and a state-of-the-art biolab for advanced plant science research. The CoE has completed the first generation of product concepts across the gummies, vapour and novel beverage formats. Organigram has begun commercialization of CoE driven innovations throughout 2024 as the R&D focus now shifts to the second generation of product development in line with latest category and consumer insights, with the FAST products discussed above being the first innovation to be commercialized.

On August 7, 2024, the Company unveiled the preliminary results of its landmark clinical pharmacokinetic study conducted via the PDC on its latest innovation, nanoemulsion technology. This patent-pending technology, FAST™, is the first innovation to be commercialized by Organigram leveraging the output of the CoE. The clinical study was completed in January 2024, and the final data set has been received and reviewed. The final report is expected to be published in 2025.

Distribution and Sales

Adult-Use Recreational Cannabis

The Cannabis Act provides provincial, territorial and municipal governments with the authority to prescribe regulations regarding retail and distribution of adult-use recreational cannabis. As such, the distribution model for adult-use recreational cannabis is prescribed by provincial regulations and differs from province to province. Some provinces have government-run retailers, while others have government-licensed private retailers, and some have a combination of both. The Company is authorized by its licence for wholesale distribution of adult-use recreational cannabis and derivative products in all provinces of Canada and in Yukon, and has supply arrangements in different forms with the responsible government agency or equivalent in each province and territory.

The Cannabis Act imposes restrictions on the promotion of cannabis products, cannabis accessories and services related to cannabis. These include restrictions on the content of promotions as well as locations where promotions may take place. With this in mind, the Company has created a portfolio of brands that

address unique consumer needs, including potency, yield, flavours, occasions, price points, volume discounts or promotional pricing. As the industry matures, certain seasonal sales trends are starting to emerge such as an increased popularity for pre-rolls during the summer months and an increased popularity for vape pens during the winter months. See "Description of the Business - Canadian Regulatory Framework" for additional information on current distribution channels under the Cannabis Act.

Medical Cannabis

The Company distributes medical cannabis through MyMedi.ca, an online medical cannabis platform managed by Avicanna Inc. The online medical cannabis platform offers a wide range of medical products and dedicated customer service. The Company's prices for cannabis and derivative products vary based on growth time, strain yield and market prices. The Company may from time to time offer volume discount or promotional pricing. The Company is also authorized for wholesale shipping of medical cannabis plant cuttings and dried flower to other licensed producers. The Company is able to ship wholesale medical cannabis products to certain international jurisdictions by obtaining the required approvals and permits from Health Canada and the applicable regulatory authority of the purchaser. See "Description of the Business - Canadian Regulatory Framework" for additional information on current distribution channels under the Cannabis Act.

Cannabis Edibles

Effective October 17, 2019, the Cannabis Regulations permit the sale to the public of edible cannabis products and concentrates through medical and adult-use consumer channels. Following the investment in a high-speed, high-capacity, fully automated production line, the Company began shipping edibles to retailers across Canada in February 2020. The Company subsequently began evaluating future prospects for its chocolate production line based on its declining utilization and declining revenues from its chocolate output and ultimately made the strategic decision to cease manufacturing chocolate products. Following the acquisition of EIC, the Company launched SHRED'ems cannabis-infused gummies and Monjour, a gummy brand focusing on CBD-forward products. The previously-discussed FAST technology developed by the CoE that was announced by the Company in August 2024 is anticipated to improve the Company's edible cannabis products by decreasing the average time required for the effects of edible cannabis to be felt by a consumer.

Cannabis Extracts and Concentrates

The Company continues to expand its vape offering by having introduced a liquid diamond vape cartridge as well as Shred 510 vapes featuring distillate and botanical terpene blends. Following the acquisition of LAU, the Company established a robust hash innovation pipeline, expanded the Tremblant hash brand nationally via new higher potency hash temple balls, and introduced other new hash products into the market.

Cannabis Vapour Products

In March 2023, Organigram entered into an agreement with Greentank for the development and commercialization of novel vapour heating technology. The Company is expecting commercialization to begin in late fiscal year 2025. The Greentank hardware is expected to deliver to the consumer greater vapour volume, stronger flavour and cannabinoid performance through improved and smaller particle size in vapour with their new heating engine.

International Customers

Outside of Canada, the Company serves several international markets via exports and seeks to augment sales channels internationally over time. Future international shipments are contingent upon the timing and receipt of regulatory approval from Health Canada, including obtaining an export permit, as well as timing and receipt of regulatory approval from the purchaser's regulatory authority, including obtaining an import permit.

Operations

The Company has assembled a capable management team with significant experience in the management and growth of successful enterprises.

Presently, a significant portion of the Company's revenue is derived from the sale of cannabis, cannabis product and cannabis plant material produced, cultivated and/or processed by the Company at its Moncton Campus. The Company grows cannabis at its Moncton Campus for the purposes of sale and distribution of finished products. The Moncton Campus has 115 grow rooms with staggered cultivation cycles averaging 14 weeks per cycle. As the grow rooms are all indoor, seasonality has negligible impact on cultivation cycles.

In July 2022, the Company acquired the Winnipeg Facility which it had been previously leasing. EIC held the EIC Licence issued under the Cannabis Act, which was transitioned to be held by OGI as a result of the Amalgamation. The Company is currently producing cannabis-infused gummies and cannabis-infused lozenges at the Winnipeg Facility.

In September 2023, the Company completed the expansion of the Lac-Supérieur Facility adding four hybrid greenhouses increasing the cultivation footprint to 14,500 sq. ft. The Lac-Supérieur Facility is destined to produce craft flower with a staggered cultivation cycle averaging 11-12 weeks per cycle as the Lac-Supérieur Facility receives clones ready for transplant.

Cultivation

The Company's breeding and phenotyping program continues to produce a robust and strategic flower pipeline, with significant progress made to increase the quality, potency and terpene concentrations of the Company's flower portfolio. Several large-scale garden strategies have begun implementation, including start-up of seed based manufacturing, move to segment plant care based on cultivar and portfolio value, and ongoing introduction of improved irrigation practices, specific LED light recipes and crop cycle changes to improve quality output while reducing crop cycle, drying and curing time.

In May 2023, Organigram entered into an innovation agreement with Phylos to develop and operationalize F1 hybrid seed based production which scaled our production by up to 17% of harvests in FY 2024, significantly reducing the garden cost profile while improving economics on certain milled and ready to consume brands in the portfolio. In addition, Organigram has further capitalized on the investment with the launch of first to market, whole flower THCV offerings in both edible and vapour categories. Organigram expects to expand the offering with further development of a range of novel high potency rare cannabinoids via the proprietary, patent protected cultivation methods developed by Phylos.

Storage and Security

The Cannabis Act prescribes physical security requirements that are necessary to secure sites where licensed producers conduct activities with cannabis. All facilities currently in production operate in accordance with the Cannabis Act requirements, including in relation to the security requirements. Health Canada conducts ad hoc, unscheduled site inspections of licensed producers under the Cannabis Act. The Company has been subject to these inspections numerous times. The Company has responded to and

complied with all requests from Health Canada within the time frames indicated in such requests. As of the date hereof, there are no outstanding inspection issues with Health Canada beyond day-to-day adjustments that may occur in order to ensure ongoing compliance.

Specialized Skill and Knowledge

The nature of growing cannabis is not substantially different from the nature of growing other agricultural products. Variables such as temperature, humidity, and lighting, air flow, watering and feeding cycles are meticulously defined and controlled to produce consistent product and to avoid contamination. The product is cut, sorted and dried under defined conditions that are established to protect the activity and purity of the product. Once processing is complete, each and every processed batch is subjected to full testing against stringent quality specifications set for activity and purity. The Company has recruited a production team with specialized skill sets unique to indoor agricultural cultivation and processing of cannabis plants and products at industrial scale.

In addition, in order to ensure compliance with the Cannabis Act and any directives issued by Health Canada, which includes strict security measures, equipment required to manage production, HVAC (heating, ventilation, and air conditioning) systems, odour control systems and laboratory equipment to monitor and test product quality, the Company must employ a number of regulatory personnel to assist the Company to remain compliant with the complex and rapidly evolving regulations applicable to the industry. The Company has successfully recruited the necessary personnel with this skill set.

The Company's management includes individuals who have extensive expertise in the cannabis industry. In addition, the Company's board of directors is comprised of experienced professionals from various relevant industries. See "Directors and Executive Officers".

Competitive Conditions

As of the date hereof, Health Canada has issued cultivation, processing or cannabis sales licences to a total of 1,001 licence holders. There are also a number of unlicensed illicit growers of cannabis that compete with the legal market. The Cannabis Act allows for adults to legally grow up to four cannabis plants for personal use; however, the Company believes that competition from homegrown cannabis is limited and does not currently have a significant impact on market demand for high quality cannabis flower.

As the demand for cannabis products increases both nationally and internationally, the Company believes that new competitors will enter the market. The principal aspects of competition between the Company and its competitors are the price and quality of the products offered and client service provided to patients, government entities and private retailers.

Since edible cannabis products became legal in Canada, they have become a large market for licensed producers. Edibles are an attractive alternative that appeal to a broader audience, particularly to those who are not interested in combustion. The Company continues to invest in new product development through research and development, the acquisition of new technologies and the acquisition of other businesses where appropriate. The Company deploys a strategy aimed at product depth as opposed to breadth to maintain its strong track record of delivering on supply commitments, which is critical to building brand equity.

It is possible that the Company will face intense competition from other cannabis producers, some of which having longer operating histories and more financial resources and manufacturing and marketing experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company. In addition, over the past year the cannabis industry has experienced, and continues to experience, price

compression, which may adversely impact the Company's profitability. In addition, such price compression, as well as, or together with, the oversupply of certain types of inventory in the industry, may result in the Company incurring additional impairment losses on inventory in the event the cost of our inventory exceeds its net realizable value. Ongoing and potential changes of these market conditions represent uncertainties that may affect the Company's future financial results.

Employees

As of September 30, 2024, the Company employed approximately 898 employees. Following the Company's acquisition of Motif, its employee count increased to 1,135 individuals as of December 11, 2024.

Canadian Regulatory Framework

On October 17, 2018, the Cannabis Act and the Cannabis Regulations came into force, legalizing the sale of cannabis for adult recreational use in Canada. Prior to the Cannabis Act and the Cannabis Regulations coming into force, only the sale of medical cannabis was legal. Such sales of medical cannabis were regulated under the Access to Cannabis for Medical Purposes Regulations (the "ACMPR").

The Cannabis Act and Cannabis Regulations establish a licensing and permitting scheme for the cultivation, processing, importation, exportation, testing, transportation, sale, possession and disposal of cannabis both for medical and non-medical use (i.e. adult recreational use). This scheme replaced the ACMPR for purposes of the medical cannabis regime.

The Cannabis Act allows for the import and export of cannabis only for medical or scientific purposes. Import and export permits are applied for and received on a case-by-case basis.

Transitional provisions of the Cannabis Act provided that every licence, permit and security clearance issued under the ACMPR that was in force immediately before the day on which the Cannabis Act came into force (being October 17, 2018) is deemed to be a licence or permit issued under the Cannabis Act and that such licence or permit will continue in force until it is revoked or expires.

On May 8, 2019, Health Canada changed its licensing criteria for new applicants for licences to cultivate, process and sell cannabis for medical purposes. These categories of licence applicants are now required to have a fully built site that meets all the requirements of the Cannabis Regulations at the time of their application, as well as satisfying any other applicable application criteria.

On October 17, 2019, amendments to the Cannabis Act and Cannabis Regulations came into force. The Cannabis Act and Cannabis Regulations were amended to, among other things, allow for the production, distribution and sale of cannabis extracts, cannabis topicals and edible cannabis in addition to the other previously permitted product categories. The Cannabis Regulations set out certain requirements for the sale of cannabis products, including limiting the THC content and size of certain product forms.

Certain provinces have imposed restrictions on the launch and sale of edible and vaporizable cannabis products in their markets, including Québec and Newfoundland and Labrador. Additionally, in February 2021 Health Canada announced its intent to restrict the use of flavours in vaporizable products, and in June 2021 Health Canada proposed amendments that would restrict inhalable cannabis extracts from having a flavour other than the flavour of cannabis. These amendments were expected to come into force in 2022, however they are not yet in force as of the date hereof. As the market and regulations continue to develop the impact of these announcements is not readily determinable at this time. See "Risk Factors - Changes in Laws, Regulations and Guidelines".

Licences, Permits and Authorizations

The Cannabis Regulations establish six classes of licences under the Cannabis Act: cultivation licences; processing licences; analytical testing licences; licences for sale; research licences; and cannabis drug licences. The Cannabis Regulations also establish subclasses for cultivation licences (standard cultivation, micro-cultivation and nursery) and processing licences (standard processing and micro-processing). Different licences and each subclass therein carry differing rules and requirements that are intended to be proportional to the public health and safety risks posed by each licence category and subclass. The Cannabis Regulations provide that all licences issued under the Cannabis Act must include both the effective date and expiry date of the licence, and may be renewed on or before the expiry date.

The Cannabis Regulations permit licence holders to conduct activities only at the site and building set out in the licence (except for destruction, antimicrobial treatment and distribution) and no licensed activities can take place in a "dwelling-house". The holder of a licence must not produce, test, store, package or label cannabis outdoors, except for obtaining cannabis by cultivating, propagating or harvesting it.

The Industrial Hemp Regulations ("IHR") promulgated under the Cannabis Act came into force on October 17, 2018. The regulatory scheme for industrial hemp remained largely the same; however, the IHR permit the sale of hemp plants to licensed cannabis producers, the use of additional parts of the hemp plant and licensing requirements have been eased in accordance with the low risk posed by industrial hemp. The IHR define "industrial hemp" as cannabis plants whose leaves and flowering heads do not contain more than 0.3% THC.

Security Clearances

Certain people associated with cannabis licensees, including individuals occupying a "key position" such as directors, officers, significant shareholders and individuals identified by Canada's Minister of Health (the "Minister"), must hold a valid security clearance issued by the Minister. Under the Cannabis Regulations, the Minister may refuse to grant security clearances to individuals with associations to organized crime or with past convictions for, or in association with, drug trafficking, corruption or violent offences. This is largely the approach that has been in place under the ACMPR and other related regulations governing the licensed production of cannabis for medical purposes. Individuals who have histories of nonviolent, lower-risk criminal activity (e.g. simple possession of cannabis, or small-scale cultivation of cannabis plants) are not precluded by legislation from participating in the legal cannabis industry, and the grant of security clearance to such individuals is at the discretion of the Minister and such applications are reviewed on a case-by-case basis. Security clearances issued under the ACMPR are considered to be security clearances for the purposes of the Cannabis Act and the Cannabis Regulations.

Cannabis Tracking and Licensing System

Under the Cannabis Act, the Minister is authorized to establish and maintain a national cannabis tracking system. The Cannabis Regulations set out a national cannabis tracking system to track cannabis throughout the supply chain to help prevent diversion of cannabis into, and out of, the legal market. The Cannabis Act also provides the Minister with the authority to make a ministerial order requiring certain persons named in such order to report specific information about their authorized activities with cannabis, in the form and manner specified by the Minister. Accordingly, the Minister has introduced the Cannabis Tracking and Licensing System, and licence holders are required to use this system to submit monthly reports to the Minister, among other things.

Cannabis Products

As of October 17, 2018, the Cannabis Act and Cannabis Regulations permitted the sale to the public of dried cannabis, cannabis oil, fresh cannabis, cannabis plants, and cannabis seeds by authorized licence holders. On October 17, 2019, there was an amendment to the Cannabis Regulations adding edibles cannabis, cannabis extracts and cannabis topicals as new classes of cannabis permitted to be sold through medical and adult-use consumer channels. The THC content and size of cannabis products is limited by the Cannabis Regulations. Effective October 17, 2020 cannabis oil was deleted from the Cannabis Act and must now be sold as a cannabis extract, subject to compliance with other prohibitions and requirements of the Cannabis Regulations. See "Changes in Laws, Regulations and Guidelines".

Packaging and Labelling

The Cannabis Regulations set out requirements pertaining to the packaging and labelling of cannabis products, which requirements are intended to promote informed consumer choice and allow for the safe handling and transportation of cannabis, while also reducing the appeal of cannabis to youth and promoting safe consumption. These requirements include plain packaging for cannabis products, strict requirements for logos, colours and branding as well as packaging that is tamper-proof and child-resistant. The Cannabis Regulations further require mandatory health warnings, product source information, including the class of cannabis and the name, phone number and email address of the producer, the standardized cannabis symbol and specific product information including the THC and CBD content.

Promotion

The Cannabis Act introduces strict restrictions on the promotion of cannabis products to, among other things, prevent promotion that could be appealing to young persons or evoke a positive or negative emotion about or image of, a way of life. Specifically, the Cannabis Act prohibits the promotion of cannabis, cannabis accessories or any services related to cannabis, unless such promotion is authorized under the Cannabis Act. Therefore, the Company may only advertise or promote its products in compliance with the provisions of the Cannabis Act.

Cannabis for Medical Purposes

The Cannabis Regulations set out the regime governing access to medical cannabis which largely reflects the rules under the ACMPR. Patients who have the authorization of their healthcare provider continue to have access to medical cannabis, either purchased directly from a federally licensed producer, or by registering to produce a limited amount of cannabis for their own medical purposes, or designating someone to produce cannabis for them.

Provincial Regulatory Framework

While the Cannabis Act provides for the regulation of the commercial production of cannabis for adult-use recreational purposes and related matters by the Government of Canada, the Cannabis Act enables the provinces and territories of Canada to regulate other aspects of adult-use recreational cannabis (similar to what is currently the case for liquor and tobacco products), such as sale and distribution, minimum age requirements, places where cannabis can be consumed, and a range of other matters.

As at the date hereof, the Company has entered into arrangements with distributors in all the provinces of Canada and the Yukon. The nature of these arrangements vary by jurisdiction.

The governments of every Canadian province and territory have, to varying degrees, enacted regulatory regimes for the distribution and sale of cannabis for adult-use recreational purposes within those

jurisdictions. Most of these Canadian jurisdictions have a minimum age of 19 years old for buying, using or possessing cannabis, except for Québec and Alberta, where the minimum age is 21 and 18, respectively.

There are three general frameworks enabled by provincial and territorial governments: (i) private cannabis retailers licenced by the provincial government; (ii) government run retail stores; and (iii) a combination of both frameworks. Regardless of the framework, the adult-use recreational cannabis market is ultimately supplied by federally licenced cultivators and processors. In most instances, provinces and territories have a government run wholesaler that is the exclusive source of cannabis products for retailers. The wholesalers, in turn, acquire cannabis products from the federally licenced cultivators and processors. The following chart outlines the current basic regime for adult-use recreational cannabis sales in each province and territory of Canada.

Activity	Privately Operated	Publicly Operated
Storefront Adult Use Sale	British Columbia Alberta Saskatchewan Manitoba Ontario Newfoundland and Labrador Nunavut Yukon Northwest Territories	British Columbia Québec New Brunswick Nova Scotia Prince Edward Island
Online Adult Use Sale	Alberta Saskatchewan Manitoba Nunavut Yukon	British Columbia Ontario Québec New Brunswick Nova Scotia Prince Edward Island Newfoundland and Labrador Northwest Territories

Foreign Operations

Our business operates entirely in Canada but a significant portion of our business depends on partnerships located in foreign jurisdictions, including the United States, Germany, the United Kingdom, Israel and Australia. See "Risk Factors - *The Company's Operations in Emerging Markets are Subject to Political* and Other Risks Associated with Operating in a Foreign Jurisdiction" and "Risk Factors - Israel-Hamas War and Conditions in Israel".

Israeli Regulatory Framework

Cannabis, including all parts of the plant and the roots (but excluding oil extracted from its seeds) is defined, under the Israeli Dangerous Drugs Ordinance (New Version), 5737-1973, as a "dangerous drug" such that the sale and use of cannabis are prohibited unless a permit has been granted by the Israeli Ministry of Health (the "MOH").

In recent years, the MOH has made a significant progress in regulating cannabis for medical use – with the end goal of treating medical cannabis as any other pharmaceutical drug. As part of such "medicalization"

of cannabis progress, the Israeli Medical Cannabis Agency (the "IMCA"), was established (acting as a "Government Agency" pursuant to the United Nations Single Convention on Narcotic Drugs of 1961), and has been granted the authority to issue licences for the use of cannabis for medical purposes and for the following aspects related to medical cannabis supply chain: cultivation, manufacturing, storage, sale and for medical cannabis related research. Under such medicalization reform, the IMCA has issued several directives, which set clear and detailed standards and requirements for obtaining licences for all such aspects of the medical cannabis.

The MOH issued, in December 2016 (last updated in November 2021) a procedure titled "Guidelines for Approval of Applications for Importation of Dangerous Drug of Cannabis Type for Medical Use and for Research" ("Procedure 109"). Procedure 109 provides guidelines for import applications and respective approval process, for research and medical use of cannabis. According to Procedure 109, the following permits and licences are required to be obtained in order to be granted cannabis import licence (for medical and research uses): (i) IMCA granted licence to possess and operate in the medical cannabis field, (ii) a licence to import plant material (to the extent that the imported cannabis is in a form of a plant, such as seeds, tissue culture), granted by the applicable department within the Israeli Ministry of Agriculture, (iii) a permit to import narcotic drugs, pursuant to the Dangerous Drugs Ordinance, and (iv) a licence to import a dangerous drug, granted by the Department of Pharmaceutical Imports and Narcotics within the MOH. The IMCA has the discretion to grant or refuse to grant an import licence, as well as to revoke a licence previously granted. According to Procedure 109, importation of raw materials (cannabis inflorescence) will only be permitted if such plant materials were grown and cultivated in a post-harvest IMC-GAP certified facility (or an equivalent certification, such as CUMCS), or alternatively if the farm is GACP certificated (or equivalent), and the post-harvest facility if EU-GMP certified. Finished medical cannabis products are only allowed to be imported if they were manufactured in accordance with IMC-GMP or equivalent standard (e.g. EU-GMP).

On January 31, 2022, the Economic Affairs Committee of the Israeli Parliament held a discussion regarding the adverse effect of substantial imports of medical cannabis on the local industry. The discussion was summoned with a request that the Ministry of Health (MOH) would study the matter and consider a halt of importation until a balance is reached between imports and exports of medical cannabis.

In July 2022, a committee appointed by the Director General of the MOH for the purpose of examination of the professional and regulatory framework that will allow the transition from a licensing regime to a prescriptions' regime with respect to the use of medical cannabis (the "Committee"), published its recommendations. The Committee concluded that it was advisable to transition from the grant of personal patient licences to the issuance of prescriptions available through public healthcare services (the "Reform"). The new regulations adapting this Reform (the "Reform Regulations") made a transition from a licensing regime to a prescription regime, allowing medical cannabis to be prescribed by physicians, trained and certified as stipulated in the Reform Regulations, and to be held and distributed by pharmacies. The Reform was approved by the Israeli Parliament's health committee in June 2023, published in July 2023, and entered into effect as of April 1, 2024.

On August 30, 2023, following issuance of the recommendations of the Committee, the Director General of the MOH appointed an additional committee, authorized to comprehensively examine which cannabinoids and parts of the cannabis plant have a psychoactive-addictive effect and therefore there is a justification to maintain their classification as a "dangerous drug" under the definition set forth in the Dangerous Drugs Ordinance (the "2023 Committee"). The 2023 Committee had been requested to provide its recommendations by January 1, 2024. To date, no official publication has been made available to the public, at the MOH's website, with respect to such recommendations.

In January 2024, the Ministry of Economy and Industry launched an anti-dumping investigation into Canadian cannabis exports to Israel, claiming that cannabis was being dumped at unacceptably low prices

(the "Anti-Dumping Investigation"). The Company responded to these allegations and demonstrated with data that it did not engage in the practice of dumping. Notwithstanding this data, on November 11, 2024, the Anti-Dumping Trade Commissioner of Israel published his conclusions, finding dumping by all Canadian cannabis exporters to Israel, and calling for a dumping duty on all cannabis imports from Canada. The Company and the Israeli Ministry of Health, among others, disputed the Commissioner's findings, which were then reviewed by an Israeli government Advisory Committee. The Advisory Committee held a hearing for stakeholders on December 11, 2024, and will submit its recommendation for a final decision on the question of dumping to be determined by the Israeli Ministry of Economy in 2025.

German Regulatory Framework

The Company, through its wholly-owned subsidiary 10870277 Canada Inc., acquired a 25% interest in the capital of alpha-cannabis Pharma GmbH ("ACG"). In addition, the Company has entered into two supply agreements with ACG: one for the supply of CBD isolate from ACG, and the other for the supply of dried cannabis flower from Organigram Inc. to ACG, for which the Company has provided notice of termination.

On June 25, 2024, the Company announced a strategic investment in the Germany-based Sanity Group, representing its first significant strategic investment aimed at expanding its presence in the European cannabis market. Using proceeds from its Jupiter strategic investment pool, the Company has agreed to invest €14 million (~ $21 million) initially comprised of €11.5 million via an unsecured convertible note and €2.5 million cash to purchase equity interests from existing Sanity Group founders and shareholders providing the Company with a minority stake in Sanity Group. In addition, the Company may advance another €3 million (~ $4.5 million) as a second tranche of the unsecured convertible note for future opportunities to be pursued by Sanity subject to the satisfaction of certain conditions.

In 2024, Germany fundamentally revised the legal framework regarding cannabis by passing the so-called Cannabis Act (Cannabisgesetz – CanG), which introduced the Law on the handling of cannabis for consumption (Konsumcannabisgesetz – KCanG) and the Medical Cannabis Act (Medizinal-Cannabisgesetz – MedCanG) and amended other related laws, inter alia the BtMG. Cannabis is no longer a narcotic drug within the meaning of Sec. 1 German Federal Law on Narcotic Drugs (Betäubungsmittelgesetz – BtMG).

Cannabis may be prescribed by doctors for medical purposes. The system for prescribing medical cannabis introduced in Germany in 2017 is now laid down in the MedCanG. The MedCanG aims to facilitate the access of patients to medicinal cannabis and prevent its misuse. In principle, a licence is required by anyone wishing to cultivate, produce, trade, import, export, dispense, sell, otherwise place on the market, obtain or acquire cannabis for medical purposes or cannabis for medical-scientific purposes. The licence is issued by the Cannabis Agency as part of the Bundesinstitut für Arzneimittel und Medizinprodukte and is subject to numerous conditions, including that the cannabis must be cultivated in accordance with the guidelines on Good Agricultural and Collection Practices ("GACP"). The previous procedure of issuing licences by tender for the cultivation of cannabis for medical purposes has been abolished. An extensive tendering procedure after which the Cannabis Agency concludes supply and service contracts under civil law with the successful bidders, then buys the cannabis produced and subsequently sells it to pharmacies, wholesalers etc., is no longer necessary. Instead, the distribution of domestically harvested cannabis for medical purposes will be carried out under the market economy and legal responsibility and decision of the economic operators holding a cultivation licence or a marketing authorisation.

However, the most fundamental change is that Germany has created legal access to cannabis for recreational use. The approach is based on two pillars: The first pillar allows for private cultivation by adults for their own use, and for shared, non-commercial cultivation of cannabis in cultivation associations. The new regulatory framework for this is set out in the KCanG. The second pillar provides for regional model projects with commercial supply chains.

For private cultivation for personal use, it is now permitted for adults aged 18 and above to possess up to 25 grams of dried cannabis in public and up to 50 grams in private. The cultivation of up to three female flowering cannabis plants per person is permitted. Also, non-commercial cultivation associations, so-called cannabis social clubs, with up to 500 members can be founded. These associations are allowed to cultivate cannabis collectively and distribute it among their members. A licence is required, which is subject to numerous conditions. It is prohibited to consume cannabis in certain areas, e.g. near schools, in the premises of cultivation associations and in pedestrian zones between 7:00 and 20:00.

Among other things, the KCanG does not consider CBD to be 'cannabis', meaning that it is not subject to the prohibition regulation under Sec. 1 para. 1 KCanG. The extraction of CBD from the cannabis plant is also not prohibited.

Moreover, dealing of cannabis seeds is permitted as long as the cannabis seeds are not intended for unauthorised cultivation. However, the import of cannabis seeds for the purpose of private home cultivation of cannabis or the communal home cultivation of cannabis in cultivation associations is only permitted from Member States of the European Union. The import and export of recreational cannabis remains prohibited as well as importing cannabis products.

The second pillar envisages the implementation of a scientifically designed pilot project in selected regions for five years. This will allow companies to produce, sell and distribute recreational cannabis within a licensed and state-controlled framework to adults in specialised shops. The model will be scientifically monitored and evaluated. The effects of a commercial supply chain on the protection of health and minors as well as the black market will be analysed in more detail. However, no legal provisions have yet been created for the establishment of model regions, so that the second pillar is so far only a concept. In view of the current political situation in Germany and the complex deliberations required for the adoption of the legal regulations, it is uncertain whether such regulations will be created.

Despite legalisation, challenges remain, particularly in relation to the bureaucratic hurdles faced by cultivation associations when they are set up. Furthermore, some political parties have announced their intention to reverse the legalisation.

United Kingdom Regulatory Framework

In the United Kingdom, cannabis, certain cannabinoids, and products containing those ingredients are controlled drugs (unless exempt). Accordingly, it is unlawful to possess, supply, offer to supply, produce, import or export these drugs except under a Home Office ("HO") licence. There are, however, regulations which allow for the possession and use of cannabis-based products for medicinal use in humans ("CBPM") without a HO licence provided strict rules are met.

Correspondingly, the regulations allow for the import of finished CBPMs, or ingredients for the use in, and the manufacture of, CBPMs in the UK. In particular, only persons with certain registrations and licences from both the HO and the Medicines and Healthcare Products Regulatory Agency ("MHRA") can import CBPMs or ingredients for the manufacturing of CBPMs. Importers and manufacturers must comply with strict requirements regarding packaging, storage, processing and record keeping in relation to CBPMs (amongst others).

Cannabis is a Class B controlled drug under Part 2 of Schedule 2 to the Misuse of Drugs Act 1971 ("MDA 1971"). Cannabis is defined in section 37(1) of the MDA 1971 and is, in summary, the plant or any part of the plant with limited exceptions (the exceptions are the mature stalk; fibre produced from the mature stalk; or the seed of any such plant). Cannabis is also listed in Schedule 1 to the Misuse of Drugs Regulations 2001 ("MDR 2001"), which provides the legal framework for access to controlled drugs for legitimate purposes.

Further, a number of cannabinoids are controlled as Class B drugs under Part 2 of Schedule 2 to the MDA 1971 and Schedule 1 of MDR 2001, including cannabinol and its derivatives. Pure cannabidiol (CBD) is not a controlled drug, however preparations or products from which it is derived may be. It is unlawful to possess, supply, offer to supply, produce, import or export controlled drugs except under a HO licence, which may be obtained for various legitimate purposes – including in relation to CBPMs (see below). It is also an offence to cultivate any plant of the genus cannabis except under a Home Office licence.

With effect from 1 November 2018, the UK government amended the MDRs 2001 to permit unlicensed CBPMs to be used in humans, under certain circumstances. Regulation 2 or MDR 2001 defines CBPMs as:

"a preparation or other product […] which (a) is or contains cannabis, cannabis resin, cannabinol or a cannabinol derivative (not being dronabinol or its stereoisomers); (b) is produced for medicinal use in humans; and (c) is(i) a medicinal product, or (ii) a substance or preparation for use as an ingredient of, or in the production of an ingredient of, a medicinal product;" Under regulation 16A of the MDRs 2001, unlicensed CBPMs may be ordered where they are (a) for use in a clinical trial; (b) subject to a "marketing authorisation" granted by the MHRA; or (c) a special medicinal product for use in accordance with a prescription or direction of a specialist medical practitioner registered under section 34D of the Medical Act 1983.

Special medicinal product is defined in the Human Medicines Regulations 2012, regulation 167. In summary, this includes products that are supplied in response to an unsolicited order, manufactured and assembled in accordance with the specification of specialist medical practitioners, and are for use by a patient whose treatment that practitioner is directly responsible to fulfil the special needs of that patient. The only persons entitled to acquire these special medicinal products are: (a) doctors or dentists registered in the UK; supplementary prescribers (e.g. an appropriately qualified nurse or pharmacist); nurse independent prescribers or pharmacist independent prescribers; pharmacists in hospitals, health centres or registered pharmacies; wholesale dealers licensed for distribution for supply to the order of any of the above; manufacturers licensed for manufacture, assembly or import for supply to the order of any of the above.

Specialist Importers that intend to import unlicensed CBPMs, or ingredients to manufacture unlicensed CBPMs, must; (a) obtain an HO domestic licence – permitting the control, use and possession of controlled drugs within the UK; (b) obtain an Active Substance registration with the MHRA ; and (c) obtain either: (i) a Wholesale Dealer's Licence (WDA (H)) if unlicensed CBPMs or ingredients for manufacture of those products are being imported from an European Economic Area member state; or (ii) a Manufacturer's (Specials) Licence if unlicensed CBPMs or ingredients for manufacture of those products are to be imported from a third country.

There are various HO and MRHA requirements that Specialist Importers must comply with in order to obtain the appropriate registrations and licences. Further, in relation to each import, a Specialist Importer must: (a) apply to the HO for a licence to import the relevant product in the requested quantity. These are usually processed within 10 working days of receipt and last for three months for a single use; and (b) notify the MHRA of the intention to import the requested quantity at least 28 days before the proposed date of import. This notification must contain certain, specified information.

Once products arrive in the UK, they will be subject to a customs check and placed into quarantine at a specialist importer warehouse to be checked to ensure they meet any MHRA standards. Importers and manufacturers must comply with strict requirements regarding packaging, storage, processing and record keeping in relation to CBPMs (amongst others).

Australian Regulatory Framework

Under Australia's federal system, activities related to medical cannabis are regulated at both the Commonwealth (national/federal) level and at the individual state and territory level. In October 2016, the Australian Government introduced amendments to the Narcotic Drugs Act 1967 (Cth) (the "ND Act"), through the Narcotic Drugs Amendment Act 2016 (Cth), and a new Narcotic Drugs Regulation 2016 (Cth) (the "ND Regulation") which introduced a Commonwealth (national) licensing and permit scheme for the cultivation, production and manufacture of medical cannabis and medical cannabis products. The scheme is administered primarily by the Office of Drug Control (the "ODC") within the Commonwealth Department of Health and Aged Care. The scheme was amended in 2021 by the passage of the Narcotic Drugs Amendment (Medicinal Cannabis) Act 2021 (Cth), to streamline the current Commonwealth licensing and permit scheme. Licences and permits for cultivation, production and manufacture of medical cannabis and medical cannabis products are issued and managed by the Medicinal Cannabis Section of the ODC and compliance is monitored by the Monitoring and Compliance Section of the ODC.

The Therapeutic Goods Act 1989 (Cth) (the "TG Act") and its subordinate legislation (particularly the Therapeutic Goods Regulations 1990 (Cth) (the "TG Regulations")) also operate at the Commonwealth level in parallel to the ND Act and ND Regulation to more generally regulate therapeutic goods, including medical cannabis products. Such regulation covers their import into or export from Australia, and their manufacture, advertisement and supply in Australia, including the import, export and production of medical cannabis raw materials for use in the manufacture of finished therapeutic goods. The Commonwealth therapeutic goods regime is administered by the Therapeutic Goods Administration. One of the key requirements is that therapeutic goods must be registered, listed or included in the Australian Register of Therapeutic Goods ("ARTG") before they can be imported, exported, manufactured or supplied in Australia, unless they exempt from this requirement. Medical cannabis products are usually dealt with pursuant to exemptions that accommodate certain schemes administered by the TGA which provide access to unapproved therapeutic goods, primarily the Special Access Scheme ("SAS"), Authorised Prescriber Scheme ("APS") and schemes relating to the conduct of clinical trials.

In late 2023 and through the course of 2024, a series of significant changes were made to the TG Act, TG Regulations and other subordinate legislation and instruments to reform the regulation of "vaping goods" in Australia. Although the reforms were predominantly focused on tightly regulating the lawful importation, manufacture and supply in Australia of vaping goods for smoking cessation or nicotine dependence (being vaping goods containing nicotine as the only active ingredient or no active ingredients at all), and effectively banning all other recreational and therapeutic vaping goods, they have had important ancillary regulatory effects on products that comprise or contain medical cannabis for vaping (including both liquid and solid forms).

Further, for medical cannabis materials or products that are imported into or exported from Australia, there is an additional import/export regime that applies under the Customs Act 1901 (Cth), and the Customs (Prohibited Imports) Regulations 1956 (Cth) (the "CPI Regulations") and the Customs (Prohibited Exports) Regulations 1958 (Cth) (the "CPE Regulations"). Although the regimes under the ND Act and TG Act described above touch on import and/or export activities, the import and export of medical cannabis materials and products also requires compliance with the additional import-specific and export-specific requirements of the CPI Regulations and CPE Regulations respectively. New, additional import-export obligations may apply if the medical cannabis products are vaping goods.

As 'prohibited drugs' under the CPI Regulations and CPE Regulations, cannabis and medical cannabis products (whether raw/starting materials, refined active ingredients or finished dosage forms) can only be imported by a person holding an import licence and import permit under the CPI Regulations. A licence must be obtained from the Narcotics Control Section (the "NCS") of the ODC, which requires, among other things, establishing the qualifications and experience of the applicant, that they are a fit and proper person to hold the licence and undertake the proposed activities, and that adequate security arrangements will be implemented in respect of the goods. In the case of medical cannabis products that are prefilled (refillable)

vaping devices, or that are vaping substances packaged with a vaping device or accessory, a separate licence and permit to import those items as "vaping goods" is also required.

Similarly, cannabis and medical cannabis products in their various forms can only be exported by a person holding an export licence and export permit under the CPE Regulations, which also must be obtained from the NCS pursuant to a similar assessment of the applicant's qualifications, experience and suitability to hold an export licence. An important additional requirement for obtaining an export permit for a consignment of medical cannabis materials or products is demonstrating that the competent authority in the receiving country has given its prior approval to the proposed import into that country.

All medical cannabis materials and products manufactured in Australia, or manufactured overseas and imported for human therapeutic use in Australia, must also meet all mandatory standards applicable to such goods under the TG Act. Key among these are the standards set out in Therapeutic Goods (Standard for Medicinal Cannabis) (TGO 93) Order 2017 ("TGO 93"). Significant amendments to TGO 93 were made in March 2022, which were subject to transition periods to allow industry time to make any necessary changes in respect of their products, with all medical cannabis products released for supply in Australia on or after July 1, 2023 having needed to comply with these requirements. One of the key requirements of TGO 93 is that, except for certain kinds of starting material, medical cannabis products that are manufactured overseas must meet, and must be certified, licensed or confirmed to meet, certain minimum good manufacturing practice ("GMP") standards.

In addition, as a result of the vaping goods reforms, medical cannabis that is imported into Australia to be used as starting material in the manufacture of finished goods that are vaping substances is now subject to the requirement that its importation be formally notified to the TGA before the importation occurs. A similar TGA notification requirement applies to the importation of vaping devices and accessories which are intended to be used with medical cannabis and which rely on the usual exemption pathways for unapproved goods.

Where medical cannabis products are imported, manufactured or supplied in the form of prefilled vaping devices, or medical cannabis substances for vaping are supplied in a packaged form that includes a vaping device (or vaping device accessory), the device components of those goods are generally required to comply with certain 'essential principles' for medical devices specified in the Therapeutic Goods (Medical Devices) Regulations 2002 (Cth) (the "MD Regulations") (which are subordinate to the TG Act). A significant requirement of the essential principles is that the sponsor of a device must hold, or be able to readily obtain from the manufacturer, evidence (including clinical evidence) establishing the safety and performance of the device for its intended purpose.

The Australian states and territories regulate lawful dealings in medicines and poisons primarily by reference to their scheduling status. Medicines and poisons are categorized into different schedules depending on their intended use(s) and potential for harm, with the intention that different levels of control will be applied by reference to the different schedules. There is a measure of national uniformity due to the fact that the categorization of substances into schedules occurs at the Commonwealth level, through promulgation and regular amendment of the Standard for the Uniform Scheduling of Medicines and Poisons (the "Poisons Standard") (most recently made – as at the date of preparation of this summary – as the Therapeutic Goods (Poisons Standard—October 20243) Instrument 20243). However, each state and territory individually, through its own laws, adopts the Poisons Standard (with occasional jurisdictional modifications) and to a similar (but not identical) extent the various intended controls.

Medical cannabis products for human therapeutic use are mostly in Schedule 8, a category which the Poisons Standard describes as 'controlled drugs', being substances which should be available for use but require restrictions on manufacture, supply, distribution, possession and use to reduce abuse, misuse and physical or psychological dependence. A limited class of medical cannabis products containing predominantly cannabidiol are also listed in Schedule 4 (being 'prescription-only' medicines) and in Schedule 3 ('pharmacist-only medicines'). Cannabis products for non-human research are in Schedule 9 – such 'prohibited substances' are susceptible to abuse or misuse and their manufacture, possession, sale or use should be prohibited by law except when required for medical or scientific research or for analytical, teaching or training purposes with approval of Commonwealth and/or state or territory health authorities.

RISK FACTORS

There are a number of risk factors that could cause future results to differ materially from those described herein. The risks and uncertainties described herein are not the only ones the Company faces. Additional risks and uncertainties, including those that the Company does not know about now or that it currently deems immaterial, may also adversely affect the Company's business.

If any of the following risks actually occur, the Company's business may be harmed and its financial condition and results of operations may suffer significantly.

Competition

There is potential that the Company will face intense competition from other companies, some of which have longer operating histories, more financial resources and production and marketing experience, and lower costs than the Company.

The cannabis industry and businesses ancillary to and directly involved with cannabis businesses are undergoing rapid growth and substantial change, which has resulted in an increase in new and existing competitors, consolidation and formation of strategic relationships. As such, the Company faces competition from companies that may have greater capitalization, access to public equity markets, more experienced management or more maturity as a business. The Company is likely to continue to face increasing and intense competition from these companies. Increased competition by larger and better financed competitors could materially and adversely affect the Company's business, financial condition and results of operations. The Company expects that competition will become more intense as current and future competitors begin to offer an increasing number of diversified products to respond to such increased demand. To remain competitive, the Company will require a continued investment in research and development, marketing, sales and client support. The Company may not have sufficient resources to maintain sufficient levels of investment in research and development, marketing, sales and client support efforts to remain competitive, which could materially and adversely affect the Company's business, financial condition and results of operations.

Acquisitions or other consolidating transactions in the cannabis industry could harm the Company in a number of ways, including losing customers, revenue and market share, or forcing it to expend greater resources to meet new or additional competitive threats, all of which could harm the Company's operating results. As competitors enter the market and become increasingly sophisticated, competition in the industry may intensify and place downward pressure on retail prices for the Company's products and services, which could negatively impact the Company's profitability.

Changes in the number of licenses granted and the number of Licensed Producers ultimately authorized by Health Canada, as well as other regulatory changes in both Canada and internationally that have the effect of increasing competition, could have an adverse impact on the Company's ability to compete for its market share.

The Company has identified a trend of certain Licensed Producers inflating THC potency values being labeled on flower products in order to gain market share. As the Company has not engaged in, nor does it intend to engage in, the practice of seeking inflated THC level, this practice has negatively impacted the Company's flower sales and margins and may continue to do so for the foreseeable future.

Cyber Security

The Company has entered into agreements with third parties for hardware, software, telecommunications and other information technology services in connection with its operations. The Company's operations depend, in part, on how well it and its suppliers protect networks, equipment, information technology systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, information technology systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays, and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

Cyber incidents can result from deliberate attacks or unintentional events. Cyber-attacks could result in any person gaining unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, including personally identifiable information, corrupting data, or causing operational disruption. Cyber-attacks could result in important remediation costs, increased cybersecurity costs, lost revenues due to a disruption of activities, litigation, and reputational harm affecting customer and investor confidence, which ultimately could materially adversely affect the Company's business, financial condition and operations.

The Company has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority.

Despite the Company making a number of device-level cyber remediations, as cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Acquisition and Integration Risk

The Company has in the past made and may in the future make acquisitions and investments that could divert management's attention, result in operating difficulties and dilution to shareholders and otherwise disrupt the operations of the Company. The Company may have difficulty integrating any such acquisitions successfully or realising the anticipated benefits therefrom, any of which could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows. See "Developments *during the financial year ended August 31, 2022"* as it relates to the Company's acquisitions of EIC, LAU, and Motif, respectively.

Pursuing potential strategic acquisitions or investment opportunities is one possible growth strategy. Any transactions that the Company enters into could be material to its business, financial condition, results of operations, cash flows and prospects. The process of acquiring and integrating another company or

technology could create unforeseen operating difficulties and expenditures. Acquisitions and investments involve a number of risks, including:

- diversion of management time and focus from operating the Company's business;
- use of resources that are needed in other areas of the Company's business;
- integration of the acquired company;
- implementation or remediation of controls, procedures and policies of the acquired company;
- difficulty integrating the accounting systems and operations of the acquired company;
- coordination of product, engineering and selling and marketing functions, including difficulties and additional expenses associated with supporting legacy services and products and hosting infrastructure of the acquired company;
- retention and integration of employees from the acquired company, and preservation of the Company's corporate culture;
- the potential loss of key employees;
- unforeseen costs or liabilities, including the use of substantial portions of the Company's available cash to consummate the acquisition;
- adverse effects to the Company's existing business relationships with customers as a result of the acquisition or investment;
- the possibility of adverse tax consequences;
- litigation or other claims arising in connection with the acquired company or investment; and
- the need to integrate potential operations across different cultures and languages and to address the particular economic, currency, political and regulatory risks associated with specific countries.

Expansion into New Markets

The Company's expansion into jurisdictions outside of Canada is subject to risks. In jurisdictions outside of Canada, there can be no assurance that any market for the Company's products will develop. The Company may face new or unexpected risks or significantly increase its exposure to one or more existing risk factors, including economic instability, changes in laws and regulations, and the effects of competition. These factors may limit the Company's ability to successfully expand its operations into such jurisdictions and may have a material adverse effect on the Company's business, financial condition and results of operations.

Competition from the Illicit Market

The Company faces competition from unlicensed and unregulated market participants, including individuals or groups that process cannabis without a licence under the Cannabis Act, such as illicit medical dispensaries and other illicit participants selling cannabis and cannabis-based products in Canada. These competitors may be able to offer products with higher concentrations of active ingredients than the Company would be authorized to produce and sell, use delivery methods that are currently prohibited form offering to individuals in Canada, use marketing and branding strategies that are restricted under the Cannabis Act and the Cannabis Regulations, and make claims not permissible under the Cannabis Act and other regulatory regimes. The competition presented by these participants, and any unwillingness by consumers currently using these illicit distribution channels to begin purchasing from the regulated market for any reason, or any inability of law enforcement authorities to enforce existing laws prohibiting the unlicensed cultivation, production and sale of cannabis and cannabis-based products, could adversely affect the Company's market share, result in increased competition through the illicit market for cannabis or have an adverse impact on the public perception of cannabis use, and of Canadian federal licence holders, all of which could have a materially adverse effect on the Company's business, operations and financial condition.

Constraints on Marketing Products

In view of the restrictions on marketing and promotional activities set forth in the Cannabis Act and related regulations, the Company's business and operating results may be hindered by applicable restrictions on sales, branding and marketing activities. If the Company is unable to effectively brand and market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, the Company's sales and operating results could be adversely affected.

Additionally, the Company's success depends on its ability to attract and retain customers, and the restrictions on marketing, advertising and promotion of the Company's cannabis products may adversely impact its ability to establish brand presence, acquire new customers, retain existing customers and maintain a loyal customer base. The failure to acquire and retain customers could have a material adverse effect on the Company's business, financial condition and results of operations.

Reliance on Key Inputs and Wholesale Price of Cannabis Volatility

The Company's revenues are in a large part derived from the production, sale, and distribution of cannabis. The cost of production, sale, and distribution of cannabis is dependent on a number of key inputs and their related costs, including equipment and supplies, labour and raw materials related to the Company's growing operations, as well other overhead costs such as electricity, water, and utilities. In light of ongoing international military conflicts, any governmental measures taken as a result may have a negative impact on the costs, including for input materials, energy and transportation. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the Company's financial condition and operating results.

Some of the Company's key inputs may only be available from a single supplier or a limited group of suppliers. If a sole source supplier was to go out of business, the Company might be unable to find a replacement for such source in a timely manner or at all. If a sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to the Company in the future.

Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition and operating results of the Company. This includes any change in the selling price of products set by the applicable province or territory. There is currently no established market price for cannabis and the price of cannabis is affected by numerous factors beyond the Company's control, including but not limited to, government regulation, interest rates, inflation or deflation, supply and demand, and general prevailing political and economic conditions. Any price decline may have a material adverse effect on the Company's business, financial condition and operations.

Ability to Meet Production Targets

The Company sets production targets on dried flower, extracted oil and formulated oil. Actual production amounts may not achieve targeted production figures as a result of many factors including but not limited to: genetic drift in the strains of cannabis plants grown, shift in strains grown as a result of competitive pressure, natural variations in plant development, inability to precisely influence growth measures as a result of numerous variables that may influence the plant growth that are varied from one growth cycle to another, product that does not meet quality assurance specifications including, but not limited to, pesticide or heavy metals testing, tetrahydrocannabinol and cannabidiol specifications, terpene profile or visual appearance, operational inefficiencies from extraction processes or in production of formulated oil for sale.

Partnerships and Strategic Alliances/Investments

The Company operates parts of its business through partnerships and strategic alliances (which includes strategic investments) with other companies, and the Company may enter into additional partnerships and strategic alliances in the future. The Company's ability to complete partnerships and strategic alliances is dependent upon, and may be limited by, the availability of suitable candidates and capital. In addition, such arrangements could present unforeseen integration obstacles or costs, may not enhance the Company's business, and may involve risks that could adversely affect the Company, including significant amounts of management time that may be diverted from operations in order to pursue and complete such transactions or maintain such arrangements. Future partnerships and strategic alliances could result in the incurrence of additional debt, costs and contingent liabilities, and there can be no assurance that future arrangements will achieve, or that the Company's existing arrangements will continue to achieve, the expected benefits to the Company's business or that the Company will be able to consummate future strategic alliances on satisfactory terms, or at all. Any of the foregoing could have a material adverse effect on the Company's business, financial condition and results of operations.

Government Regulation

The business and activities of the Company are heavily regulated in all jurisdictions where the Company carries on business. The Company's operations are subject to various laws, regulations and guidelines by governmental authorities, particularly Health Canada, relating to the manufacture, marketing, management, transportation, storage, sale, pricing and disposal of cannabis, cannabis extracts, and cannabis derivatives. The Company is also subject to laws and regulations relating to health and safety, insurance coverage, the conduct of operations and the protection of the environment. Laws and regulations, applied generally, grant government agencies and self-regulatory bodies broad administrative discretion over the activities of the Company, including the power to limit or restrict business activities as well as impose additional disclosure requirements on the Company regarding its products and services.

Achievement of the Company's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and obtaining all regulatory approvals, where necessary, for the production and sale of its products. The Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Company.

Failure to comply with the laws and regulations applicable to the Company's operations may lead to possible sanctions including the revocation or imposition of additional conditions on licences to operate the Company's business; the suspension or expulsion from a particular market or jurisdiction or of its key personnel; the imposition of additional or more stringent inspection, testing and reporting requirements; and, the imposition of fines and censures. To the extent that there are changes to the existing laws and regulations or the enactment of future laws and regulations that affect the sale or offering of the Company's products or services in any way, the Company's revenues may be adversely affected.

In light of the illegality of cannabis under U.S. federal law (other than measures to legalize hemp) any engagement in cannabis-related activities, both in Canada as well as in foreign jurisdictions, may lead to heightened scrutiny by regulatory bodies and other authorities that could negatively impact the Company and/or its personnel.

Recent Developments in the Canadian Cannabis Industry and Market

As a licence holder authorized to process, formulate and manufacture cannabis products, the Company is operating its business in a relatively new industry and market, and the Company's success in the cannabis market will depend in part on its ability to attract and retain customers, develop and maintain commercial relationships with Canadian and international cannabis brands and develop innovative products. In addition to being subject to general business risks applicable to a business involving an agricultural product and a regulated consumer product, the Company will need to make significant investments in its business strategy. These investments include the procurement of raw material, equipment relating to the distillation, extraction and formulation of cannabis products, site improvements and research and development projects. The Company expects that competitors will undertake similar investments to compete with it. Competitive conditions, consumer preferences, customer requirements and spending patterns in this industry and market are relatively unknown and may have unique circumstances that differ from other existing industries and markets and cause the Company's future efforts to develop its business to be unsuccessful or to have undesired consequences for it. As a result, the Company may not be successful in its efforts to attract customers, leverage its commercial partnerships or to develop new cannabis products and produce and distribute these cannabis products, or these activities may require significantly more resources than it currently anticipates in order to be successful.

Reliance on Key Personnel

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its executive and senior management. The Company's future success depends on its continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. Qualified individuals are in high demand, and the Company may incur significant costs to attract and retain them. The loss of the services of a member of the Company's executive and senior management, or an inability to attract other suitably qualified persons when needed, could have a material adverse effect on the Company's ability to execute on its business plan and strategy, and the Company may be unable to find adequate replacements on a timely basis, or at all. Further, as designated individuals of a licencee under the Cannabis Act, key personnel of the Company are subject to a security clearance by Health Canada. There is no assurance that any of the Company's key personnel who presently or may in the future require a security clearance will be able to obtain or renew such clearances or that new personnel who require a security clearance will be able to obtain one. A failure by any of those individuals to maintain or renew his or her security clearance, could result in a material adverse effect on the Company's business, financial condition and results of operations. In addition, if any such individual leaves the Company, and the Company is unable to find a suitable replacement that has a security clearance required by the Cannabis Act in a timely manner, or at all, there could occur a material adverse effect on the Company's business, financial condition and results of operations.

Negative Cash Flow from Operations

During the year ended September 30, 2024, the Company had positive cash flow from operating activities. The Company's cash and short-term investments as at September 30, 2024, were approximately $3.9 million (excluding restricted cash). In prior years, the Company has had negative cash flow from operations.

Although the Company anticipates it will have positive cash flow from operating activities in future periods, the Company cannot guarantee it will have a cash flow positive status in the future due to continued investing in the business, and its efforts to become the leader in the adult-use recreational cannabis market in Canada and globally. To the extent that the Company has negative cash flow in any future period, certain of the proceeds from its offerings may be used to fund such negative cash flow from operating activities.

Risks Related to International Sales

The Company currently sells its products in a number of jurisdictions and the sale of the products are subject to a variety of laws that vary by jurisdiction, many of which are unsettled and still developing. There is no assurance that the Company will continue to meet the legal and regulatory requirements applicable to each jurisdiction. Any change in laws or regulations may adversely impact the Company's ability to sell its products in certain jurisdictions.

In January 2024, the Israeli government notified the Company that it was the subject of the Anti-Dumping Investigation in respect of its cannabis exports to Israel. The Company last shipped products to Israel in the second quarter of fiscal year 2023. Future shipments to Israel are contingent on, among other factors, customer buying patterns, receipt of applicable import and export permits, and contractual matters. Although the Company believes it is in compliance with international trade law related to its shipments to Israel, the outcome of the Israeli Anti-Dumping Investigation may result in risks to future shipments to Israel including potential imposition of a dumping duty on Israeli importers of Canadian cannabis exports. A final decision on the question of dumping is expected in calendar 2025.

Reliance Primarily on a Single Cultivation Facility

To date, the Company's cultivation activities have been primarily focused on the Moncton Campus in Moncton, New Brunswick and the Company will continue to primarily rely on it for the foreseeable future. Adverse changes or developments affecting the Moncton Campus could have a material and adverse effect on the Company's business, financial condition and prospects, including impacting the quantity of product produced by the Company.

Future Acquisitions or Dispositions and Management of the Impact of Such Transactions on the Company 's Operations

In the event that the Company proceeds with a material acquisition, disposition or other strategic transaction, such transaction would be subject to a number of risks, including: (i) potential disruption of the Company's ongoing business, (ii) distraction of management, (iii) the Company may become more financially leveraged, (iv) the anticipated benefits and cost savings of those transactions may not be realized fully or at all or may take longer to realize than expected, (v) increasing the scope and complexity of the Company's operations, and (vi) loss or reduction of control over certain of the Company's assets.

The presence of one or more material liabilities of an acquired company that are unknown to the Company at the time of acquisition could have a material adverse effect on the results of operations, business prospects and financial condition of the Company. A strategic transaction may result in a significant change in the nature of the Company's business, operations and strategy. In addition, the Company may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into the Company's operations.

Failure to Develop and Maintain Effective Internal Controls for Reliable Financial Results and to Prevent Fraud (SOX)

Under Section 404 of the Sarbanes-Oxley Act ("SOX") and SEC rules promulgated thereunder, the Company is required to design, document and test the effectiveness of its internal controls over financial reporting ("ICFR") during the fiscal year ended September 30, 2024. ICFR are designed to provide reasonable assurance that the Company's financial reporting is reliable and that its financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board (the "IASB"). There is no assurance that the Company's efforts to design, develop and maintain its internal controls will be successful or sufficient to meet its obligations under SOX. Effective internal controls are required for the Company to accurately and reliably report its financial results and other financial information. Any failure to design, develop or maintain

effective controls, or difficulties encountered in implementing, improving or remediating lapses in internal controls, may affect the Company's ability to prevent fraud, detect material misstatements, and fulfill its reporting obligations. The Company does not know the specific time-frame needed to fully remediate the material weaknesses identified below.

The design of any system of internal controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving the stated goals under all potential future conditions. In addition, regardless of how well controls are designed, internal controls have inherent limitations and can only provide reasonable assurance that the controls are meeting the Company's objectives in providing reliable financial reporting information in accordance with IFRS.

The Company's management, under the supervision and with the participation of its CEO and CFO, conducted an evaluation of the effectiveness of the Company's ICFR as of September 30, 2024, using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) 2013 Framework. Based on this evaluation, management concluded that internal control over financial reporting was not effective as of September 30, 2024, due to the following material weaknesses in internal control over financial reporting.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. Management has identified the following material weaknesses:

- Management review controls to ensure the completeness and accuracy of complex spreadsheets used for biological assets and inventory were not designed or operating effectively; and
- The Company had ineffective general IT controls related to security and administration and monitoring of service organizations.

As a consequence of the above, the Company had ineffective control activities related to the design, implementation and operations of process level and financial statement close controls.

Management of Growth

The Company may be subject to growth-related risks, including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. If the Company is unable to deal with this growth, it may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Volatile Market Price of the Company's Securities

The market price of the Company's securities may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control. This volatility may affect the ability of holders of Company's securities to sell their securities at an advantageous price. Market price fluctuations in the Company's securities may be due to the Company's operating results, significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors, failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions, economic trends, acquisitions, dispositions, or material public announcements by government and regulatory authorities, the Company or its competitors, along with a variety of additional factors. Broad market fluctuations may adversely affect the market price of the Company's securities.

Financial markets have at times historically experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Company's securities may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the Company's securities may be materially adversely affected.

The Company May Expand into Other Geographic Areas, which could Increase the Company's Operational, Regulatory and Other Risks

In addition to the jurisdictions described elsewhere in this Annual Information Form, the Company may in the future expand into other geographic areas, which could increase the Company's operational, regulatory, compliance, reputational and foreign exchange rate risks. The failure of the Company's operating infrastructure to support such expansion could result in operational failures and regulatory fines or sanctions. Future international expansion could require the Company to incur a number of up-front expenses, including those associated with obtaining regulatory approvals, as well as additional ongoing expenses, including those associated with infrastructure, staff and regulatory compliance. The Company may not be able to successfully identify suitable acquisition and expansion opportunities or integrate such operations successfully with the Company's existing operations.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency rate risk and interest rate risk:

Difficulties with Forecasts

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the cannabis industry, domestically and internationally. Market research and projections by the Company are based on assumptions from limited and unreliable market data. A failure in the Company's ability to forecast demand for its products could have a material adverse effect on the business, results of operations and financial condition of the Company.

Difficulties in Implementing its New ERP System Could Materially Adversely Affect the Company

During Fiscal 2023 and Fiscal 2024, the Company launched a new ERP system, which provides for a more robust and secure financial system of record, among other supply chain and operational data. Various IT general controls are now centralized currently in the midst of stabilizing a new ERP system, which replaces its previous financial system. There can be no assurance that the ERP system will provide the information and benefits expected by management.

The stabilization of the ERP system requires an investment of significant personnel and financial resources, including substantial expenditures for outside consultants, cloud computing and software costs, in addition to other expenses in connection with the transformation of the Company's organizational structure and financial and operating processes. The stabilization of the new ERP system may result in delays, increased costs and other difficulties, including potential design defects, miscalculations, testing requirements, and the diversion of management's attention from day-to-day business operations. If it is unable to stabilize the new ERP system as planned, the effectiveness of the internal control over financial reporting could be

adversely affected, the ability to assess those controls adequately and to disseminate its financial documents could be delayed, the Company's operations could be affected and the Company's financial condition, results of operations and cash flows could be negatively impacted.

Third Party Transportation

In order for customers of the Company to receive their product, the Company must rely on third-party transportation services. This can cause logistical problems with and delays in patients, government entities and private retailers obtaining their orders and cannot be directly controlled by the Company. Any delay, theft, misappropriation or non compliance with applicable laws by third party transportation services may adversely affect the Company's financial performance. Rising costs associated with the transportation service providers the Company uses to ship its products may also adversely impact the business and the ability of the Company to operate profitably.

Moreover, security of the product during transportation to and from the Moncton Campus, the Winnipeg Facility and the Lac-Supérieur Facility is critical due to the nature of the product. A breach of security during transport could have material adverse effects on the Company's business, financials and prospects. Any such breach could impact the Company's ability to continue operating under its licences or the prospect of renewing its licences.

Information Systems Risk

The Company's business operations are managed through a variety of IT systems. Certain of the Company's key IT systems are dated and require, or are in the process of, modernization. The Company's IT systems may also be vulnerable to damage or interruption from circumstances beyond the Company's control, including fire, flood, natural disasters, systems failures, network or communications failures, power outages, public health emergencies, security breaches, cyber-attacks and terrorism. If one of the Company's key IT systems were to suffer a failure, no assurance can be given that the Company's backup systems or contingency plans will sustain critical aspects of the Company's operations, and the Company's business, results of operations or financial condition could be materially adversely affected. Further, the Company relies on large outsourcing contracts for IT services with major third-party service providers, and if such service providers were to fail or the relationships with the Company were to end, and the Company were unable to find suitable replacements in a timely manner, the Company's business, results of operations or financial condition could be materially adversely affected.

The Company is continually modifying and enhancing its IT systems and technologies to increase productivity, efficiency and security. As new systems and technologies are implemented, the Company could experience unanticipated difficulties resulting in unexpected costs and adverse impacts to its financial reporting and manufacturing and other business processes. When implemented, the systems and technologies may not provide the benefits anticipated and could add costs and complications to ongoing operations, which may have a material adverse effect on the Company's business, results of operations or financial condition.

During Fiscal 2023 and Fiscal 2024, the Company launched a new ERP system, which provides for a more robust and secure financial system of record, among other supply chain and operational data. Various IT general controls are now centralized currently in the midst of stabilizing a new ERP system, which replaces its previous financial system. There can be no assurance that the ERP system will provide the information and benefits expected by management.

The long-term stabilization of the ERP system requires an investment of significant personnel and financial resources, including substantial expenditures for outside consultants, cloud computing and software costs, in addition to other expenses in connection with the transformation of the Company's organizational

structure and financial and operating processes. The stabilization of the new ERP system may result in delays, increased costs and other difficulties, including potential design defects, miscalculations, testing requirements, and the diversion of management's attention from day-to-day business operations. If it is unable to stabilize the new ERP system as planned, the effectiveness of the internal control over financial reporting could be adversely affected, the ability to assess those controls adequately and to disseminate its financial documents could be delayed, the Company's operations could be affected and the Company's financial condition, results of operations and cash flows could be negatively impacted.

Israel-Hamas War and Conditions in Israel

On October 7, 2023, a war began between the terrorist organization Hamas and Israel. The Company continues to monitor the conflict in Israel and impacts the conflict has had and potential impacts the conflict could have on the Company's business in Israel, including in respect of its sales to Canndoc and collection of its accounts receivable. The extent to which the conflict may continue to impact the Company's business and activities will depend on future developments which remain highly uncertain and cannot be predicted.

The Company's commercial insurance does not cover losses that may occur as a result of events associated with war and terrorism. Any losses or damages incurred by the Company could have a material adverse effect on its business.

Prior to the Hamas attack in October 2023, the Israeli government pursued extensive changes to Israel's judicial system, which sparked extensive political debate and unrest. In response to such initiative, many individuals, organizations and institutions, both within and outside of Israel, have voiced concerns that the proposed changes may negatively impact the business environment in Israel including due to reluctance of foreign investors to invest or transact business in Israel as well as to increased currency fluctuations, downgrades in credit rating, increased interest rates, increased volatility in security markets, and other changes in macroeconomic conditions. To the extent that any of these negative developments do occur, they may have an adverse effect on the Company's business and its results of operations.

Product Liability

As a manufacturer and distributor of products designed to be ingested or vaporized by humans, the Company faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of the Company's products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Company's products alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including, among others, that the Company's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on our results of operations and financial condition of the Company.

There can be no assurances that the Company will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Company's potential products. As of the current date, the Company has a small amount of insurance coverage for product liabilities.

Risks Inherent in Investments

The Company is not directly involved in the ownership or operation of and may have limited contractual rights relating to the operations of its current and future investee entities. An investee generally has the power to determine the manner in which its business is developed, expanded and operated, and the Company's interest in an investee is subject to the risks applicable to the business carried on by the investee, and the Company may fail to realize all of the potential benefits from its investments. The interests of the Company and its investees may not always be aligned. As a result, any cash flows of the Company from investees will be dependent upon the activities of the investees, which creates the risk that at any time those investees may: (i) have business interests or targets that are inconsistent with those of the Company, (ii) take action contrary to the Company's policies or objectives, (iii) be unable or unwilling to fulfill their obligations under their agreements with the Company, (iv) experience financial, operational or other difficulties, including insolvency, which could limit or suspend an investee's ability to perform its obligations under agreements with the Company, or (v) fail to comply with applicable laws or best practices.

Rising Energy Costs

The Company's extraction and manufacturing operations consume considerable energy, making the Company vulnerable to rising energy costs. Rising or volatile energy costs may adversely impact the business of the Company and its ability to operate profitably.

Publicity or Consumer Perception

The Company believes the cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the cannabis and other products produced by the Company from time to time. Consumer perception of the Company's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Company's products and the business, results of operations, financial condition and the Company's cash flows. The Company's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Company, the demand for the Company's products, and the business, results of operations, financial condition and cash flows of the Company.

Any product recall affecting the cannabis industry more broadly could lead consumers to lose confidence in the safety and security of the products sold by licensed producers generally, which could have a material adverse effect on the Company's business, financial condition and results of operations. Adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis and derivative products in general, or the Company's products specifically, or associating the consumption of cannabis or use of derivative products with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed.

Research in Canada, the U.S. and internationally regarding the benefits, viability, safety, efficacy, dosing and social acceptance of cannabis or isolated cannabinoids (such as CBD and THC) remains in early stages. There have been relatively few clinical trials on the benefits of cannabis or isolated cannabinoids (such as

CBD and THC). Although the Company believes that the articles, reports and studies support its beliefs regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis, future research and clinical trials may prove such statements to be incorrect, or could raise concerns regarding, and perceptions relating to, cannabis. Given these risks, uncertainties and assumptions, prospective purchasers of securities should not place undue reliance on such articles and reports. Future research studies and clinical trials may draw opposing conclusions to those stated in this Annual Information Form or reach negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to medical cannabis, which could have a material adverse effect on the demand for the Company's products with the potential to lead to a material adverse effect on the Company's business, financial condition and results of operations.

Changes in Laws, Regulations and Guidelines

The Company's business is subject to a variety of laws, regulations and guidelines relating to marketing, acquisition, manufacture, management, transportation, storage, sale and disposal of cannabis but also laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Changes to such laws, regulations and guidelines may cause adverse effects to the Company's operations.

The legislative framework pertaining to the Canadian adult-use recreational cannabis market is subject to significant federal, provincial and territorial regulation, which varies across provinces and territories and results in an asymmetric regulatory and market environment, different competitive pressures and significant additional compliance and other costs and/or limitations on the Company's ability to participate in such markets.

The laws, regulations and guidelines applicable to the cannabis industry domestically and internationally, including in Germany, United Kingdom, Australia and Israel, may change in ways currently unforeseen by the Company. The Cannabis Act became effective on October 17, 2018; however, continued uncertainty exists with respect to the future implementation, interpretation and evolution of the Cannabis Act, federal regulations thereunder as well as the various provincial and territorial regimes governing the distribution and sale of cannabis for adult-use recreational purposes.

The laws and regulations may change both federally and provincially, with new rules and regulations arising regularly. The Cannabis Regulations were amended effective October 17, 2019, to allow for cannabis edibles to be introduced into the market and expand the use of cannabis derivatives commercially. However, the amendments are highly restrictive, and include restrictions on adding caffeine, nicotine, or alcohol to cannabis edibles.

Additional restrictions on edible and other cannabis derivative based products may also be introduced by the provincial and territorial governments. For example, effective January 1, 2020, the legal age to buy adult-use recreational cannabis increased to 21 in Québec and the Québec government banned the sale of certain edible cannabis products in the form of chocolate, candy and other desserts. Staying on side of regularly changing rules and regulations will require ongoing time and attention from Company management. In addition, the Company's derivative product strategy includes vaporizable products which may be subject to negative consumer perception and may be subject to additional regulation and restriction over and above the current regulatory requirements in place under the Cannabis Act. This may include governmental restriction of the sale of such products and/or imposition of additional costs.

While the Company does not currently have a licence issued under Section 9 of the IHR, it may purchase industrial hemp from such licencees. Any change to the Cannabis Act or the IHR promulgated thereunder that impacts suppliers' ability to cultivate, produce, or sell industrial hemp to the Company could adversely

impact the Company's ability to deliver its products or services, should the Company depend on such supply to meet its product production goals or obligations.

On December 5, 2023, Health Canada published new guidance on cannabis products with what it deems to be intoxicating cannabinoids other than THC. The guidance identifies the cannabinoids CBN and THCV as "intoxicating" and recommends that they be regulated in the same manner as THC, whose potency is capped in the edible and extract categories. While the guidance encourages licensed processors to follow recommended controls, it does not mandate any action and does not have the force of law without legislative change. The guidance does, however, create some uncertainty regarding the manner in which certain cannabinoids may be regulated in the future.

Liquidity Risk

The Company's liquidity risk is the risk the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by reviewing on an ongoing basis its capital requirements.

Unknown Health Impact of Use of Cannabis and Derivatives

There is little in the way of longitudinal studies on the short-term and long-term effects of cannabis use on human health, whether used for recreational or medical purposes. As such, there are inherent risks associated with using the Company's cannabis and derivative products. Previously unknown or unforeseeable adverse reactions arising from human consumption of cannabis products may occur which could adverse affect social acceptance of cannabis and the demand for the Company's products.

Risk Related to Dilution

The Company may issue additional securities in the future, which may dilute a shareholder's holdings, or a holder of a convertible security's underlying relative interest, in the Company. The Company's articles permit the issuance of an unlimited number of Common Shares and preferred shares, and shareholders, other than BAT, will have no pre-emptive rights in connection with any such further issuance. The directors of the Company have discretion to determine the price and the terms of further issuances. Moreover, additional Common Shares will be issued by the Company on the exercise of options under its stock option plan and pursuant to the 2020 Equity Incentive Plan (as defined below) pursuant to which the Company has issued options, restricted share units and performance share units.

Regulatory Proceedings, Investigations, and Audits

The Company's business requires compliance with many laws and regulations. Failure to comply with these laws and regulations could subject the Company to regulatory proceedings or investigations and could also lead to damage awards, fines and penalties. The Company may become involved in a number of government proceedings, investigations and audits. The outcome of any regulatory or agency proceedings, investigations, audits, and other contingencies could harm the Company's reputation, require the Company to take, or refrain from taking, actions that could harm its operations or require the Company to pay substantial amounts of money, harming its financial condition. There can be no assurance that any pending or future regulatory proceedings, investigations and audits will not result in substantial costs or a diversion of management's attention and resources or have a material adverse impact on the Company's business, financial condition and results of operation.

General Business Risk and Liability

Given the nature of the Company's business, it may from time to time be subject to claims or complaints from investors or others in the normal course of business. The legal risks facing the Company, its directors, officers, employees or agents in this respect include potential liability for violations of securities laws, breach of fiduciary duty and misuse of investors' funds. Some violations of securities laws and breach of fiduciary duty could result in civil liability, fines, sanctions, or the suspension or revocation of the Company's right to carry on its existing business. The Company may incur significant costs in connection with such potential liabilities.

Product Recalls

On January 9, 2017, the Company expanded its voluntary recall to a further 69 lots of product in addition to the recall of five lots of product initiated on December 28, 2016. The recalled products included dried cannabis and cannabis oil supplied between February and December 2016, after testing revealed the presence of low levels of myclobutanil and/or bifenazate in some of the lots, which are unapproved pesticides not registered for use in cannabis production under the Pest Control Products Act. While the initial recall had classified the recall as a Type III recall (not likely to cause harm), the second recall elevated this classification to a Type II recall (product exposure may cause temporary adverse health consequences). There can be no assurance that additional adverse reaction reports will not be filed with Health Canada. To the extent any additional adverse reaction reports are filed, such an occurrence could have an adverse impact on the business, results of operations and financial condition of the Company. A class action lawsuit has also been filed, certified and now settled.

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. Undiscovered product liability claims are always a potential risk. However, if any of the Company's products are recalled due to an alleged product defect or for any other reason, the Company would be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Company may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention thereby reducing the amount of time members of management would otherwise have focused towards managing the Company. Although the Company has detailed procedures in place for testing finished products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the Company's significant brands were subject to recall, the image of that brand and the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the Company's products and could have a material adverse effect on the results of operations and financial condition of the Company. Additionally, product recalls may lead to increased scrutiny of the Company's operations by Health Canada or other regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Inflationary Risk

In the past year, the worldwide economy has experienced significant inflation and inflationary pressures. General inflationary pressures may affect labour and other operating costs, which could have a material adverse effect on the Company's financial condition, results of operations, and the capital expenditures required to advance the Company's business plans. While the Company has and will continue to take actions, wherever possible, to reduce the impact of the effects of inflation, in the case of sustained inflation across several of the markets in which the Company operates, it could become increasingly difficult to effectively mitigate the increases to the costs. In addition, any governmental action to combat the inflationary environment may not be effective or may contribute to economic uncertainty or a recession. Governmental action to address inflation or deflation may also affect currency values. Accordingly, inflation and any governmental response thereto may have a material adverse effect on the Company's business, results of operations, cash flow, financial condition, and the trading price of its shares.

History of Losses

The Company began its business in 2013, and generated minimal revenue until fiscal 2017 and incurred losses since inception. Due to the disruption and slower than anticipated growth of the cannabis market globally and in Canada, the Company is subject to all of the associated business risks and uncertainties which include, but are not limited to, under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, failure to successfully integrate the ERP System into the Company's operations, and lack of revenues. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. There is no assurance that the Company will be successful in achieving a return on shareholders' investments.

Anti-Dumping Risk

The Company exports cannabis to customers in several countries outside of Canada and intends to continue pursuing international opportunities in jurisdictions where cannabis is or becomes legal for sale. It is possible that, due to the Company's ability to produce cannabis at lower costs than in some other countries, the Company will be able to offer its products at lower prices than those of domestic producers in some international markets. As a result, local authorities in these markets may take the position that the Company's prices constitute "dumping" under trade law, and they may launch an investigation similar to the Israeli Anti-Dumping Investigation discussed in the "Foreign Operations" section above. Such investigations may result in detrimental outcomes, such as the imposition of a dumping duty on the import of the Company's products into international markets, thereby impacting the Company's ability to remain competitive in such markets.

Risks Inherent in an Agricultural Business

The Company's business involves the growing of cannabis, an agricultural product. As such, the business is subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks that may create crop failures, lower THC or less desirable products and supply interruptions for the Company's customers. Although the Company grows its products indoors under climate-controlled conditions and carefully monitors the growing conditions with trained personnel, there can be no assurance that natural elements will not have a material adverse effect on the production of its products.

Suppliers and Skilled Labour

The Company's ability to compete and grow will be dependent on having access, at a reasonable cost and in a timely manner, to skilled labor, equipment, parts and components. No assurances can be given that the Company will be successful in maintaining its required supply of skilled labor, equipment, parts and components. It is also possible that the final costs of the major equipment contemplated by the Company's

capital expenditure program may be significantly greater than anticipated by management, and may be greater than funds available to the Company, in which circumstance the Company may curtail, or extend the timeframes for completing, capital expenditure plans. This could have an adverse effect on the Company's financial results.

The Company's success will depend on the ability of its directors and officers to develop and execute on the Company's business strategies and manage its ongoing operations, and on the Company's ability to attract and retain key quality assurance, scientific, sales, public relations and marketing staff or consultants. The loss of any key personnel or the inability to find and retain new key persons could have a material adverse effect on the Company's business. Competition for qualified technical, sales and marketing staff, as well as officers and directors can be intense and no assurance can be provided that the Company will be able to attract or retain key personnel in the future, which may adversely impact the Company's operations.

Credit Risk

Credit risk is the risk of a potential loss to the Company if a customer or third party to a financial instrument fails to meet its contractual obligations, and arises from deposits with banks, short term investments and outstanding receivables. For trade receivables, the Company does not hold any collateral as security but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance. For other receivables, out of the normal course of business, management may obtain guarantees and general security agreements.

Financing

There is no guarantee that the Company will be able to achieve its business objectives. The continued development of the Company may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Company ceasing to carry on business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company. In addition, from time to time, the Company may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with debt, which may increase the Company's debt levels above industry standards.

Significant Shareholder

The Company has a significant shareholder, BT DE Investments Inc., a wholly owned subsidiary of BAT, that could significantly influence matters submitted to the shareholders for approval, including the election of directors and the approval of certain corporate transactions. In some cases, the significant shareholder's interests may not be the same as those of the other shareholders.

The Company May Not be Able to Successfully Develop New Products or Find a Market for Their Sale

The medical and adult-use recreational cannabis industries are in the early stages of development and it is likely that the Company, and its competitors, will seek to introduce new products in the future. In attempting to keep pace with any new market developments, the Company may need to expend significant amounts of capital in order to successfully develop and generate revenues from new products introduced by the Company. As well, the Company may be required to obtain and maintain additional regulatory approvals from Health Canada and any other applicable regulatory authority, which may take significant amounts of time. The Company may not be successful in developing effective and safe new products, bringing such products to market in time to be effectively commercialized, or obtaining any required regulatory approvals, which, together with any capital expenditures made in the course of such product development and

regulatory approval processes, may have a material adverse effect on the Company's business, financial condition and results of operations.

Reliance on Licence Renewal

The Company's ability to produce, store and sell cannabis, cannabis extracts and derivative products in Canada is dependent on its licences from Health Canada. Failure to comply with the requirements of the licences or any failure to maintain these licences would have a material adverse impact on the business, financial condition and operating results of the Company. The OGI Licence for processing and sale expires on March 20, 2025, the EIC Licence for processing and sale expires November 29, 2028, and the LAU Licence expires on April 17, 2025. The Company intends to renew its licences.

Although management believes it will meet the requirements of the Cannabis Act for extension of its licences, there can be no guarantee that Health Canada will extend or renew the licences or, if they are extended or renewed, that they will be extended or renewed on the same or similar terms. Should Health Canada not extend or renew the licences, or should it renew the licences on different terms or not provide the amendments as requested for anticipated capacity or storage increases, the business, financial condition and results of the operations of the Company will be materially adversely affected. OGI has also been issued a cannabis licence under the Excise Act in respect to all three sites, which is required to package and distribute cannabis, and a research licence as described herein.

The Company's Operations in Emerging Markets are Subject to Political and Other Risks Associated with Operating in a Foreign Jurisdiction

The Company's investments have operations in various emerging and foreign markets and the Company will be seeking to grow its operations through prudent synergistic acquisitions or development of international operations.

Such operations expose the Company to the socioeconomic conditions as well as the laws governing the cannabis industry in such countries. Inherent risks with conducting foreign operations include, but are not limited to: high rates of inflation; extreme fluctuations in currency exchange rates, military repression; war or civil war; social and labour unrest; organized crime; hostage taking; terrorism; violent crime; expropriation and nationalization; renegotiation or nullification of existing licences, approvals, permits and contracts; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political norms, banking and currency controls and governmental regulations that favour or require the Company to award contracts in, employ citizens of, or purchase supplies from, the jurisdiction.

Governments in certain foreign jurisdictions intervene in their economies, sometimes frequently, and occasionally make significant changes in policies and regulations. Changes, if any, in cannabis industry or investment policies or shifts in political attitude in the countries in which the Company operates may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, importation of product and supplies, income and other taxes, royalties, the repatriation of profits, expropriation of property, foreign investment, maintenance of concessions, licences, approvals and permits, environmental matters, land use, land claims of local people, water use and workplace safety. Failure to comply strictly with applicable laws, regulations and local practices could result in loss, reduction or expropriation of licences, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The Company continues to monitor developments and policies in the emerging and foreign markets in which it operates or invests and assess the impact thereof to its operations; however such developments

cannot be accurately predicted and could have an adverse effect on the Company's operations or profitability.

Risk Related to the Strategic Equity Investment from BT DE Investments Inc.

On November 5, 2023, the Company entered into a subscription agreement with the Investor, a wholly owned subsidiary of BAT, pursuant to which the Investor agreed to subscribe for a total of 38,679,525 Shares in the capital of the Company over the course of three tranches, for aggregate subscription proceeds of $124,559,674.36 (the "Subscription Agreement"). The Follow-on BAT Investment involves certain risks, which are summarized below.

- If the Company is unable to complete the final tranche of the Follow-on BAT Investment or if completion of the final tranche ***is delayed, there could be an adverse effect on the Company's*** business and the market price of its Common Shares

Although the Company expects the final tranche of the Follow-on BAT Investment, in the amount of $41.5 million, to be completed, there can be no certainty, nor can the Company provide any assurance, that all conditions precedent to the Follow-on BAT Investment will be satisfied or waived, nor can there be any certainty of the timing of their satisfaction or waiver.

The completion of the third tranche of the Follow-on BAT Investment is subject to the satisfaction of certain closing conditions, some of which are outside the control of the parties, including, without limitation, stock exchange approval, there having not occurred a BAT Material Adverse Effect or a Change in Law (each as defined in the Subscription Agreement), and the satisfaction of certain other customary closing conditions. The Company is also required to certify, as of the closing of each tranche, that certain fundamental representations and warranties of the Company remain true and correct, and all other representations and warranties of the Company remain true and correct to a materially correct standard. The Company's inability to bring-down its representations and warranties, a substantial delay in obtaining satisfactory approvals and/or the imposition of unfavourable terms or conditions in the approvals to be obtained could result in the termination of the Subscription Agreement.

If the final tranche of the Follow-on BAT Investment is not completed: (i) the market price of the Common Shares could be adversely affected, and may decline to the extent the current market price reflects an assumption that the Follow-on BAT Investment will be completed, (ii) certain costs related to the Follow-on BAT Investment, such as the Company's legal fees, must be paid by the Company even if the Follow-on BAT Investment is not completed, a certain amount of the Investor's legal fees, regardless of whether the third tranche is not completed, (iii) the Company may not be successful in finding another business opportunity that is of equal or greater benefit to the Company, and (iv) the time and attention of the Company's management will have been diverted away from the conduct of the Company's business in the ordinary course.

- If the Subscription Agreement is terminated by the Investor or the Company, there could be an adverse effect on the Company

Each of the Investor and the Company has the right, in certain circumstances, to terminate the Subscription Agreement. Accordingly, there can be no certainty, nor can the Company provide any assurance, that the Subscription Agreement will not be terminated by either the Investor or the Company prior to the completion of the Follow-on BAT Investment. If the Subscription Agreement is terminated and the Company is unable to complete the final tranche of the Follow-on BAT Investment, there could be an adverse effect on the Company's business, financial condition, operating results and the price of its Common Shares. Further, a termination of the Subscription Agreement could materially adversely affect

the relationship between the Company and the Investor, which the Company believes is important to its successful growth.

- If the Follow-on BAT Investment is completed, shareholders of the Company will be diluted and BAT will have significant influence over the Company which may impact the liquidity of the Common Shares

Upon completion of the Follow-on BAT Investment, it is anticipated that the Investor will own 30.0% of the Company's post-issuance issued and outstanding Common Shares on a fully-diluted basis and an approximate 45.0% overall economic interest (excluding any accretion of the Class A Preferred Shares). As a result, the current holdings of the shareholders of the Company (other than the Investor) will be significantly diluted following the completion of the Follow-on BAT Investment.

In light of such ownership, the Investor will be in a position to exercise significant influence over certain matters, affecting, or submitted to a vote of, the shareholders of the Company, including the election of directors and the determination of significant corporate actions. Pursuant to the Amended and Restated IRA, the Investor has the right to designate up to 30% of the nominees to the Company's board of directors so long as the Investor continues to maintain certain share ownership thresholds and specific approval rights over certain fundamental actions taken by the Company. Accordingly, on completion of the Follow-on BAT Investment, the Investor will have significant influence over the Company and there can be no assurance that the Investor's interests will align with the interests of the Company or other shareholders of the Company.

If the Follow-on BAT Investment is completed, the Common Shares may be less liquid and trade at a discount relative to the trading that could occur in circumstances where the Investor did not have the ability to significantly influence or determine matters affecting the Company. Additionally, the Investor's significant voting interest in the Company may discourage transactions involving a change of control of the Company, including transactions in which an investor, as a holder of Common Shares, might otherwise receive a premium for its Common Shares over the then-current market price.

- The Company may not realize the expected returns of the Follow-on BAT Investment which ***could have an adverse effect on the Company's business and results of operations***

The Company believes that the completion of the Follow-on BAT Investment will allow it to capitalize on the significant growth opportunities in cannabis worldwide. As part of its growth strategy, the Company will continue to use proceeds from the Follow-on BAT Investment to invest in emerging cannabis opportunities and expand into international markets. However, certain risks and uncertainties are associated with such an investment strategy and expansion into new markets. For example, the Company may be unable to: identity suitable target investments that satisfy the investment parameters set out in the Amended and Restated IRA; successfully obtain and/or maintain any required regulatory approvals in foreign jurisdictions, potentially causing delays or impacting the development of its operations; and achieve satisfactory returns on acquired companies, particularly in countries where the Company does not currently operate. The failure to successfully implement any of the Company's strategic initiatives following the Follow-on BAT Investment could have a material adverse effect on the Company's business and results of operations.

If the Company succeeds in expanding its existing business, that expansion may place increased demands on the Company's management, operating systems, internal controls and financial and physical resources. If not managed effectively, these increased demands may adversely affect the Company's financial condition and results of operations. Additionally, the process of integrating acquired businesses, particularly in new markets, may involve unforeseen difficulties and may require a disproportionate amount of the Company management's attention and the Company's financial and other resources. The Company can

give no assurance that the Company will ultimately be able to effectively manage the operations of any acquired business or realize anticipated synergies.

- The Investor may not maintain its equity interest in the Company

Subject to certain temporary restrictions set out in the Amended and Restated IRA, the Investor is not obligated to maintain its equity stake in the Company at current levels or at all. Subject to compliance with applicable securities laws, the Investor may sell some or all of its Shares in the future. The Amended and Restated IRA contains demand and piggyback registration rights, on terms customary for a significant shareholder, pursuant to which the Company has agreed to facilitate sales of Shares by the Investor. If the Investor sells some or all of its Shares, including the Shares issued in connection with the Follow-on BAT Investment, the Company may not realize the benefits of the Investor's strategic partnership. No prediction can be made as to the effect, if any, future sales by the Investor of Shares or other securities will have on the market price of the Common Shares prevailing from time to time. However, the future sale of a substantial number of Common Shares by the Investor, or the perception that such sales could occur, could adversely affect prevailing market prices for the Common Shares.

Fraudulent or Illegal Activity by the Company's Employees, Contractors and Consultants

The Company is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct that violates: (i) government regulations, (ii) manufacturing standards, (iii) federal and provincial healthcare fraud and abuse laws and regulations, or (iv) laws that require the true, complete and accurate reporting of financial information or data. It is not always possible for the Company to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to comply with such laws or regulations. If any such actions are instituted against the Company, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the Company's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Company's operations, any of which could have a material adverse effect on the Company's business, financial condition and results of operations.

No Assurance of Active and Liquid Market for Securities

The Common Shares are listed on the TSX and on NASDAQ, however, there can be no assurance that an active and liquid market for the Common Shares will be maintained and an investor may find it difficult to resell any securities of the Company. The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are outside of the Company's control.

Scale of Operations

The Company has implemented supplier arrangements that it believes will adequately meet demand for its product. Should demand for the Company's products increase, there exists the risk of the Company being unable to fulfil demand. Although the Company is currently on track to meet its intended capacity goals, delays in meeting its capacity goals could result in unfulfilled purchase orders and the Company may lose a significant amount of sales. Any inability to secure the required supply of cannabis to meet the demands of supplier agreements either by means of internal generation or through acquisition could have a materially adverse impact on operating results of the Company.

Litigation

On June 16, 2020, a claim in connection with a proposed national consumer protection class-action lawsuit was filed with the Court of Queen's Bench in Alberta seeking damages against several Canadian cannabis companies including the Company. On July 17, 2024, a discontinuance of claim was filed by the plaintiffs.

In addition to ongoing litigation, the Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company, such a decision could adversely affect the Company's ability to continue operating and the market price for the Common Shares, and could require the use of significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant Company resources.

Marketing Risks Arising from Provincial Legislative Controls

The provincial and territorial adult-use recreational cannabis markets are end-consumer driven. It is not possible to predict the quantities of product that will be purchased and made available to the end consumer in such adult-use recreational cannabis markets. Further, regulations like those currently implemented in Québec may limit the marketability of some of the Company's products and the Company's number of end consumers. These factors may have an adverse effect on the Company's business.

No Assurance That Listing Standards of TSX & NASDAQ Will Continue to be Met

The Company must meet continuing listing standards to maintain the listing of the Common Shares on the TSX and NASDAQ, including sustaining a minimum bid price for such Common Shares. If the Company fails to comply with listing standards and the TSX or NASDAQ delists the Common Shares, the Company and its shareholders could face significant material adverse consequences, including: (i) a limited availability of market quotations for the Common Shares, (ii) reduced liquidity for the Common Shares, (iii) a determination that the Common Shares are "penny stock," which would require brokers trading in the Common Shares to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for the Common Shares, (iv) a limited amount of news about the Company and analyst coverage, and (v) a decreased ability for the Company to issue additional equity securities or obtain additional equity or debt financing in the future.

On January 23, 2023, the Company received the Notification from NASDAQ that it is not in compliance with the Minimum Bid Requirement, since the closing bid price for the Company's common shares listed on NASDAQ was below US$1.00 for 30 consecutive trading days. Under NASDAQ Listing Rule 810(c)(3)(A), the Company has a period of 180 calendar days from the date of notification, or until July 24, 2023, to regain compliance with the Minimum Bid Requirement, during which time the Common Shares will continue to trade on the NASDAQ Global Select Market. To regain compliance, the closing bid price of the Common Shares must remain at or above US$1.00 per share for a minimum of 10 consecutive business day. In the event the Company does not regain compliance with the Minimum Bid Requirement by July 24, 2023, the Company may be eligible for an additional period of 180 calendar days to regain compliance or may be subject to delisting of the Common Shares from NASDAQ. The Company has

effected the Share Consolidation with the view to facilitating compliance with the Minimum Bid Requirement, with legal effect from July 5, 2023. However, there can be no assurance that the Company will regain compliance with the Minimum Bid Requirement or otherwise maintain compliance with any of the other NASDAQ listing requirements. Any delisting of the Common Shares from NASDAQ could adversely affect the Company's ability to attract new investors, reduce the liquidity of the outstanding Common Shares, reduce the Company's ability to raise additional capital, reduce the price at which the Common Shares trade on the TSX, result in, negative publicity and increase the transaction costs inherent in trading such shares with overall negative effects for the Company's shareholders. In addition, delisting of the Common Shares from NASDAQ could deter U.S. broker-dealers from making a market in or otherwise seeking or generating interest in the Common Shares and might deter certain institutions or persons from investing in the Company's securities at all.

Health Epidemics and Other Infectious Diseases

A local, regional, national or international outbreak of a contagious disease, or the fear of a potential outbreak, could decrease the willingness of the general population to travel, cause staff shortages, reduced customer traffic, supply shortages and increased government regulation all of which may negatively impact the business, financial condition and results of operations of the Company. The risk of a pandemic, or public perception of the risk, could cause customers to avoid public places, including retail properties, and could cause temporary or long-term disruptions in the Company's supply chains and/or delays in the delivery of the Company's inventory. Moreover, an epidemic, pandemic, outbreak or other public health crisis could cause employees to avoid Company properties, which could adversely affect the Company's ability to adequately staff and manage its businesses. Risks related to an epidemic, pandemic or other health crisis could also lead to the complete or partial closure of one or more of the Company's facilities or operations of the Company's sourcing partners. The ultimate extent of the impact of any epidemic, pandemic or other health crisis on the Company's business, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of such epidemic, pandemic or other health crisis and actions taken to contain or prevent their further spread, among others. These and other potential impacts of an epidemic, pandemic or other health crisis could therefore materially and adversely impact the Company's business, financial condition and results of operations.

Uninsured or Uninsurable Risks

While the Company may have insurance to protect its assets, operations, and employees, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Company is exposed. No assurance can be given that such insurance will be adequate to cover the Company's liabilities or that it will be available in the future or at all, and that it will be commercially justifiable. The Company may be subject to liability for risks against which it cannot insure or against which it may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for the Company's normal business activities. Payment of liabilities for which the Company does not carry insurance may have a material adverse effect on its financial position and operations.

Foreign Investment

In relation to investments in international operations, in addition to the foregoing, there is also the risk of increased disclosure requirements; currency fluctuations; restrictions on the ability of local operating companies to hold Canadian dollars or other foreign currencies in offshore bank accounts; import and export regulations; increased regulatory requirements and restrictions; limitations on the repatriation of earnings; and increased financing costs.

These risks may limit or disrupt the Company's strategic alliances or investments, restrict the movement of funds, cause the Company to have to expend more funds than previously expected or required, or result in the deprivation of contract rights or the taking of property by nationalization or expropriation without fair compensation, and may materially adversely affect the Company's financial position and/or results of operations. In addition, the enforcement by the Company of its legal rights in foreign countries, including rights to exploit properties or utilize permits and licences and contractual rights may not be recognized by the court systems in such foreign countries or enforced in accordance with the rule of law.

Global Economic Risk

An economic downturn of global capital markets has been shown to make the raising of capital by equity or debt financing more difficult. The Company will be dependent upon the capital markets to raise additional financing in the future, while it establishes a user base for its products. As such, the Company is subject to liquidity risks in meeting its development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Company's ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Company and its management. If uncertain market conditions persist, the Company's ability to raise capital could be jeopardized, which could have an adverse impact on the Company's operations and the trading price of the Company's shares on the TSX and NASDAQ.

Product Security

Given the nature of the Company's products and the lack of legal availability of such products outside of channels approved by the Government of Canada, as well as the concentration of inventory at the Moncton Campus, Winnipeg Facility and Lac-Supérieur Facility, despite meeting or exceeding legislative security requirements, there remains a risk of shrinkage as well as theft. A security breach at the Moncton Campus, Winnipeg Facility or Lac-Supérieur Facility could expose the Company to additional liability and to potentially costly litigation, increased expenses relating to the resolution and future prevention of these breaches and may deter potential patients or recreational adult-users from choosing the Company's products.

Risk of Securities Class Action Litigation

Securities class action litigation is often brought against companies following a period of volatility in the market price of their securities. Litigation can result in significant costs and damages and divert management attention and resources.

Increased Volatility for Dual Listed Shares

The Company's listing on both the TSX and NASDAQ may increase volatility due to the ability to buy and sell Common Shares in two places, different market conditions in different capital markets, and different trading volumes. This may result in less liquidity on both exchanges, different liquidity levels, and different prevailing trading prices.

Catastrophic Events

Natural disasters, such as earthquakes, tsunamis, floods or wildfires, public health crises, such as epidemics and pandemics, political instability, acts of terrorism, war or other conflicts and other events outside of the Company's control, may adversely impact its business and operating results. In addition to the direct impact that such events could have on the Company's facilities and workforce, these types of events could negatively impact consumer spending in the impacted regions or depending on the severity, globally, which would impact the Company's strategic partners and in turn impact on demand for its products and services.

TSX and NASDAQ Requirements

The Common Shares commenced trading on the TSX on August 22, 2019 following the Company's graduation from the TSX-V. The Company's Common Shares also began trading on NASDAQ on May 21, 2019.

The Company is required to comply with TSX and NASDAQ rules, policies and guidelines, especially when pursuing business internationally. As a public company, the business is subject to corporate governance and public disclosure requirements that may at times increase the Company's compliance costs and risk of non-compliance. These regulations, rules, policies and guidelines may change over time, and failure to continue to meet them could result in significant material adverse consequences.

The TSX has issued guidance directed at cannabis companies, and specifically with respect to any company operating in the United States. In addition, in connection with its listing on NASDAQ, the Company certified that neither it nor any of its subsidiaries will conduct any business activities in the U.S., or utilize any employees, facilities or operations in the U.S. Presently, the Company has no business in the U.S., but this could present additional barriers in the future should the Company seek to do business in any form in the U.S. Any violation of U.S. federal law regarding cannabis could result in delisting of the Company from TSX and NASDAQ.

As a public company in the U.S., the Company is subject to additional legal, insurance, accounting, administrative and other costs and expenses which, in the aggregate, can be substantial.

Intellectual Property

The ownership and protection of trademarks, patents, trade secrets and other intellectual property rights, are significant aspects of the Company's future success. Unauthorized parties may attempt to replicate or otherwise obtain and use the Company's products and technology or the Company may not be able to secure required protection. Policing the unauthorized use of the Company's current or future trademarks, patents, trade secrets or intellectual property rights could be difficult, expensive, time- consuming and unpredictable, as may be enforcing these rights against unauthorized use by others.

In addition, other parties may claim that the Company's products infringe on their proprietary or patent protected rights. Such claims, whether or not meritorious, may result in the expenditure of significant financial and managerial resources, legal fees, injunctions, temporary restraining orders and/or require the payment of damages. As well, the Company may need to obtain licences from third parties who allege that the Company has infringed on their lawful rights. Such licences, however, may not be available on terms acceptable to the Company or at all. In addition, the Company may not be able to obtain or utilize on terms that are favourable to it, or at all, licences or other rights with respect to intellectual property that it does not own.

The Company's Operations may be Impaired as a Result of Restrictions on the Acquisition or Use of Properties by Foreign Investors or Local Companies under Foreign Control

Non-resident individuals and non-domiciled foreign legal entities may be subject to restrictions on the acquisition or lease of properties in certain emerging markets. Limitations also apply to legal entities domiciled in such countries which are controlled by foreign investors, such as the entities through which the Company may make investments. Accordingly, the Company's current and future operations may be impaired as a result of such restrictions on the acquisition or use of property, and the Company's ownership or access rights in respect of any property it owns or leases in such jurisdictions may be subject to legal challenges, all of which could result in a material adverse effect on the Company's business, results of operations, financial condition and cash flows.

Environmental and Employee Health and Safety Regulations

The Company's operations are subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety. The Company will incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on the Company's manufacturing operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

Government approvals and permits are currently and may in the future be required in connection with, the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from its proposed production of medical and/or adult-use recreational cannabis or from proceeding with the development of its operations as currently proposed.

Concentration Risk

The Company's accounts receivables are primarily due from the Government of Canada, provincial government agencies, and patients covered under group insurance, and, thus, the Company believes that the accounts receivable balance is collectible.

Sufficiency of Insurance

The Company maintains various types of insurance which may include financial institution bonds; errors and omissions insurance; directors' and officers' insurance; property coverage; cargo insurance; credit insurance; and, general commercial and liability insurance. There is no assurance that claims will not exceed the limits of available coverage, if any, that any insurer will remain solvent or willing to continue providing insurance coverage with sufficient limits or at a reasonable cost, or that any insurer will not dispute coverage of certain claims. There is also no assurance that coverage will be available to cover any or all claims. A judgment against the Company or any member of the Company in excess of available coverage could have a material adverse effect on the Company in terms of damages awarded and the impact on the reputation of the Company. There can also be no assurance that the Company will be able to secure insurance coverage on commercially reasonable terms, or at all, as it may require to implement its business objectives, including with respect to derivative products.

The Company Relies on International Advisors and Consultants in Order to Keep Abreast of Material Legal, Regulatory and Government Developments that Impact the Company's Business and Operations in the Jurisdictions in Which it Operates

The legal and regulatory requirements in the foreign countries in which the Company may invest or operate with respect to the cultivation and sale of cannabis, banking systems and controls, as well as local business culture and practices are different from those in Canada. The Company's officers and directors must rely, to a great extent, on local legal counsel and consultants in order to keep abreast of material legal, regulatory and governmental developments as they pertain to and affect the Company's business operations, and to assist with governmental relations. The Company must rely, to some extent, on those members of management and the board of directors who have previous experience working and conducting business in these countries, if any, in order to enhance its understanding of and appreciation for the local business culture and practices. The Company also relies on the advice of local experts and professionals in connection with current and new regulations that develop in respect of the cultivation and sale of cannabis as well as in respect of banking, financing, labour, litigation and tax matters in these jurisdictions. Any developments or changes in such legal, regulatory or governmental requirements or in local business practices are beyond the Company's control. The impact of any such changes may adversely affect the Company's business.

Continuance of Contractual or Other Relations with Provincial and Territorial Governments Cannot be Guaranteed

The Company expects to derive a significant portion of its future revenues from its supply arrangements with the various Canadian provinces and territories. There are many factors which could impact the Company's contractual arrangements with the provinces and territories, including but not limited to availability of supply, product selection and the popularity of the Company's products with retail customers. If the Company's supply arrangements with certain Canadian provinces and territories are amended, terminated or otherwise altered, the Company's sales and results of operations could be adversely affected, which could have a material adverse effect on the Company's business, financial condition and results of operations. Some provinces and territories have letters of intent or have moved to purchase orders or other listing agreements to form the basis of their distribution arrangements.

In addition, not all of the Company's supply arrangements with the various Canadian provinces and territories contain purchase commitments or otherwise obligate the provincial or territorial wholesaler to buy a minimum or fixed volume of cannabis products from the Company. The amount of cannabis that the provincial and territorial wholesalers may purchase under the supply arrangements may therefore vary from what the Company expects or has planned for. As a result, the Company's revenues could fluctuate materially in the future and could be materially and disproportionately impacted by the purchasing decisions of the provincial and territorial wholesalers. If any of the provincial or territorial wholesalers decide to purchase lower volumes of products from the Company than the Company expects, alters its purchasing patterns at any time with limited notice, decides to return product or decides not to continue to purchase the Company's cannabis products at all, the Company's revenues could be materially adversely affected, which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company is a Foreign Private Issuer Within the Meaning of the U.S. Securities Exchange Act of 1934

The Company is a "foreign private issuer", as such term is defined in Rule 405 under the United States Securities Act of 1933, as amended and Rule 3b-4 under the United States Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act"), and is permitted to prepare its financial statements (including those contained in its annual reports filed under the U.S. Exchange Act on Form 40-F) in accordance with IFRS, as issued by the IASB. The Company's financial statements therefore may not be comparable to financial

statements of U.S. domestic companies, which are required to be prepared in accordance with United States generally accepted accounting principles. In addition, as a "foreign private issuer" the Company is not required to file quarterly reports on Form 10-Q or current reports on Form 8-K that a U.S. domestic issuer would be required to file under the Exchange Act, although the Company will be required to furnish to the SEC on Form 6-K the continuous disclosure documents that is required to file in Canada un Canadian securities laws.

Furthermore, the Company's officers, directors, and principal shareholders are exempt from the reporting and "short swing" profit recovery provisions of Section 16 of the U.S. Exchange Act. Therefore, the Company's shareholders may not know on as timely a basis when the Company's officers, directors and principal shareholders purchase or sell shares, as the reporting deadlines under the corresponding Canadian insider reporting requirements are long.

As a foreign private issuer, the Company is also exempt from the rules and regulations under the U.S. Exchange Act related to the furnishing and content of proxy statements. While the Company will comply with the corresponding requirements relating to proxy statements and disclosure of material non-public information under Canadian securities laws, these requirements differ from those under the U.S. Exchange Act, and shareholders should not expect to receive the same information at the same time as such information is provided by U.S. domestic companies.

The Company's status as a foreign private issuer under the Exchange Act would be lost if a majority of its Common Shares were held by persons in the United States and the Company failed to meet any of the additional requirements necessary to avoid loss of foreign private issuer status. The regulatory and compliance costs to the Company under U.S. securities laws as a U.S. domestic issuer would be greater than the cost incurred as a Canadian foreign private issuer.

Risks Related to Third-Party Data

The Company relies on independent third-party data for market share position and there is no assurance third party data provides an accurate representation of actual sales as some third parties use different methodologies or calculations to estimate market share position, and because market and industry data is inherently imprecise, subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process, and other limitations and uncertainties inherent in any statistical survey or data collection process. The Company also relies on its own market research and internal data to determine the accuracy of such third-party data.

The Company is No Longer an Emerging Growth Company

Based on the market value of its equity securities held by non-affiliates as of February 28, 2021, the Company became a "large accelerated filer", and are no longer an "emerging growth company" (as each of those terms are defined in Rule 12b-2 under the United States Securities Exchange Act of 1934, as amended), as of August 31, 2021. As such, the Company is no longer permitted to rely on an exemption from the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act of 2002. As a result, the Company continues to incur significant additional expenses that it did not previously incur while it qualified as an emerging growth company. In particular, the Company expects to continue to incur substantial accounting expense and expend significant management time on additional compliance-related issues. If the Company or its independent registered public accounting firm continues to identify deficiencies in its internal control over financial reporting as material weaknesses, the Company may be required to make prospective or retroactive changes to its financial statements, consider other areas for further attention or improvement, or be unable to obtain the required attestation in a timely manner, if at all.

Privacy

In addition, the Company stores personal information about patients and customers, and is responsible for protecting that information from privacy breaches. A privacy breach may occur through procedural or process failure, information technology malfunction, or deliberate unauthorized intrusions. Theft of data for competitive purposes is an ongoing risk whether perpetrated via employee collusion or negligence or through deliberate cyber-attack. Any such theft or privacy breach would have a material adverse effect on the Company's business, financial condition and results of operations.

In addition, there are a number of federal and provincial laws protecting the privacy and confidentiality of certain patient health information, including patient records, and restricting the collection, use and disclosure of that protected information. In particular, the privacy rules under the Personal Information Protection and Electronics Documents Act (Canada) ("PIPEDA") and provincial statutes regulating the collection, use and disclosure of personal information, protect medical records and other personal health information by limiting their use and disclosure of health information to the minimum level reasonably necessary to accomplish the intended purpose. If the Company was found to be in violation of the privacy or security rules under PIPEDA or other laws protecting the privacy and confidentiality of patient health information, it could be subject to sanctions and civil or criminal penalties, which could increase its liabilities, harm its reputation and have a material adverse effect on the business, results of operations and financial condition of the Company.

Canadian Company and Shareholder Protection may Differ from Shareholder Protection in US or Elsewhere

The Company is organized and exist under the laws of Canada and, accordingly, are governed by the CBCA. The CBCA differs in certain material respects from laws generally applicable to United States corporations and shareholders, including the provisions and proceedings relating to interested directors, mergers, amalgamations, restructuring, takeovers, shareholders' suits, indemnification of directors, and inspection of corporation records.

Corruption and Anti-Bribery Law Violation Risks

The Company's business is subject to the Corruption of Foreign Public Officials Act (Canada) (the "CFPOA"), which generally prohibits companies and employees from engaging in bribery or other prohibited payments to foreign officials for the purpose of obtaining or retaining business. In addition, the Company is subject to the Foreign Corrupt Practices Act (United States) (the "FCPA"), and is or may become subject to anti-bribery laws of any other countries in which it conducts business now or in the future. The Company's employees or other agents may, without its knowledge and despite its efforts, engage in prohibited conduct under the Company's policies and procedures and anti-bribery laws for which the Company may be held responsible. The CFPOA and the FCPA also require companies to maintain accurate books and records and internal controls, including at foreign controlled subsidiaries. The Company's policies mandate compliance with these anti-corruption and anti-bribery laws. However, there can be no assurance that the Company's internal control policies and procedures will always protect it from recklessness, fraudulent behaviour, dishonesty or other inappropriate acts committed by its affiliates, employees, contractors or agents. If the Company's employees or other agents are found to have engaged in such practices, the Company could suffer severe penalties and other consequences that may have a material adverse effect on its business, financial condition and results of operations.

Corruption and Fraud in Certain Emerging Markets Relating to Ownership of Real Property

There are uncertainties, corruption and fraud relating to title ownership of real property in certain emerging markets in which the Company may invest. Property disputes over title ownership are frequent in emerging

markets, and, as a result, there is a risk that errors, fraud or challenges could adversely affect the Company's ability to successfully invest in such jurisdictions.

Anti-Money Laundering Laws and Regulation Risks

The Company is subject to a variety of laws and regulations pertaining to money laundering, financial recordkeeping and proceeds of crime, including the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended and the rules and regulations thereunder, the Criminal Code (Canada) and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities internationally.

In the event that any of the Company's operations or investments, any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such operations or investments were found to be in violation of money laundering legislation, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize the Company's ability to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada. Furthermore, while the Company has no current intention to declare or pay dividends in the foreseeable future, in the event that a determination was made that proceeds obtained by the Company could reasonably be shown to constitute proceeds of crime, the Company may decide or be required to suspend declaring or paying dividends without advance notice and for an indefinite period of time.

Holding Company Status

The Company is a holding company and essentially all of its operating assets are the capital stock of its primary subsidiaries, OGI, Motif Labs Ltd., and 10870277 Canada Inc. As a result, investors in the Company are subject to the risks attributable to its subsidiaries. As a holding company, the Company conducts substantially all of its business through its subsidiaries, which generates substantially all of its revenues. Consequently, the Company's cash flows and ability to complete current or desirable future enhancement opportunities are dependent on the earnings of the subsidiary and the distribution of those earnings to the Company.

Conflicts of Interest

The Company may be subject to various potential conflicts of interest because of the fact that some of its officers and directors may be engaged in a range of business activities. In some cases, the executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company and its affairs, and that could adversely affect Company operations. These business interests could require significant time and attention of the Company's executive officers and directors. In addition, the Company may also become involved in other transactions which conflict with the interests of the Company's directors and officers who may from time to time deal with persons, firms, institutions or corporations with which the Company may be dealing, or which may be seeking investments similar to those the Company desires. The interests of these persons could conflict with the Company's interests. In addition, from time to time, these persons may be competing with the Company for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, in the event that such a conflict of interest arises at a meeting of directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, directors are required to act honestly, in good faith and in the Company's best interests.

Dividends

The Company has no dividend record and may not pay any dividends on the Common Shares in the foreseeable future. Dividends paid by the Company could be subject to tax and, potentially, withholdings.

Currency Risk

Currency risk is the risk to the Company's earnings that arise from fluctuations of foreign exchange rates. The Company is exposed to foreign currency risk, specifically with respect to the United States Dollar (USD). The translation of foreign currencies to Canadian dollars is performed for balance sheet accounts using exchange rates in effect at the balance sheet date, and for revenues and expense using an average exchange rate for the period. Therefore, fluctuations in the value of the Canadian dollar affect the reported amounts of net revenue, expenses, assets and liabilities. The resulting translation adjustments are reported as a component of accumulated other comprehensive income or loss on the consolidated balance sheet. As a result, changes arising from these risks have impacted the Company previously and it may be impacted for the foreseeable future.

Interest Risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Since the beginning of 2022, the Bank of Canada increased its overnight interest rate by 475 basis points in an attempt to bring inflation under control. During 2022, inflation in Canada rose to its highest level in four decades and was a result of, but not limited to the effects of, the tight labour market, global supply chain disruptions, strong economic growth and the war in Ukraine. Starting in June 2024 to the date of this Annual Information Form, the Bank of Canada has decreased its overnight rate by a total of 175 basis points. The Bank of Canada is continuing to monitor inflation figures which could result in further interest rate cuts in its overnight rate.

The Company may be exposed to interest rate risk pursuant to any long-term debt that it incurs from time to time.

DIVIDENDS

As of the date of this Annual Information Form, the Company has no current intention to declare dividends on its Common Shares in the foreseeable future. Any decision to pay dividends on its Common Shares in the future will be at the discretion of the Company's board of directors, subject to prior written consent of BAT under the terms of the Amended and Restated IRA, and will depend on, among other things, the Company's results of operations, current and anticipated cash requirements and surplus, financial condition, any contractual restrictions and financing agreement covenants, solvency tests imposed by corporate law, and other factors that the Company's board of directors may deem relevant.

CAPITAL STRUCTURE

Common Shares

The Company is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares. As of September 30, 2024, there were 108,585,492 Common Shares issued and outstanding and as of December 11, 2024, there were 126,156,673 Common Shares issued and outstanding. The holders of the Common Shares are entitled to one vote per share at all meetings of the shareholders of the Company. The holders of Common Shares are also entitled to dividends, if and when declared by the

Company's board of directors, and to the distribution of the residual assets of the Company in the event of a liquidation, dissolution or winding up of the Company. Dividends are subject to the prior written consent of BAT pursuant to the Amended and Restated IRA.

The Company has three equity compensation plans in place: (a) the 2011 stock option plan (the "SOP"), (b) the 2017 equity incentive plan (the "2017 Plan"), and (c) a long term-omnibus equity incentive plan adopted on February 25, 2020 (the "2020 Equity Incentive Plan"). The 2020 Equity Incentive Plan permits the Company to grant equity-based incentive awards in the form of options, restricted share units, performance share units and deferred share units. Following the adoption of the 2020 Equity Incentive Plan, all future grants of equity-based awards will be made pursuant to, or as otherwise permitted by, the 2020 Equity Incentive Plan and no further equity-based awards will be made pursuant to the SOP or the 2017 Plan. The maximum number of Common Shares that may be issued upon exercise of awards granted under the 2020 Equity Incentive Plan shall not exceed 10% of the Company's issued and outstanding Common Shares from time to time, combined with any equity securities granted under all other compensation plans previously adopted by the Company, including the SOP and 2017 Plan.

In connection with the strategic investment from BAT, the Company entered into an investor rights agreement with BAT on March 10, 2021, which was amended and restated on January 23, 2024 (the "Amended and Restated IRA"). Pursuant to the Amended and Restated IRA, the Company granted BAT certain rights, including pre-emptive rights, to participate in distributions of Common Shares to maintain its proportionate ownership in certain circumstances, as well as other rights ("Top-Up Rights") to subscribe for additional Common Shares in specified circumstances where the pre-emptive rights are not applicable (referred to in the Amended and Restated IRA as "Exempt Distributions") and in specified circumstances where pre-emptive rights were not exercised (referred to in the Amended and Restated IRA as a "bought deal Distribution"). The price per Common Share to be paid by BAT pursuant to the exercise of its Top-Up Rights will equal the price paid by other participants in the Exempt Distribution or bought deal Distribution, subject to certain restrictions (including, if such price is not permitted pursuant to securities laws, at the lowest price permitted thereunder).

On July 5, 2023, the Company completed a consolidation of its issued and outstanding Common Shares at a consolidation ratio of four pre-consolidation Common Shares for every one post-consolidation Common Share. Immediately prior to the Share Consolidation, the Company had 321,994,768 Common Shares issued and outstanding. Following the Share Consolidation, the Company had 80,498,692 Common Shares issued and outstanding.

Class A Preferred Shares

As of September 30, 2024, and December 11, 2024, there were 8,463,435 Class A preferred shares issued and outstanding. Unless required by law, the holders of Class A Preferred Shares are neither entitled to attend any general meeting of the shareholders nor vote at any such meeting. In the event of liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company to its shareholders for the purposes of winding up its affairs, the holders of the Class A Preferred Shares shall be entitled to participate pari passu with the holders of Common Shares, on an as converted basis.

The holders of Class A Preferred Shares will be entitled to receive dividends as and when declared by the Board in such amounts and in such form as the Board may determine from time to time. The Board of directors may not declare any dividend payable in cash or property (other than a stock dividend payable in Class A Preferred Shares) on the Class A Preferred Shares unless the Board simultaneously declares a corresponding dividend payable in cash or property (other than a stock dividend payable in Class A Preferred Shares or Common Shares) on the Common Shares in an equivalent per share amount, taking into account the conversion value of the Class A Preferred Shares.

In the event that the Common Shares are at any time sub-divided, consolidated or changed into a greater or lesser number of shares of the same or another class, or a stock dividend is paid on the Common Shares, an appropriate adjustment, as determined in good faith by the Board, shall be made in the rights and conditions attached to the Class A Preferred Shares so as to maintain the relative rights of the holders of those shares.

The Class A Preferred Shares are not listed for trading on the TSX or on any other stock exchange and, other than to affiliates, are non-transferrable.

Options and Restricted Share Units

As of September 30, 2024, there were 2,691,336 options issued and outstanding. As of December 11, 2024, there are 2,683,636 options issued and outstanding. As of September 30, 2024, there were 2,973,643 restricted share units issued and outstanding. As of December 11, 2024, there are 3,710,864 restricted share units issued and outstanding. As of September 30, 2024, there were 1,117,218 performance share units issued and outstanding. As of December 11, 2024, there are 1,845,571 performance share units issued and outstanding. As of September 30, 2024, there were nil deferred share units issued and outstanding. As of December 11, 2024, there are nil deferred share units issued and outstanding.

Warrants

As of September 30, 2024, the Company had 4,235,913 Warrants outstanding. As of December 11, 2024, there are 4,235,913 Warrants issued and outstanding. Each such Warrant entitles the holder thereof to acquire one Warrant Share at an exercise price of $3.65 per Warrant Share, until 5:00 p.m. (Eastern Time) on April 2, 2028, subject to adjustment in certain customary events, after which time the Warrants expired and become null and void.

MARKET FOR SECURITIES

Common Shares

Common Shares are listed and traded on the TSX under the trading symbol "OGI". The following table sets forth the price range per share and trading volume for the Common Shares on the TSX for the periods indicated.

Period	High Trading Price ($)	Low Trading ($)	Volume (000's)
September 2024	2.72	2.32	4,030
August 2024	2.84	1.98	7,149
July 2024	2.48	2.03	2,944
June 2024	2.37	2.02	2,400
May 2024	2.89	2.32	7,938
April 2024	3.16	2.45	12,849
March 2024	3.95	2.51	10,039
February 2024	3.12	2.25	6,185
January 2024	2.62	1.67	5,642
December 2023	1.96	1.61	2,294

Period	High Trading Price ($)	Low Trading ($)	Volume (000's)
November 2023	2.17	1.41	3,168
October 2023	1.84	1.35	1,867

Common Shares are listed and traded on the NASDAQ Global Select Market under the trading symbol "OGI". The following table sets forth the price range per share and trading volume for the Common Shares on the NASDAQ Global Select Market for the periods indicated.

Period	High Trading Price (USD)	Low Trading (USD)	Volume (**000's**)
September 2024	2.00	1.72	7,625
August 2024	2.08	1.31	18,691
July 2024	1.8	1.48	11,313
June 2024	1.74	1.48	13,332
May 2024	2.11	1.70	25,398
April 2024	2.37	1.78	44,812
March 2024	2.91	1.85	31,533
February 2024	2.32	1.68	20,729
January 2024	1.96	1.25	21,866
December 2023	1.45	1.20	14,376
November 2023	1.6	1.02	57,196
October 2023	1.34	0.97	5,769

PRIOR SALES

The following table summarizes details of securities that are not listed or quoted on a marketplace issued by the Company during the period between October 1, 2023 and September 30, 2024:

Date of Issuance	Security	Issuance/Exercise Price Per Security ($)	Number of Securities
December 21, 2023	Restricted Share Units	$1.75	2,194,845
December 21, 2023	Performance Share Units	$1.75	911,213
February 27, 2024	Restricted Share Units	$2.73	989,059
February 27, 2024	Restricted Share Units	$2.74	170,297
February 27, 2024	Stock Options	$5.60	62,000
May 21, 2024	Restricted Share Units	$2.64	24,869

Date of Issuance	Security	Issuance/Exercise Price Per Security ($)	Number of Securities
August 19, 2024	Restricted Share Units	$2.72	61,508
September 3, 2024	Class A Preferred Shares	$3.22	8,463,435

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

The following table summarizes details of the Company's securities of each class held, to the Company's knowledge, in escrow or that were subject to a contractual restriction on transfer as of December 11, 2024:

Designation of Class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of Class[1]
Common Shares	32,571,942[2]	29.99%
Common Shares	17,233,950[3]	15.87%
Class A Preferred Shares	8,463,435	100%

[1] Based on 108,585,492 Common Shares outstanding as of September 30, 2024.

[2] The Common Shares and Class A Preferred Shares acquired by BAT are subject to certain transfer restrictions outlined in the Amended and Restated IRA between the Company and BAT.

[3] Represents Common Shares issued to former shareholders of Motif that are subject to escrow. A portion of these Common Shares are subject to an 18-month escrow with the TSX Trust Company from December 6, 2024 in order to satisfy indemnification claims by the Company under the definitive agreement with the former shareholders of Motif. The remaining Common Shares are subject to an escrow with the TST Trust Company and will be released to former Motif shareholders in equal parts on or around the three-, six-, nine- and twelve-month dates from December 6, 2024.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holding

Below are the names, province and country of residence, principal occupation and periods of service of the directors and executive officers of the Company as of December 11, 2024.

Name, Province and Country of Residence[1]	Principal Occupation for the Past Five Years	Position and Offices held with the Company	Number of Shares Beneficially Owned or Controlled[2]
Beena Goldenberg Toronto, Ontario Canada	May 2005 to April 2020 – Chief Executive Officer of Hain Celestial Canada; April 2020 to August 2021 – President and CEO of The Supreme Cannabis Company Inc.; September 2021 to present – Chief Executive Officer of the Company	Chief Executive Officer since September 9, 2021; and Director since November 19, 2021	47,400 (~0.0375%)
Greg Guyatt, CPA, CA Mississauga, Ontario Canada	February 2019 to February 2020 – Chief Financial Officer of CannTrust Holdings Inc.; February 2020 to February 2023 – Chief Executive Officer and Board Member of Phoena Holdings Inc.; January 2024 to present - Chief Financial Officer of the Company	Chief Financial Officer since January 8, 2024	Nil (0%)
Paolo De Luca, CPA, CA, CFA Woodbridge, Ontario Canada	December 2017 to March 2020 – Chief Financial Officer of the Company; March 2020 to present – Chief Strategy Officer of the Company	Chief Strategy Officer since March 4, 2020; Interim Chief Financial Officer from November 13, 2023 to January 8, 2024; and Chief Financial Officer from December 19, 2017 to March 3, 2020	24,519 (~0.0194%)
Timothy Emberg Ottawa, Ontario Canada	October 2017 to July 2021 – Senior Vice President, Sales and Commercial Operations of the Company; July 2021 to October 2022 - Chief Revenue Officer of the Company; October 2022 to present – Chief Commercial Officer	Chief Commercial Officer since October 6, 2022; Chief Revenue Officer from July 15, 2021 to October 5, 2022; Senior Vice President, Sales and Commercial Operations from September 9, 2018 to July 14, 2021; Vice President of Sales and Commercial Operations from October 2, 2017 to September 8, 2018	23,681 (~0.0188%)

Name, Province and Country of Residence[1]	Principal Occupation for the Past Five Years	Position and Offices held with the Company	Number of Shares Beneficially Owned or Controlled[2]
Helen Martin Toronto, Ontario Canada	November 2018 to July 2021 – Vice-President, Strategic Initiatives and Legal Affairs of the Company; July 2021 to present – Chief Legal Officer of the Company	Chief Legal Officer since July 15, 2021; Senior Vice President, Strategic and Legal Affairs from April 5, 2019 to July 14, 2021; Vice President, Strategic Initiatives and Legal Affairs from November 26, 2018 to April 4, 2019; Corporate Secretary since March 4, 2019	24,524 (~0.0194%)
Megan McCrae Toronto, Ontario Canada	September 2019 - May 2020 -Chief Marketing Officer, Aphria Inc.; May 2021 to July 2024 – SVP Marketing and Communications of the Company; July 2024 to present: SVP Global Brands and Corporate Affairs of the Company	Senior Vice President of Marketing and Communications: May 31, 2021 – July 1, 2024; Senior Vice President of Global Brands and Corporate Affairs since July 2, 2024	12,041 (~0.0095%)
Nathalie Kubrick Moncton, New Brunswick Canada	January 2014 to May 2020 – Director of Sales and Operations of Irving Oil Limited; November 2020 to March 2021 – President of Infinite Impact Consulting Corp.; March 2021 to June 2021 – Plant Manager of the Company; June 2021 to October 2022 – VP Operations of the Company; October 2022 to present – Senior VP Operations	Senior Vice President of Operations since October 6, 2022; Vice President of Operations from June 1, 2021 to October 5, 2022	12,388 (~0.0098%)
Katrina McFadden Milton, Ontario Canada	January 2019 to July 2021 - VP People and Culture of Telus; July 2021 to January 2022 - VP Human Resources of Weston Foods; August 2022 to Present - Chief People Officer of the Company	Chief People Officer since August 29, 2022	15,948 (~0.0124%)
Geoff Riggs Montreal, Québec Canada	July 2018 to Aug 2020 Chief Information Officer of The Green Organic Dutchman; October 2020 to April 2021 - Director of Systems of The Cronos Group; October 2021 to 2022 Senior Manager, Tech Strategy of Deloitte Canada; August 2022 to Present, Chief Information Officer of the Company	Chief Information Officer since August 15, 2022	11,049 (~0.0088%)

Name, Province and Country of Residence[1]	Principal Occupation for the Past Five Years	Position and Offices held with the Company	Number of Shares Beneficially Owned or Controlled[2]
Mario Naric London, Ontario Canada	2017-December 5, 2024 – Founder and CEO of Motif Labs Ltd; December 6, 2024 -present – Executive Vice-President, Business Development of the Company	Executive Vice President of Business Development since December 6, 2024	3,068,934 (~2.4307%)
Peter Amirault Mississauga, Ontario Canada	2009 to present – President of BML Group Limited	Director since June 2, 2016; Executive Chair from May 3, 2021 to October 31, 2021	40,000 (~0.0317%)
Geoffrey Machum[4][5] Halifax, Nova Scotia Canada	1985 to present – Commercial Litigation Partner at Stewart McKelvey LLP; 2016 to present – Director of WildBrain Ltd.	Director since February 25, 2020 Lead Independent Director from May 3, 2021 to October 31, 2021 Chair of the Governance, Nominating and Sustainability Committee	1,125 (~0.0009%)
Stephen Smith[3][6] Etobicoke, Ontario, Canada	2018 to 2023 – Director of MAV Beauty Brands Inc.; 2020 to 2023 – Director of Freshii Inc.; 2014 to 2018 – EVP and Advisory Board Director, Jackman Reinvention Inc.; 2022 to 2024 – Director of CE Brands; 2022 to present – Director of Flow Beverage Corp; 2023 to present - Chair of the Board of CanPR Technology Inc.	Director since February 25, 2020 Chair of the Audit Committee	2,575 (~0.002%)
Sherry Porter, CM[4][5] Halifax, Nova Scotia Canada	February 2024 to Present - Director and Trustee of the National Arts Centre; 2014 to March 2024 - Board member of the Halifax International Airport Authority; March 2015 to August 2023 – Board member of Pharmasave Drugs (Atlantic) Limited	Director since December 17, 2018 Chair of the Compensation Committee	4,875 (~0.0039%)

Name, Province and Country of Residence[1]	Principal Occupation for the Past Five Years	Position and Offices held with the Company	Number of Shares Beneficially Owned or Controlled[2]
Dexter John[3][5][6] Whitby, Ontario Canada	April 2019 – November 2021 – President and CEO of Gryphon Advisors Inc.; November 2021 to present – President and CEO of Morrow Sodali & Co.	Director since December 17, 2018 Chair of the Investment Committee	1,530 (~0.0012%)
Marni Wieshofer[3][6] Santa Monica, California USA	December 2019 to January 2023 – Director of Thunderbird Entertainment; December 2019 to present – Director of several companies including Hycroft Mining Holding Corporation and Acceso Impact, Inc.	Director since January 12, 2021	2,500 (~0.002%)
Simon Ashton[3][6] Staines-upon-Thames England	August 2019 to August 2021 - Area head of Finance (North West Europe) at BAT; August 2021 to March 2023 – Group Head of New Categories and Combustibles Finance at BAT.	Director since February 23, 2022	Nil (0%)
Karina Gehring[5] London England	September 2019 to April 2022 – Head of Strategic Planning and Insights at BAT Canada; May 2022 to September 2024 – Head of New Categories Innovations Insights at Nicoventures Global; October 2024 to Present - Head of Strategic Planning and Insights at BAT Canada.	Director since January 18, 2024	Nil (0%)
Craig Harris[7] Berkhamsted England	October 2015 to January 2020 – Head of M&A Legal at BAT; February 2020 to August 2021 – Area Head of Legal & External Affairs (North West Europe) at BAT; September 2021 to March 2023 – Regional Head of Legal & External Affairs (Europe & North Africa) at BAT; March 2023 to January 2024 – Regional Head of Legal & External Affairs (Americas & Europe) at BAT; February 2024 to Present – Assistant General Counsel (Corporate & Commercial Legal) at BAT.	Director since July 29, 2024	Nil (0%)

Notes:

(1) The previous term of the current directors of the Company expired at the conclusion of the annual meeting of the shareholders held on January 18, 2024. All of the directors noted above were re-elected and their terms will expire at the conclusion of the next annual meeting of shareholders with the exception of Karina Gehring and Craig Harris who were appointed as nominees by BAT subsequent to the annual meeting held on January 18, 2024.

(2) As of December 11, 2024, all directors and executive officers noted above of the Company, as a group, beneficially own, directly or indirectly, or exercise control or direction over 3,293,299 Common Shares of the Company, representing 2.6082% of the Company's outstanding Common Shares. The total number of issued and outstanding shares as of December 11, 2024 is 126,156,673 Common Shares.
(3) Member of the Audit Committee.
(4) Member of the Governance, Nominating and Sustainability Committee.
(5) Member of the Compensation Committee.
(6) Member of the Investment Committee.
(7) Observer of Corporate Governance, Nominating and Sustainability Committee and Investment Committee.

DIRECTOR & EXECUTIVE OFFICER BIOGRAPHIES

Beena Goldenberg – Director and Chief Executive Officer

Ms. Goldenberg has more than 30 years of experience in consumer packaged goods. Ms. Goldenberg assumed the role of Chief Executive Officer of Organigram on September 9, 2021. Prior to that, Ms. Goldenberg was President and CEO of The Supreme Cannabis Company Inc., where she achieved significant growth in the first year of her tenure through a focus on distribution, innovation, and brand portfolio development. Ms. Goldenberg also served as Chief Executive Officer, President and General Manager at Hain-Celestial Canada, ULC where, among other notable accomplishments, she led the strategic growth of the company through the organic growth of existing brands by increasing distribution, launching on-trend innovations, integrating newly acquired US brands, and completing two Canadian acquisitions. During this time, Ms. Goldenberg also served two years as the Chief Executive Officer of Cultivate Ventures, the growth venture platform for The Hain Celestial Group, where she was responsible for investment in small portfolio brands and incubator opportunities with a focus on health and wellness. She also served on the Board of Food and Consumer Products of Canada, the largest CPG industry association, from 2008 to 2020. She holds a Bachelor and Master of Engineering (Chemical) from McGill University and holds the ICD.D designation.

Greg Guyatt, CPA, CA - Chief Financial Officer

Mr. Guyatt brings nearly 30 years of experience building high-performing teams from the cannabis, consumer packaged goods, pharmaceutical and retail sectors, most recently as Chief Executive Officer of Phoena Holdings. Previously, Mr. Guyatt held senior finance roles at KingSett Capital, Sears Canada and Biovail Corporation, and has a wealth of experience in M&A and capital markets. Earlier in his career Mr. Guyatt was an investment banker with UBS Warburg in the UK, trained as a CPA, CA with Deloitte, and holds a Bachelor of Commerce from Mount Allison University.

Paolo De Luca, CPA, CA, CFA – Chief Strategy Officer

Mr. De Luca assumed the role as the Company's Chief Strategy Officer on March 4, 2020, having previously held the position of Chief Financial Officer. With more than 25 years of diversified financial business experience, Mr. De Luca has held senior financial, investor relations, and accounting leadership roles at companies, including West Face Capital, one of Canada's leading alternative asset management firms; Meridian LNG; Potash Ridge; C.A. Bancorp; and TD Securities. With this diverse industry and international background, he has extensive experience with both traditional and non-traditional financings and debt offerings as well as M&A activities. Mr. De Luca is a graduate of York University's Schulich School of Business, is a Chartered Professional Accountant and a member of the Chartered Professional Accountants of Ontario, and is a CFA Charter holder.

Timothy Emberg – Chief Commercial Officer

Mr. Emberg, Chief Commercial Officer, is an accomplished, bilingual, senior sales and marketing leader with a proven track record in healthcare, over-the-counter and consumer packaged goods organizations including Roche Canada, Jamieson Laboratories and Frito-Lay Canada. Mr. Emberg also brings an

extensive knowledge of the Canadian market access and regulatory environments to the role, which will be an asset moving forward. As Chief Commercial Officer, his role is to lead both adult-use recreational and medical cannabis sales while ensuring that the Company is well established and strongly represented nationally. Mr. Emberg will also play a key role in other commercially driven initiatives that will help set the stage for future growth and development of the organization while further enhancing the Company's position as an industry leader in Canada.

Helen Martin – Chief Legal Officer and Corporate Secretary

Ms. Martin joined the Company as its Vice President Strategic Initiatives and Legal Affairs in November 2018 and was appointed Corporate Secretary in March 2019. She was promoted to Senior Vice President, Strategic and Legal Affairs, in April 2019, and to Chief Legal Officer in July 2021. Prior to joining Organigram, she was the Chief Operating Officer of Crosswinds Holdings Inc. from November 2014 to October 2018. She was Senior Legal Counsel at AUM Law Professional Corporation where she held various legal roles since 2011. Ms. Martin was employed as General Counsel and Corporate Secretary of C.A. Bancorp Inc. from 2009 to 2011 and In-House Counsel at Sentry Select Capital Corp. from 2007 to 2008. Prior to joining Sentry Select, Ms. Martin was a lawyer in the securities group at Blake, Cassels & Graydon LLP from 2005 to 2007. Ms. Martin is a member of the Law Society of Ontario. She received her law degree from the University of Toronto and a Bachelor of Arts (Honours) from the University of Victoria.

Megan McCrae – Senior Vice President of Global Brands and Corporate Affairs

Ms. McCrae is a seasoned marketing professional with 20 years of consumer packaged goods marketing & sales management, communications, brand building, and consumer insights experience. Ms. McCrae is a cannabis industry veteran having spent nearly four years with Aphria Inc. where she led the company's brand and portfolio management, consumer insights, innovation, and digital strategy. Ms. McCrae also spent ten years in various global progressive consumer, trade, and sales management roles with global tobacco giant Japan Tobacco International (JTI) as well as holding the position of Board Chair on the Cannabis Council of Canada.

Nathalie Kubrick – Senior Vice President Operations

Ms. Kubrick (formerly Nathalie Batten) has recently held senior-level positions, including Director, Fleet Sales and Operations, and Director, Blending and Packaging at Irving Oil, an international refining and marketing company that operates Canada's largest refinery and more than 1,200 fuelling locations. There, Nathalie built high-performance teams and led the development and execution of strategic business plans. Before Irving Oil, she held various roles in business development and strategy at Keyera Corporation. Nathalie is a professional industrial engineer, has a Master of Business Administration from the University of Calgary, a Bachelor of Mechanical Engineering from Queen's University, and is an Executive Coach from Royal Roads University.

Katrina McFadden – Chief People Officer

Ms. McFadden is an experienced Human Resources executive who has worked across several industries including telecommunications, manufacturing and consumer goods. Throughout her 20-year career she held senior leadership positions with organizations such as ArcelorMittal Dofasco, TELUS and most recently Weston Foods, supporting these organizations in earning accolades for innovative people and culture programs focused on enhancing the employee experience. Ms. McFadden holds a Bachelor of Applied Science in Chemical Engineering from the University of Waterloo and a Masters of Business Administration from McMaster University.

Geoff Riggs – Chief Information Officer

Mr. Riggs has spent 25 years in technology and business strategy including six years in the cannabis industry, starting as the CIO at The Green Organic Dutchman in 2018, then Director of Systems at Cronos and most recently as the cannabis technology strategy leader with Deloitte Canada. Previously he spent 20 years with IBM in a variety of roles including project management, business development, and strategy consulting. He has operated across Canada, the US and Europe and has experience in numerous sectors including finance, oil and gas, transportation, natural resources, and government. He has a track record of successful complex systems implementations and driving innovation into emerging market spaces. Mr. Riggs holds a Bachelor of Commerce in Management Information Systems from Memorial University and a Masters of Business Administration from Antioch University with focus on Sustainability. He holds designations of PMP and ITIL, and numerous IT-related training certifications.

Mario Naric – Executive Vice President of Business Development

Mr. Naric is the Founder & former CEO of Motif Labs, a leading brand house shaping Canada's cannabis 2.0 market with a portfolio of iconic brands, including Boxhot, Rizzlers, DEBUNK and Boondocks. With a passion for creating exceptional products and a background in chemical engineering, Mr. Naric grew Motif Labs into the retailer's brand of choice, solidifying its position as a leader in Canada's 2.0 cannabis market. Mr. Naric's cannabis journey began in 2017 when he founded Motif Labs with a vision to define high standards of excellence and to create products that leave a lasting impression.

Peter Amirault – Chairman of the Board

Mr. Amirault is currently the President of BML Group Limited in Toronto, a holding company with interests in real estate development and private investments. Prior to joining BML Group, Mr. Amirault held varying executive roles including: President of Swiss Chalet North America for the Cara Group of Companies, CEO of Creemore Springs Brewery Ltd, Senior Vice President of Molson Coors Canada, Managing Director of Sleeman Brewing Ltd, along with senior roles at Nestle Canada and The Premium Beer Company of Toronto. Mr. Amirault holds a Bachelor of Business Administration from Acadia University and a Master of Business Administration from The Schulich School of Business. Mr. Amirault's previous board experience and roles at senior management levels will bring a wealth of knowledge to the corporate director team at the Company.

Geoffrey Machum – Director

Mr. Machum is a commercial litigation partner at Stewart McKelvey LLP, Atlantic Canada's largest law firm and one of the top 15 largest firms in Canada. He currently serves on the firm's Compensation Committee, and previously served as Chairman of the firm's Regional Partnership Board and on its Human Resources and Governance Committee, and its Audit and Finance Committee. Mr. Machum was awarded Kings Counsel in 2003, and has received repeated recognition by Lexpert, Best Lawyers, and Benchmark Canada for his extensive experience in practice areas including commercial litigation, directors and officers' liability, corporate governance, insurance, construction law, and products liability. Mr. Machum currently serves on the board of WildBrain Ltd., where he is the Chair of its Governance and Nomination Committee and member of its Human Resources and Compensation Committee and previously served on the Board's Special Strategic Review Committee. Previously, he chaired the board of Halifax Port Authority, and served on the Governance, Human Resources and Audit and Finance Committees. Mr. Machum holds a BA in Economics Political Science from Dalhousie University, and University of New Brunswick. Mr. Machum also received ICD.D designation from the University of Toronto Rotman School of Management in 2015.

Dexter John – Director

Mr. John is currently the President and CEO of Sodali & Co. Prior to that, he was President and CEO of Gryphon Advisors Inc. Mr. John has over 20 years of experience in the capital markets and has spent six years in structured finance where he executed over $4 billion in transactions. He has worked at a major Canadian law firm as a securities associate, focusing on the public equities market with emphasis on mergers and acquisitions. In addition, Mr. John also has regulatory experience through his tenure at Investment Industry Regulatory Organization of Canada, the Ontario Securities Commission and the Toronto Stock Exchange. Mr. John holds a Bachelor of Laws degree from Queens University and the ICD.D designation.

Sherry Porter, CM – Director

Ms. Porter is a seasoned executive with 30 years of experience with a myriad of organizations in Canada. She has held senior corporate roles with Sobeys Inc., Nova Scotia Power, Shoppers Drug Mart and The Caldwell Partners. She also has experience with trade associations in the grocery and retail drug area. She was the founding President and CEO of the Canadian Association of Chain Drug Stores, working with the chief executive officers of the traditional drug chains, mass merchants and grocery operations in Canada. Ms. Porter chaired the board of directors of the Nova Scotia Liquor Corporation from 2010-2017 and was a board member of the Halifax International Airport Authority and Pharmasave Atlantic. She is a past Vice Chair of Dalhousie University and a past chair of Human Resources, Governance and Nominating. She is a director and trustee of the National Arts Centre and she also serves as a board member of the QEII Health Sciences Centre Foundation and the Symphony Nova Scotia Foundation.

Stephen Smith – Director

Mr. Smith is an accomplished executive with extensive leadership and managerial experience in complex, low margin and highly competitive retail environments. He currently serves on the board of directors of Flow Beverage Corp. and CanPR Technology Inc. (Chair). From 2018 to 2019, Mr. Smith served on the board of directors of Newstrike Brands Ltd. (Lead Director and Audit Committee Chair). From 2013 to 2017, Mr. Smith served on the board of directors of CST Brands Inc., an SEC registrant (Audit Committee and Executive Committee). From 2014 to 2018, Mr. Smith held the position of Executive Vice President and Advisory Board Director of Jackman Reinvention, Inc., a privately held brand and strategy consulting firm in Toronto. From 2007 until 2013, Mr. Smith served as Co-Chief Executive Officer and Chief Financial Officer of Cara Operations Limited (now Recipe Unlimited), Canada's oldest and largest full-service restaurant company. From 1985 to 2007, Mr. Smith held various senior and executive level positions, including Executive Vice President, from 1999 to 2006, with Loblaw Companies Limited, the leading food and pharmacy retailer in Canada. Mr. Smith is a Chartered Professional Accountant (CPA, CA) and holds a Bachelor of Commerce degree from the University of Toronto.

Marni Wieshofer – Director

Ms. Wieshofer has more than thirty years of diverse experience, including Board membership at public and private companies, particularly in the U.S., international M&A, and finance. She was recognized by Variety magazine in the 2018 Dealmakers Impact Report. Previous roles have included CFO and EVP of Corporate Development at Lions Gate Entertainment Corporation, a multi-billion dollar global entertainment company, where she oversaw the company's M&A and other strategic financial initiatives including the acquisitions and integration of Trimark Pictures, Artisan Entertainment and Redbus Films Distribution U.K. Her background also includes being a Managing Director in Houlihan Lokey's TMT Corporate Finance Group, based out of Los Angeles, providing M&A, capital markets, financial restructuring, and financial advisory services. Before joining Houlihan Lokey, Ms. Wieshofer was a Managing Director at MESA, a

boutique advisory investment bank and prior to MESA, she was the SVP of M&A and CFO at Media Rights Capital. Ms. Wieshofer is a Chartered Professional Accountant (CPA, CA), holds an MBA from the Rotman School of Management at the University of Toronto and also holds the ICD.D designation.

Simon Ashton – Director

Mr. Ashton has extensive expertise in finance and business leadership and was Group Head of New Categories and Combustibles Finance at BAT. Throughout his nearly 30-year career with BAT, Mr. Ashton has led various Finance teams across Europe, Asia, the Middle East and Africa driving revenue growth, leading business transformation initiatives and finding innovative solutions to economic challenges. In addition, he also spent time in M&A, Operations Finance, and Audit.

Karina Gehring – Director

With over 25 years of experience in marketing and trade at BAT, Mrs. Gehring is a seasoned executive proficient in commercial delivery, brand management, strategy, consumer insights and key account management. Leading diverse teams, she has played a pivotal role in transformative initiatives across Europe and Canada. Mrs. Gehring has successfully executed full portfolio brand repositioning, deepened BAT's consumer understanding to foster connections beyond surface insights and introduced innovative key account management programs.

Craig Harris – Director

Mr. Harris brings over 20 years of experience as a commercial lawyer, with a background in private practice and legal and regulatory engagement roles for various corporations. He is currently the Assistant General Counsel – Corporate & Commercial Legal at BAT. In his role at BAT, Mr. Harris has contributed to a range of significant projects, including BAT's US$49 billion merger with Reynolds American Inc., engaging for the creation of global regulations for BAT's non-combustible nicotine products, and the establishment of BAT's sponsorship and technology partnership with the McLaren Formula 1 team. Additionally, Craig sits on several BAT company boards, including B.A.T. International Finance plc, and is a member of the Investment Committee for Btomorrow Ventures, BAT's venture capital arm. Prior to joining BAT, Mr. Harris qualified as a UK solicitor and practiced corporate law for eight years at the prestigious international law firm Allen & Overy (A&O). During his tenure at A&O, he completed secondments at GlaxoSmithKline plc and Petro-Canada. Furthermore, Mr. Harris served three full terms as a director and trustee of the London Borough funded charity Parks for London.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

Except as disclosed herein, to the knowledge of the Company, no director or executive officer of the Company is, as of the date of this Annual Information Form or within ten years prior to the date of this Annual Information Form has been, a director, chief executive officer of chief financial officer of any company (including the Company) that:

- was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, and was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

- was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect

for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as disclosed herein, to the knowledge of the Company, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- is, or within ten years prior to the date of this Annual Information Form has been, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- has, within ten years prior to the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has, to the knowledge of the Company, been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Mr. Stephen Smith is a director of MAV Beauty Brands Inc. ("MAV Beauty"). On November 14, 2023, MAV Beauty commenced voluntary proceedings under the Companies' Creditors Arrangement Act (Canada) ("CCAA") in the Ontario Superior Court of Justice (Commercial List) in order to facilitate a restructuring through a going-concern sale of substantially all of the assets of MAV Beauty. On November 20, 2023, the Ontario Securities Commission issued a cease trade order in respect of the trading of MAV Beauty's securities for the failure to file certain periodic reports following the commencement of the CCAA proceedings. During the CCAA proceedings, on December 8, 2023, MAV Beauty completed a sale of substantially all of the assets of the company and its subsidiaries to an affiliate of Nexus Capital Management LP. The trading of MAV Beauty's common shares on the TSX was halted and the TSX delisted MAV Beauty's common shares on December 21, 2023. Mr. Smith resigned as a director of MAV Beauty effective December 20, 2023.

On March 31, 2020, proceedings under the CCAA were commenced against CannTrust Holdings Inc., subsequently renamed Phoena Holdings Inc. ("Phoena"), in the Ontario Superior Court of Justice (Commercial List), at which time Mr. Greg Guyatt was the chief executive officer of Phoena. Subsequently, Phoena received a Cease Trade Order issued by the Ontario Securities Commission on April 13, 2020.

CONFLICTS OF INTEREST

The Company may from time to time become involved in transactions which conflict with the interests of the directors and the officers of the Company. The interest of these persons could conflict with those of the Company. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws.

In particular, in the event that such a conflict of interest arises at a meeting of the directors of the Company, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the board of directors of the Company are required to act honestly, in good faith and in the best interest of the Company.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

On June 16, 2020, a legal action was commenced in the Court of Queen's Bench in Alberta, which action sought damages against many of the largest Canadian cannabis companies, including the Company. On July 17, 2024, a discontinuance of claim was filed by the plaintiffs.

In July 2024, the Company received a dispute notice from the Laurentian vendors purporting to cover the first year and second year earnout. The Company and the Laurentian vendors have entered into an engagement letter appointing BDO Canada LLP as neutral accountant to review the items in the dispute notice in accordance with the share purchase agreement dated December 21, 2021.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as set forth below, no director, executive officer, or principal shareholder of the Company and no associate or affiliate of the foregoing have had a material interest, direct or indirect, in any transaction in which the Company has participated within the three most recently completed financial years or during the current financial year, which has materially affected or is reasonably expected to materially affect the Company.

Upon the closing of the second tranche of the Follow-on BAT Investment in September 2024, BAT beneficially held 29.99% of the issued and outstanding Common Shares on a non-diluted basis and 100% of the Class A Preferred Shares. Pursuant to the terms of the Subscription Agreement, and as more particularly described above, BAT will beneficially own, on completion of the three tranches, such number of Common Shares as may be permitted by the 30% Threshold. See "Three-Year History - Developments subsequent to the financial year ended September 30, 2023" and "Risk Factors - Risks Related to the Strategic Equity Investment from BT DE Investments Inc.".

Mario Naric was a director, the Chief Executive Officer and a shareholder of Motif prior to its acquisition by the Company on December 6, 2024. At the time of the transaction, Mr. Naric had no role within the Company. Following the completion of the transaction, Mr. Naric was appointed as the Executive Vice President of Business Development of the Company.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of the Company is TSX Trust Company at its offices in Vancouver, British Columbia and Toronto, Ontario. VStock Transfer, LLC is the Company's co-transfer agent in the United States.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, there are no contracts entered into by the Company during the year ending September 30, 2024, which are material or entered into before the year ending September 30, 2024, but are still in effect which are material, except as disclosed below:

- the Warrant Indenture between the Company and TSX Trust Company dated April 2, 2024 with respect to the Offering;

- the Amended and Restated Investor Rights Agreement (as described under "Capital Structure – Common Shares");
- the PDC Agreement (as described under "Three-Year History"); and
- the Subscription Agreement (as described under "Three-Year History").

Copies of the Warrant Indenture, Amended and Restated Investor Rights Agreement, the PDC Agreement, and the Subscription Agreement are available under the Company's corporate profile on the Canadian Securities Administrators' SEDAR+ website at www.sedarplus.ca and on the United States Securities and Exchange Commission's EDGAR website at www.sec.gov.

INTERESTS OF EXPERTS

The Company's former auditors were KPMG LLP. KPMG LLP was independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations, and within the meaning of the United States Securities Exchange Act of 1934, as amended, and the applicable rules and regulations thereunder adopted by the Securities Exchange Commission and the Public Company Accounting Oversight Board (United States) until June 27, 2024.

The Company's present auditors are PKF O'Connor Davies, LLP and they have confirmed with respect to the Company that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations, and within the meaning of the United States Securities Exchange Act of 1934, as amended, and the applicable rules and regulations thereunder adopted by the Securities Exchange Commission and the Public Company Accounting Oversight Board (United States).

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The charter of the Company's Audit Committee is attached to this Annual Information Form as Appendix "A".

Composition of Audit Committee & Relevant Education and Experience

As of September 30, 2024 and the date hereof, the members of the Audit Committee are Stephen Smith (Chair), Dexter John, Marni Wieshofer, and Simon Ashton, each of whom is independent and financially literate within the meaning of National Instrument 52-110. The education and experience of each Audit Committee member are described in this Annual Information Form under the section entitled "Directors and Executive Officers".

Each of the Audit Committee members has an understanding of the accounting principles used to prepare the Company's financial statements, experience preparing, auditing, analyzing or evaluating comparable financial statements and experience as to the general application of relevant accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting.

The Company's board of directors has determined that Stephen Smith qualifies as an "audit committee financial expert" (as defined in paragraph (8)(b) of General Instruction B to Form 40-F under the Exchange Act). The United States Securities and Exchange Commission has indicated that the designation of a director as an audit committee financial expert does not make such director an "expert" for any other purpose, impose any duties, obligations or liability on such director that are greater than those imposed on

members of the Audit Committee and Board who do not carry this designation or affect the duties, obligations or liability of any other member of the Audit Committee.

The Audit Committee has the primary function of fulfilling its responsibilities in relation to reviewing the integrity of the Company's financial statements, financial disclosures and internal controls over financial reporting; monitoring the system of internal control; monitoring the Company's compliance with legal and regulatory requirements, selecting the external auditor for shareholder approval; reviewing the qualifications, independence and performance of the external auditor; and reviewing the qualifications, independence and performance of the Company's internal auditors. The Audit Committee has specific responsibilities relating to the Company's financial reports; the external auditor; the internal audit function; internal controls; regulatory reports and returns; legal or compliance matters that have a material impact on the Company; and the Company's whistleblowing procedures. In fulfilling its responsibilities, the Audit Committee meets regularly with the internal and external auditor and key management members. Information concerning the relevant education and experience of the Audit Committee members can be found in "Directors and Executive Officers" above. The full text of the Audit Committee's charter is disclosed in Appendix "A".

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the Company's external auditor not been adopted by the board of directors of the Company.

Pre-Approval Policies and Procedures

The Audit Committee will pre-approve all non-audit services to be provided to the Company or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Audit Committee may delegate to one or more of its members the authority to pre-approve non- audit services but preapproval by such member or members so delegated shall be presented to the full Audit Committee at its first scheduled meeting following such pre-approval.

External Auditor Service Fees

The following table sets forth, by category, the fees for all services rendered by the Company's current external auditors PKF O'Connor Davies, LLP (**"PKF"**) as well as the Company's former auditors, KPMG LLP (**"KPMG"**) who ceased providing auditing services to the Company effective June 27, 2024, for the financial years ended September 30, 2024 and September 30, 2023 (including estimates).

Type of Work	Year ended September 30, 2024			Year ended September 30, 2023	
	Fees		Percentage	Fees	Percentage
	KPMG	PKF	Combined	KPMG	KPMG
Audit fees[1]	$321,055	$954,000	96%	$2,483,131[3]	96%
Audit-related fees	Nil	Nil	Nil	Nil	Nil
Tax fees[2]	$55,373	Nil	4%	$107,803	4%

All other fees	$5,457	Nil	~0%	Nil	Nil
Total	$381,885	$954,000	100%	$2,590,934	100%

Notes:

(1) For the year ended September 30, 2023 ("FY'2023") audit fees were comprised of quarterly reviews and the annual audit (including the audit of internal controls over financial reporting). For the year ended September 30, 2024 ("**FY'2024**") audit fees were comprised of quarterly reviews, and the annual audit (including the audit of internal controls over financial reporting).

(2) Includes fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance and advisory in FY'2024 and FY'2023. Tax advice includes advice related to mergers and acquisitions and a captive insurance structure.

(3) Of these fees, $394,282 relates to the fiscal year 2022 audit fees but was only invoiced in FY'2023.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of securities of the Company and securities authorized for issuance under equity compensation plans, is contained in the Company's management information circular relating to the most recent annual meeting of shareholders of the Company. Additional financial information is contained in the Company's financial statements and management discussion and analysis for the year ended September 30, 2024. Additional information relating to the Company may also be found on the Canadian Securities Administrators' SEDAR+ website at www.sedarplus.com and on the United States Securities and Exchange Commission's EDGAR website at www.sec.gov. Copies of all of these documents may be obtained upon request from Organigram's Investor Relations department at 1400-145 King Street West, Toronto, Ontario M5H 1J8.

APPENDIX "A"

CHARTER OF THE AUDIT COMMITTEE

This Charter of the Audit Committee (the "Charter") was adopted by the board of directors of the Corporation (the "Board") on August 26, 2019, and last reviewed on September 16, 2024.

1. Purpose

The Audit Committee (the "Committee") is a committee of the Board. The members of the Committee and the chair of the Committee (the "Chair") are appointed by the Board on an annual basis (or until their successors are duly appointed) for the purpose of overseeing the Corporation's financial controls and reporting and monitoring whether the Corporation complies with financial covenants and legal and regulatory requirements governing financial disclosure matters and financial risk management.

2. Composition

a) The Committee should be comprised of a minimum of three directors of the Corporation.

b) All members of the Committee must meet the independence and audit committee composition requirements promulgated by all governmental and regulatory bodies having jurisdiction over the Corporation as may be in effect from time to time, including Rule 10A-3 of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), Rule 5605 of the Nasdaq Marketplace Rules, National Instrument 52-110 – Audit Committees ("NI 52-110"), and the relevant rules of any other stock exchanges on which the Corporation's securities are listed. In general, each member of the Committee must be free from any relationship that, in the view of the Board, could be reasonably expected to interfere with the exercise of his or her independent judgment as a member of the Committee.

c) All members of the Committee must be financially literate (which is defined as the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements). At least one member of the Committee must satisfy the definition of "financial expert" as set out in Item 407(d)(5)(ii) of Regulation S-K under the United States Securities Act of 1933, as amended, and the Exchange Act.

d) The Board shall designate the Chair of the Committee, who shall have responsibility for overseeing that the Committee fulfills its mandate and duties effectively. If the Board does not designate a Chair, the Committee will elect a Chair from among their members.

e) Any member of the Committee may be removed or replaced at any time by the Board and will cease to be a member of the Committee on ceasing to be a director of the Corporation. The Board may fill vacancies on the Committee by election

from among the Board. If and whenever a vacancy will exist on the Committee, the remaining members may exercise all powers of the Committee so long as a quorum remains.

f) No members of the Committee shall receive, directly or indirectly, other than for service on the Board or the Committee or other committees of the Board, any consulting, advisory, or other compensatory fee from the Corporation or any of its related parties or subsidiaries.

g) Prior to any member of the Committee or the Board engaging the services of the Corporation's auditor in a personal capacity, the consent of the Chair of the Committee shall be obtained.

3. **Limitations on Committee's Duties**

In contributing to the Committee's discharge of its duties under this Charter, each member of the Committee will be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which any member of the Board may be otherwise subject.

Members of the Committee are entitled to rely, absent actual knowledge to the contrary, on (a) the integrity of the persons and organizations from whom they receive information, (b) the accuracy and completeness of the information provided, (c) representations made by management of the Corporation ("Management") as to the non-audit services provided to the Corporation by the external auditor, (d) financial statements of the Corporation represented to them by a member of Management or in a written report of the external auditors to present fairly the financial position of the Corporation in accordance with applicable generally accepted accounting principles, and (e) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

4. Meetings

The Committee shall meet regularly, but not less frequently than quarterly. A quorum for the transaction of business at any meeting of the Committee will be a majority of the members of the Committee or such greater number as the Committee will by resolution determine. The Committee will keep minutes of each meeting of the Committee. A copy of the minutes will be provided to each member of the Committee.

Meetings of the Committee will be held from time to time and at such place as any member of the Committee will determine upon two days' prior notice to each of the other Committee members. The members of the Committee may waive the requirement for notice. In addition, each of the Chief Executive Officer, the Chief Financial Officer and the external auditor will be entitled to request that the Chair call a meeting.

The Committee may ask members of Management and employees of the Corporation (including, for greater certainty, its affiliates and subsidiaries) or others (including the external auditor) to

attend meetings and provide such information as the Committee requests. Members of the Committee will have full access to information of the Corporation (including, for greater certainty, its affiliates, subsidiaries and their respective operations) and will be permitted to discuss such information and any other matters relating to the results of operations and financial position of the Corporation with Management, employees, the external auditor and others as they consider appropriate.

The Committee or its Chair should meet at least once per year with Management and the external auditor in separate sessions to discuss any matters that the Committee or either of these groups desires to discuss privately. In addition, the Committee or its Chair should meet with Management quarterly in connection with the Corporation's interim financial statements.

The Committee will determine any desired agenda items.

5. Committee Responsibilities

As part of its function in assisting the Board in fulfilling its oversight responsibilities (and without limiting the generality of the Committee's role), the Committee is mandated to carry out the following responsibilities:

External Auditors

a) Subject to applicable law, appointing, compensating, overseeing and terminating the external auditors. The external auditors shall report directly to the Committee and shall be accountable to the Board and the Committee as representatives of the shareholders.

b) Pre-approving all non-audit mandates and fees for services the external auditor shall undertake, and considering whether the nature of such services will harm the firm's independence in carrying out its audit function.

c) Reviewing, negotiating and either signing or recommending to the Board the execution of all engagement letters of the external auditors, both for audit and non-audit services.

d) Satisfying itself, on behalf of the Board, that the external auditor is independent of Management. In assessing such independence, the Committee shall discuss with the external auditors, and may require a letter from the external auditor outlining any relationships between the external auditors and the Corporation or its affiliates.

e) Reviewing the audit plan of the external auditors, the integration of the external audit with the internal control program, and the results of the audit, which shall include reviewing the external auditor's letter to Management and Management's response thereto and other material written communications between Management and the external auditors.

f) Reviewing the performance of the external auditors, including the compensation, scope, and timeliness of the audits and all other related services and any non-audit services provided by the external auditors.

g) Satisfying itself, annually or more frequently as the Committee considers appropriate, as to the external auditors' internal quality control procedures and any material issues raised by the most recent internal quality control review, or peer review, of the external auditor, or by any public enquiry, review, or investigation by governmental, professional or other regulatory authorities.

h) Periodically reviewing and discussing with Management and the external auditors the quality and acceptability of the Corporation's accounting policies and practices, the materiality levels which the external auditors propose to employ, any significant changes in the accounting policies and any proposed changes in accounting or financial reporting that may have a significant impact on the Corporation.

i) Discussing with Management and the external auditors of the Corporation all alternative treatments of financial information within International Financial Reporting Standards ("IFRS") accounting principles that have been discussed with Management by the external auditors, the ramifications of these alternative treatments and the treatment preferred by the external auditors.

j) Reviewing, where there is to be a change of external auditors, all issues related to the change, including the information to be included in the notice of change of auditor called for under National Instrument 51-102 – Continuous Disclosure Obligations or any successor legislation ("NI 51-102"), and the planned steps for an orderly transition. The Committee shall further review all reportable events, including disagreements, unresolved issues and consultations, as defined in NI 51-102 or any successor legislation, on a routine basis, whether or not there is to be a change of external auditor.

k) Establishing and overseeing policies with regards to the hiring by the Corporation of any partners, employees, and any former partners or employees of any present or former firms that acted as external auditors of the Corporation.

Financial Information

l) Ensuring, through discussions with Management and the external auditors, that the audited annual financial statements and the unaudited quarterly financial statements, as applicable, present fairly (in accordance with IFRS) in all material respects the financial condition, results of operations and cash flows of the Corporation as of and for the periods presented and, where appropriate, recommending for approval to the Board such financial statements of the Corporation.

m) Reviewing any errors or omissions in the current or prior year's financial statements.

n) Reviewing with the external auditors the level of co-operation they received from Management, employees and personnel of the Corporation during the audit process, any issues encountered by the auditors and any impediments on the external auditor's work.

o) Reviewing and resolving any disagreements between Management and the external auditors with respect to accounting practices and principles.

p) Monitoring the objectivity and credibility of the Corporation's financial reports.

q) Reviewing the status of material contingent liabilities as reported to the Committee by the Corporation's Management, and the manner in which any material contingent liability has been disclosed in the Corporation's financial statements.

r) Reviewing any legal matters or claims that could have a material impact on the financial statements of the Corporation, and the manner in which any such legal matters or claims have been disclosed in the Corporation's financial statements.

s) Reviewing any reserves, accruals, provisions, estimates or adopted programs and policies, including factors that affect asset and liability carrying values and the timing of revenue and expense recognition that may have a material effect upon the financial statements of the Corporation.

t) Reviewing the use of special purpose entities and the business purpose and economic effect of off-balance sheet transactions, arrangements, obligations, guarantees and other relationships of the Corporation and their impact on the reported financial results of the Corporation.

u) Reviewing the treatment for financial reporting purposes of any significant transactions which are not a normal part of the Corporation's operations.

v) Reviewing Management's determination of tangible or intangible asset impairment, if any, as required by applicable accounting standards.

w) Reviewing the annual report to shareholders and other financial information (including the annual and quarterly management's discussion and analysis, the annual information form and any prospectus, offering circular or other disclosure document issued by the Corporation or on behalf of the Corporation) prepared by the Corporation with Management and, where appropriate, recommending such documents for approval to the Board and for filing with regulatory bodies.

x) Reviewing any news releases and reports to be issued by the Corporation containing earnings guidance or financial information for research, analysts and rating agencies. The Committee shall also review the Corporation's policies relating to financial disclosure and the release of earnings guidance and the Corporation's compliance with financial disclosure rules and regulations.

y) Remaining apprised, through discussions with Management and the external auditors, of important trends and developments in financial reporting practices and requirements and their effect on the Corporation's financial statements, including consolidated financial statements.

z) Reviewing the financial statements and other financial information of material subsidiaries of the Corporation and any auditor recommendations concerning such subsidiaries.

aa) Reviewing the financial reporting obligations of the Corporation pursuant to its by-laws, its borrowing covenants, the Canada Business Corporations Act and applicable securities regulation and monitor the Corporation's compliance thereunder.

Internal Control

bb) Annually and in advance of each respective fiscal period, completing a financial review of the Corporation's strategic plan and annual budget, and reporting to the Board the results of its review.

cc) Overseeing the adequacy and effectiveness of the Corporation's internal control systems, through discussions with the Corporation's external auditors and Management, and reporting its findings to the Board on an annual basis.

dd) Reviewing and comparing Management's quarterly report of operating against its budget variances and reporting the results of such review and comparison to the Board.

ee) Establishing procedures for:

i. The receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and

ii. The confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

ff) Annually reviewing the Corporation's Whistleblower Policy and its effectiveness and enforcement.

Compliance with Legal and Regulatory Requirements

gg) Reviewing with Management, and/or any internal or external counsel as the Committee considers appropriate, any legal matters (including the status of pending litigation) that may have a material impact on the Corporation and any material reports.

hh) Reviewing with Management and the Board any issues with regulatory agencies that are likely to have a significant financial impact on the Corporation.

ii) Reviewing with counsel the adequacy and effectiveness of the Corporation's procedures to ensure compliance with the legal and regulatory responsibilities.

jj) Reviewing the status of income tax returns and any significant tax issues as they are reported to the Committee by Management or the Board.

kk) Reviewing any inquiries, investigations, or audits of a financial nature by any government, regulatory, or taxation authorities.

ll) Reviewing any legal matters or claims that could have a material impact on the Corporation's compliance policies or any material reports, inquiries, or other correspondence received from regulators or governmental agencies.

Other

mm) Assisting the Board in the discharge of its duties relating to the Corporation's accounting policies and practices, reporting practices and internal controls, including under its by-laws, securities regulations and otherwise.

nn) Reviewing the appointments of the Corporation's Chief Financial Officer, internal auditor (or persons appointed to perform the internal audit function), and any key financial executives involved in the financial reporting process of the Corporation and any material subsidiary.

oo) Establishing and overseeing the effectiveness of procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing under the Corporation's Whistleblower Policy.

pp) Ensuring that this Charter or an appropriate summary of it which has been granted approval by the Committee is properly disclosed in accordance with any securities laws or regulatory requirements.

qq) Reviewing the integrity of the Corporation's financial reporting processes, both internal and external, in consultation with the external auditor.

rr) Periodically assessing the Corporation's need for an internal audit function, if not present.

ss) Reviewing all material balance sheet issues, material contingent obligations and material related party transactions.

tt) Taking such other actions within the general scope of its responsibilities as the Committee shall deem appropriate or as directed by the Board.

6. Resources

a) The Committee shall have the authority, in its sole discretion, to retain independent legal, accounting and other consultants to advise the Committee at the expense of the Corporation. The Committee shall be provided with the necessary funding to compensate the external auditors and any other advisors they engage.

b) The Committee shall have access to such officers and employees of the Corporation and to the Corporation's external auditors and legal counsel, and any information with regards to the Corporation as it considers necessary in order to discharge its duties under this Charter.

c) The Committee, through the Chair, may contact any director, member of Management or other officer or employee of the Corporation as it deems necessary, and any director,

member of Management or other officer or employee of the Corporation may bring any matter before the Committee involving illegal, questionable, improper, or unethical practices or transactions.

d) The external auditors shall be entitled to communicate directly with the Chair of the Committee and may meet separately with the Committee and any member of the Committee.

e) The Committee may request any director, member of Management or other officer or employee of the Corporation or the Corporation's external counsel or external auditors to attend a meeting of the Committee or to meet with any member of, or consultants to, the Committee. The Committee shall have full access to all of the Corporation's books, records, properties, facilities and personnel, subject to compliance with any leases or similar contracts governing same.

f) The Committee may delegate its authority and duties to subcommittees or individual members of the Committee as it deems appropriate from time to time.

7. Annual Evaluation

At least annually, the Committee shall, in a manner it determines to be appropriate:

a) Perform a review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with this Charter.

b) Review and assess the adequacy of this Charter and recommend to the Board any improvements to this Charter that the Committee believes to be appropriate.

8. Inconsistencies with Applicable Laws

In the event of any conflict or inconsistency between this Charter and the applicable laws, in each case as amended, restated or amended and restated from time to time, the provisions hereof shall be ineffective and shall be superseded by the provisions of such applicable laws to the extent necessary to resolve such conflict or inconsistency.

ORGANIGRAM HOLDINGS INC.
(the **"Corporation")**

CODE OF BUSINESS CONDUCT AND ETHICS

This Code of Business Conduct and Ethics (the "Code") was adopted by the board of directors of the Corporation (the "Board") on August 26, 2019 and last reviewed and revised on September 26, 2024.

The objective of this Code is to provide guidelines for maintaining the integrity, reputation, honesty, objectivity and impartiality of the Corporation and its subsidiaries (collectively, the "Organigram Entities"). This Code covers a wide range of business practices and procedures. It does not cover every issue that may arise, but sets out basic principles to guide all directors, managers, officers, employees and consultants of the Organigram Entities (collectively, "Organigram Personnel" or "you"). All Organigram Personnel must conduct themselves accordingly and seek to avoid even the appearance of improper behavior. This Code and specific related policies and guidelines (including the Corporation's Insider Trading Policy) put in place from time to time by the Organigram Entities will govern your employment or other relationship with the Organigram Entities.

Each Organigram Personnel must act with integrity and observe the highest ethical standards of business conduct in his, her or their dealings with the Corporation's security holders, customers, suppliers, partners, service providers, competitors, employees and anyone else with whom he, she or they has contact in the course of performing his, her or their job. While the Code does not, and cannot, deal with every situation that may arise, the principles outlined in the Code should be seen as providing a baseline for honest and ethical decision-making. The Corporation shall ensure that each Organigram Personnel is provided with a copy of the Code and signs an acknowledgment of receipt and review in Section 5 hereto on an annual basis.

If a law conflicts with a policy in this Code, Organigram Personnel must comply with the law. If a local custom or policy conflicts with this Code, Organigram Personnel must comply with this Code. If you have any questions about these conflicts, you should ask a senior officer of the Corporation how to handle the situation. Any questions regarding the Code should be addressed to your supervisor or the Chair of the Board of the Corporation.

Organigram Personnel who violate the standards in this Code will be subject to disciplinary action, up to and including termination of their employment or other relationship with the Organigram Entities. If you are in a situation that you believe may violate or lead to a violation of this Code, follow the guidelines described below under **"**Compliance Procedures**".**

1. The Code

A. Compliance with Laws, Rules and Regulations (including Insider Trading Laws)

Obeying the law, both in letter and in spirit, is the foundation on which the Organigram Entities' ethical standards are built and is critical to our reputation and continued success. All Organigram

Personnel must respect and obey the laws of the various jurisdictions in which the Organigram Entities operate and avoid even the appearance of impropriety. Although not all Organigram Personnel are expected to know the details of these laws, it is important to know enough to determine when to seek advice from senior management or other appropriate personnel. The Chair of the Board is available to assist in determining applicable legal requirements and to seek the advice of legal counsel where appropriate.

Organigram Personnel must cooperate fully with those (including the Chief Executive Officer and the Chief Financial Officer) responsible for preparing reports filed with the securities regulatory authorities and all other materials that are made available to the investing public to ensure those persons are aware in a timely manner of all information that is required to be disclosed. Organigram Personnel should also cooperate fully with the independent auditors in their audits and in assisting in the preparation of financial disclosure.

B. Conflicts of Interest

Organigram Personnel are required to act with honesty and integrity and to avoid or fully disclose any interest, relationship or activity that may be harmful or detrimental to the Corporation's best interests or that may give rise to real, potential or the appearance of a conflict of interest with the interests of any of the Organigram Entities.

A "conflict of interest" exists when a person's private interests interfere in any way with the interests of the Corporation. A conflict of interest can arise when Organigram Personnel take actions or have interests that may make it difficult for them to perform their work for the Corporation objectively and effectively. Conflicts of interest also may arise when Organigram Personnel or members of their families receive improper personal benefits as a result of their positions with any Organigram Entity.

Conflicts of interest are prohibited as a matter of policy, except as may be approved by the board of directors of the Corporation. Conflicts of interest may not always be clear-cut. If you have a question, you should consult with your supervisor or department head. Any Organigram Personnel who become aware of a conflict or potential conflict should bring it to the attention of a supervisor and consult the procedures described below under "Compliance Procedures".

C. Confidentiality

Organigram Personnel must maintain the confidentiality of confidential information entrusted to them by any Organigram Entity and persons with whom the Organigram Entities do business, except when disclosure is required by laws or regulations. Confidential information includes all non-public information that might be of use to competitors or harmful to any Organigram Entity or the person to whom it relates if disclosed. The obligation to preserve the confidentiality of confidential information continues even after Organigram Personnel cease to have a relationship with any of the Organigram Entities.

Organigram Personnel who have access to confidential information are not permitted to use or share that information for trading purposes or for any other purpose except the conduct of the Organigram Entities' business. All Organigram Personnel should read and abide by the Corporation's Disclosure and Confidential Information Policy.

D. Corporate Opportunities

Organigram Personnel are prohibited from taking for themselves personally opportunities that are discovered through the use of corporate property, information or positions without the consent of the Corporation's Board and from using corporate property, information or positions for improper personal gain. No Organigram Personnel may compete with the any of the Organigram Entities directly or indirectly. Organigram Personnel owe a duty to each Organigram Entity to advance its legitimate interests when the opportunity to do so arises.

E. Protection and Proper Use of the Organigram Entity Assets

All Organigram Personnel should endeavor to protect the Organigram Entity assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the profitability of the Organigram Entities. Any suspected incident of fraud or theft should be reported immediately to your immediate supervisor or the Chair of the Board of the Corporation for investigation.

The obligation of Organigram Personnel to protect the assets of the Organigram Entities includes the Organigram Entities' proprietary information. Proprietary information includes any information that is not known generally to the public or would be helpful to competitors of any of the Organigram Entities. Examples of proprietary information include intellectual property (such as trade secrets, patents, trademarks and copyrights), business, marketing and service plans, designs, databases, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate the Organigram Entity policy and could be illegal and result in civil or criminal penalties.

The obligation to preserve the confidentiality of proprietary information continues even after Organigram Personnel cease to have a relationship with any of the Organigram Entities.

The Corporation's assets may never be used for illegal purposes.

F. Information Protection

The Organigram Entities have physical and electronic safeguards in place to protect their information and all personal and confidential information entrusted to them. Organigram Personnel should use these safeguards to minimize the risk of unauthorized or accidental disclosure of such information. Unauthorized collection, use or disclosure of personal or confidential information can harm the Organigram Entities and their stakeholders and damage the trust that has been built. Breaches can be verbal, written or electronic and can be caused by error or malicious intent. If you become aware of a potential privacy, confidentiality or information security breach, you must promptly report it.

G. Competition and Fair Dealing

The Organigram Entities seek to excel and to outperform any competitors fairly and honestly through superior performance and not through unethical or illegal business practices. Taking proprietary information without the owner's consent, inducing disclosure of that information by past or present employees of other persons or using that information is prohibited. Organigram Personnel should respect the rights of, and deal fairly with, the Organigram Entities' competitors and persons with whom the Organigram Entities have a business relationship. Organigram

Personnel should not take unfair advantage of anyone through illegal conduct, manipulation, concealment, abuse of proprietary information, misrepresentation of material facts or any other intentional unfair-dealing practice. Organigram Personnel also should not act in any manner that may be considered anti-competitive under competition or anti-trust laws. Organigram Personnel are expected to comply with the Corporation's Anti-Money Laundering and Anti-Terrorist Financing Policy and its Anti-Bribery and Anti-Corruption Compliance Policy in place from time to time. The Corporation's senior management and Chair of the Board are available to assist Organigram Personnel in determining the application of those laws and to seek the advice of legal counsel where appropriate.

H. Gifts and Entertainment

Business gifts and entertainment are customary courtesies designed to build goodwill and constructive relationships among business partners. These courtesies may include such things as meals and beverages, tickets to sporting or cultural events, discounts not available to the general public, accommodation and other merchandise or services. In some cultures, they play an important role in business relationships. However, a problem may arise when these courtesies compromise, or appear to compromise, an Organigram Entity's ability to make fair and objective business decisions or to gain an unfair advantage.

Offering or receiving any gift, gratuity or entertainment that might be perceived to unfairly influence a business relationship should be avoided. These guidelines apply at all times and do not change during traditional gift-giving seasons.

No gift or entertainment should ever be offered, given, provided, authorized or accepted by any Organigram Personnel or their family members unless it is consistent with customary business practices, is not excessive in value, cannot be construed as a bribe or payoff and does not violate any laws. If a disinterested third party would be likely to believe that the gift affected your judgment, then it must not be offered, given, provided, authorized or accepted. All business dealings must be on arm's-length terms and free from any favourable treatment resulting from the personal interests of Organigram Personnel.

Strict rules apply when an Organigram Entity does business with governmental agencies and officials (as discussed in more detail below). Organigram Personnel should discuss with senior management of the Corporation any gifts or proposed gifts about which they have any questions.

I. Payments to Government Personnel

All Organigram Personnel must comply with all laws prohibiting improper payments to domestic and foreign officials. Other governments have laws regarding business gifts that may be accepted by government personnel. The promise, offer or delivery to an official or employee of various governments of a gift, favour or other gratuity in violation of these laws would not only violate the Organigram Entity's policies but could also be a criminal offence. Illegal payments should not be made to government officials of any country. The Corporation's Chair of the Board can provide guidance to Organigram Personnel in this area and seek the advice of legal counsel where appropriate.

J. Lobbying

Any contact with government personnel for the purpose of influencing legislation or rule making, including such activity in connection with marketing or procurement matters, is considered lobbying. You are responsible for knowing and adhering to all relevant lobbying laws and associated gift laws, if applicable and for compliance with all reporting requirements. You must obtain the prior approval of the Chair of the Board or Chief Executive Officer of the Corporation to lobby or authorize anyone else (for example, a consultant or agent) to lobby on behalf of any Organigram Entity, except when lobbying involves only normal marketing activities and not influencing legislation or rule making.

K. Discrimination and Harassment

The diversity of Organigram Personnel is a tremendous asset. The Organigram Entities are firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination, violence or harassment of any kind. Examples include derogatory comments based on any prohibited grounds of the Human Rights Act including but not limited to race, ethnicity, religion, sexual orientation, age or gender and sexual advances. Violence and threatening behavior are not permitted. Organigram Personnel are encouraged to speak with their supervisor, Human Resources or the Chief Executive Officer when a co-worker's conduct makes them uncomfortable and to report harassment when it occurs. Confidential reports of discrimination, violence or harassment can be made to the Organigram Entities' third party incident reporting website at https://reporting.cornerstonegovernance.com and submitting a report with the Login ID: gram94OR or by phone at 1-888-650-7768.

L. Health, Safety and Respect

The Corporation strives to provide all Organigram Personnel with a safe and healthy work environment. All Organigram Personnel have responsibility for maintaining a safe and healthy workplace by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions to a supervisor or department head. Except as may be expressly required by your professional duties with respect to cannabis, being under the influence, and the possession, of recreational and/or illegal drugs in the workplace will not be tolerated. Organigram Personnel should report to work in condition to perform their duties, free from the influence of recreational and/or illegal drugs or alcohol. Organigram Personnel must comply with any Drug, Cannabis and Alcohol Policies adopted by the Corporation from time to time.

The Corporation expects Organigram Personnel to interact with other Organigram Entity employees, customers and business partners with respect, honesty, and integrity.

M. Accuracy of Records and Reporting

The Organigram Entities require honest and accurate recording and reporting of information of the Corporation to make responsible business decisions. The Corporation's accounting records are relied upon to produce reports for management, directors, managers, securityholders, governmental agencies and persons with whom the Corporation does business. All of the Corporation's financial statements and the books, records and accounts on which they are based must appropriately reflect the Corporation's activities and conform to applicable legal, accounting

and auditing requirements and to the Corporation's system of internal controls. Unrecorded or "off the books" funds or assets should not be maintained unless required by applicable law or regulation.

All Organigram Personnel have a responsibility, within the scope of their positions, to ensure that the Corporation's accounting records do not contain any false or intentionally misleading entries. The Corporation does not permit intentional misclassification of transactions as to accounts, departments or accounting records. All transactions must be supported by accurate documentation in reasonable detail and recorded in the proper accounts and in the proper accounting period.

Organigram Personnel business expense accounts must be documented and recorded accurately. If Organigram Personnel are not sure whether a certain expense is legitimate, a supervisor or department head can provide advice. General rules and guidelines are available from the Corporation's Chief Executive Officer or Chair of the Board.

Business records and communications often become public through legal or regulatory proceedings or the media. Organigram Personnel should avoid exaggeration, derogatory remarks, guesswork or inappropriate characterizations that can be misunderstood. This requirement applies equally to communications of all kinds, including e-mail, electronic chats, informal notes, internal memos and formal reports.

N. Use of E-mail and Internet Services

E-mail and internet services are provided to assist Organigram Personnel in carrying out their work. Incidental and occasional personal use is permitted, but never for personal gain or any improper purpose. Organigram Personnel may not access, send or download any information that could be insulting or offensive to another person, such as sexually explicit messages, cartoons, jokes, unwelcome propositions, derogatory messages based on racial or ethnic characteristics, or any other message that could reasonably be viewed as harassment. Flooding Organigram Entities' system with junk mail and trivia hampers the ability of the system to handle legitimate business and is prohibited.

Messages (including voice-mail) and computer information sent, received or created by Organigram Personnel are considered property of the Organigram Entities and Organigram Personnel should recognize that these messages and information are not "private". Unless prohibited by law, the Organigram Entities reserve the right to access and disclose those messages and information as necessary for business purposes. Organigram Personnel should use good judgment and not access, send messages or store any information that they would not want to be seen or heard by others. Organigram Personnel are expected to comply with any Social Media Policy adopted by the Corporation from time to time.

O. Fraud and Similar Irregularities

The Corporation's policy prohibits fraud and establishes procedures to be followed concerning the recognition, reporting and investigation of suspected fraud. Fraud includes, but is not limited to:

- Dishonest or fraudulent act;

- Embezzlement;
- Forgery or alteration of negotiable instruments such as corporate checks and drafts;
- Misappropriation of Corporation, employee, customer, partner or supplier assets;
- Conversion to personal use of cash, securities, supplies or any other corporate asset;
- Unauthorized handling or reporting of corporate transactions; and
- Falsification of the Corporation's records or financial statements for personal or other reasons.

Directors and employees are obligated to protect the Corporation's assets and ensure their efficient use. Theft, carelessness and waste of corporate assets by Directors and employees are prohibited since such actions and conduct have a direct and negative impact on the Corporation's profitability. All of the Corporation's assets shall only be used for the legitimate business purposes of the Corporation.

Any director, employee or agent who suspects that any fraudulent activity may have occurred is required to report such a concern to one of the following individuals: Legal Counsel, Director of Internal Audit, Chair of the Audit Committee, the Security Department or the Chief Financial Officer.

All fraud investigations will be conducted under the direction of the Legal Department.

2. Waivers of the Code

Any waiver of this Code for directors or officers may be made only by the directors of the Corporation (or a committee of the Board to whom that authority has been delegated) and will be promptly disclosed as required by law or stock exchange regulation.

3. Reporting and Illegal or Unethical Behavior

Each of the Organigram Entities has a strong commitment to the conduct of its business in a lawful and ethical manner. Organigram Personnel are encouraged to talk to supervisors, managers or other appropriate personnel about observed illegal or unethical behavior and when in doubt about the best course of action in a particular situation. It is the policy of the Organigram Entities to maintain confidentiality and not to allow retaliation for reports of misconduct by others made in good faith. It is, at the same time, unacceptable to file a report knowing that it is false. All Organigram Personnel are expected to cooperate in internal investigations of misconduct.

4. Compliance Procedures

All Organigram Personnel must work to ensure prompt and consistent action against violations of this Code. However, in some situations it is difficult to know right from wrong. Since we cannot anticipate every situation that will arise, it is important that the Organigram Entities have a way to approach a new question or problem. These are the steps to keep in mind:

- Make sure you have all the facts. In order to reach the right solutions, we must be as fully informed as possible.

- Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper? This will help you to focus on the specific question you are faced with and the alternatives you have. Use your judgement and common sense - if something seems like it might possibly be unethical or improper, it probably is.

- Clarify your responsibility and role. In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.

- Discuss the problem with your manager. This is the basic guidance for all situations. In many cases, your manager will be more knowledgeable about the question and will appreciate being brought into the decision-making process. Remember that it is your manager's responsibility to help solve problems.

- Seek help from internal resources. In the rare case where it may not be appropriate to discuss an issue with your manager, or where you do not feel comfortable approaching your manager with your question, discuss it locally with your "two-up". If that is not appropriate for any reason, contact the Corporation's Chief Financial Officer, Chief Executive Officer or the Chair of the Board.

- You may report ethical violations without fear of retaliation. If your situation requires that your identity be kept secret, your anonymity will be protected to the extent possible. The Organigram Entities do not permit retaliation of any kind against employees for good faith reports of ethical violations.

- Always ask first, act later: If you are unsure of what to do in any situation, seek guidance before you act.

5. Acknowledgement of Receipt and Review

I, _____ (name), acknowledge that on _____ (date), I received a copy of Organigram Holdings Inc.'s Code of Business Conduct and Ethics and I read it, understood it and agree to comply with it.

_____
Signature

_____
Printed Name

_____
Date

7193917

Consent of Independent Registered Public Accounting Firm

The Board of Directors
of Organigram Holdings Inc.

We consent to the use of:

- Our report dated December 18, 2024, on the consolidated financial statements of Organigram Holdings Inc. (the "Company") which comprise the consolidated statement of financial position as of September 30, 2024, and the related consolidated statements of operations and comprehensive loss, changes in equity and cash flows for the year then ended, and the related notes (collectively, the "consolidated financial statements"), and

- Our report dated December 18, 2024, on the effectiveness of the Company's internal control over financial reporting as of September 30, 2024,

each of which is included in the Annual Report on Form 40-F of the Entity for the twelve-month period ended September 30, 2024.

We also consent to the incorporation by reference of such reports in the Registration Statement (No. 333-274686) on Form F-10.

/s/ PKF O'Connor Davies, LLP

New York, New York

December 18, 2024

KPMG LLP
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Vaughan, ON L4K 0J3
Tel 905-265 5900
Fax 905-265 6390
www.kpmg.ca

Consent of Independent Registered Public Accounting Firm

The Board of Directors

Organigram Holdings Inc.

We consent to the use of our report dated December 19, 2023, on the consolidated financial statements of Organigram Holdings Inc. (the "Entity") which comprise the consolidated statement of financial position of Organigram Holdings Inc. and subsidiaries as of September 30, 2023, the related consolidated statements of operations and comprehensive loss, changes in equity, and cash flows for the thirteen month period ended September 30, 2023, and the related notes, which is incorporated by reference in this Annual Report on Form 40-F of the Entity for the fiscal year ended September 30, 2024.

We also consent to the incorporation by reference of such report in the Registration Statement (No. 333-274686) on Form F-10.

/s/ KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

December 18, 2024

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Document classification: KPMG Confidential

Organigram Reports Fourth Quarter and Fiscal 2024 Results

- *Fiscal 2024 net revenue of $159.8 million*
- *17.6% year-over-year growth in Organigram's recreational shipped sales in Fiscal 2024*
- *Q4 Fiscal 2024 adjusted gross margin[1] of 37%*
- *Q4 Fiscal 2024 adjusted EBITDA[2] of $5.9 million or 13% of net revenue*
- *Q4 Fiscal 2024 cash flow from operations of $8.9 million*
- *Became Canada's largest cannabis company by market share following the acquisition of Motif Labs subsequent to year end*

TORONTO, ON, December 18, 2024 - Organigram Holdings Inc. (NASDAQ: OGI) (TSX: OGI), (the “Company” or “Organigram”), a leading licensed producer ("LP") of cannabis, announced its results for the fourth quarter and twelve months ended September 30, 2024 (“Q4 Fiscal 2024” or "Fiscal 2024"). All financial information in this press release is expressed in Canadian dollars ("$").

Comparable Periods: The Company's results for Q4 Fiscal 2024 and Fiscal 2024 reflect the three-month and 12-month periods ended September 30, 2024. The Company’s change in year-end effected in fiscal year 2023 ("Fiscal 2023") resulted in its reporting periods of for the fourth quarter of 2023 and Fiscal 2023 having 4 months and 13 months,respectively. For comparative purposes and to more accurately reflect period-over-period performance, the Company's financial results and period-over-period comparisons are presented in this news release for the unaudited and unreviewed three-month period ended September 30, 2023 ("Comparative Q4 Fiscal 2023"), and the unaudited and unreviewed 12-month period ended September 30, 2023 ("Comparative Fiscal 2023"), unless otherwise indicated.

FOURTH QUARTER AND FISCAL 2024 HIGHLIGHTS

- Fiscal 2024 adjusted EBITDA[1] increased 55% compared to Comparative Fiscal 2023.
- Q4 Fiscal 2024 net revenue increased 10% compared to Q3 Fiscal 2024 and 22% versus Comparative Q4 2023.
- Q4 Fiscal 2024 adjusted EBITDA[1] increased to $5.9 million, from $3.5 million in Q3 Fiscal 2024, and from $0.1 million in Comparative Q4 Fiscal 2023.
- Moved from the #2 spot in the Canadian market as of year-end[3] to the #1 LP by market share post-acquisition of Motif Labs Ltd ("Motif") subsequent to year-end[4].
- Achieved adjusted gross margin[2] of 37% in Q4 Fiscal 2024 due to efficiency increases across cultivation, manufacturing, and distribution.
- Realized $9.1 million in annual cost savings through extensive efficiency initiatives in Fiscal 2024.
- Achieved sequential quarterly growth in international sales throughout Fiscal 2024 and increased international customer base from five to eight supply partners in Fiscal 2024.
- Completed $21 million strategic investment in German cannabis leader Sanity Group GmbH ("Sanity Group"), and expanded strategic investments in the US, leveraging dedicated Jupiter investment pool.

[1] Adjusted gross margin is a non-IFRS financial measure not defined by and does not have any standardized meaning under IFRS; please refer to “Non-IFRS Financial Measures” in this press release for more information.
[2] Adjusted EBITDA is a non-IFRS financial measure not defined by and does not have any standardized meaning under IFRS; please refer to “Non-IFRS Financial Measures” in this press release for more information.
[3] As of September 30, 2024 - Multiple sources (Hifyre, Weedcrawler, OCS wholesale sales and e-commerce orders shipped data, provincial boards data and internal sales data)
[4] Source: Hifyre (all provinces other than QC, NB and NS), Weedcrawler (QC), and Board Data (NB, NS, PE), R3M Oct 30

- EU-GMP (European Union good manufacturing practice) audit completed at the Company's Moncton facility in November, 2024, and awaiting certification, which is expected to support growing demand from international markets and contribute to increases in international revenue with strong margins.
- In Fiscal 2024, the Company enhanced its balance sheet by closing two tranches of the $124.6 million follow-on investment by BT DE Investments Inc., a wholly-owned subsidiary of British American Tobacco p.l.c. ("BAT") for gross proceeds of $83.1 million, with the final $41.5 million tranche expected to close in February 2025. Separately, the Company completed a $28.8 million overnight marketed offering in April 2024.

"Fiscal 2024 was a transformative year where our entire team delivered on multiple fronts", said Beena Goldenberg, Chief Executive Officer. "We received significant funding from BAT when capital for the cannabis industry was scarce. We made smart, strategic investments, including into seed-based technology and automation, which is increasing efficiency. We have also expanded our international footprint through a $21 million investment in Sanity Group, a leading German cannabis company, as well as through several new supply agreements to provide products to patients in Australia and the UK. As we integrate recently-acquired Motif into the Organigram ecosystem, we head into Fiscal 2025 as Canada's #1 LP and we are very excited for the next phase of our growth plans focused on efficiency, consumer-centric innovation, and international expansion."

FISCAL 2024 FINANCIAL OVERVIEW

- Net revenue increased 6% to $159.8 million from $150.4 million in Comparative Fiscal 2023 primarily due to an increase in recreational and international revenue.
- Cost of sales decreased to $111.4 million, compared to $128.1 million in Comparative Fiscal 2023, due to operational efficiencies.
- Gross margin before fair value changes to biological assets, inventories sold, and other charges increased to $48.5 million from $22.3 million in Comparative Fiscal 2023, primarily due to higher net revenue and operational efficiencies.
- Adjusted gross margin[5] was $53.9 million, or 34% of net revenue, compared to $37.3 million, or 25% in Comparative Fiscal 2023. The improvement was primarily due to increased sales in higher margin categories, lower cultivation and post-harvesting costs, and higher international sales.
- Selling general and administrative ("SG&A") expenses decreased to $65.7 million, compared to $67.7 million in Comparative Fiscal 2023. Annual SG&A expenses as a percent of net revenue decreased to 41% from 45%, due to cost savings initiatives, including lower technology costs associated with the implementation of a new ERP system, professional fees and lower depreciation resulting from impairment charges recorded in Fiscal 2023.
- Adjusted EBITDA[6] increased 55% to $8.4 million in Fiscal 2024, compared to $5.4 million in Comparative Fiscal 2023 as a result of higher recreational cannabis revenue and a higher adjusted gross margin resulting from lower cultivation and post-harvest costs.
- Net loss was $45.4 million, compared to net loss of $247.0 million in Comparative Fiscal 2023. The decrease in net loss from the comparative period is primarily due to higher adjusted gross margins and lower impairment loss that was recorded in Comparative Fiscal 2023.
- Net cash provided by (used in) operating activities before working capital changes was $3.9 million, compared to $(52.1) million in Comparative Fiscal 2023. The improvement was primarily attributed to a reduced net loss.

[5] Adjusted gross margin is a non-IFRS financial measure not defined by and does not have any standardized meaning under IFRS; please refer to “Non-IFRS Financial Measures” in this press release for more information.
[6] Adjusted EBITDA is a non-IFRS financial measure not defined by and does not have any standardized meaning under IFRS; please refer to “Non-IFRS Financial Measures” in this press release for more information.

FOURTH QUARTER FISCAL 2024 FINANCIAL OVERVIEW

- Net revenue increased 22% to $44.7 million, from $36.7 million in Comparative Q4 Fiscal 2023 primarily due to higher recreational cannabis sales and higher international sales.
- Cost of sales decreased to $30.9 million, from $34.3 million in Comparative Q4 Fiscal 2023, primarily as a result of operational efficiencies and lower inventory provisions in Q4 Fiscal 2024.
- Gross margin before fair value changes to biological assets, inventories sold, and other charges increased to $13.8 million from $2.4 million in Comparative Q4 Fiscal 2023, driven by a higher proportion of international sales with stronger margins, lower cost of sales achieved through operating efficiencies, and reduced inventory provisions.
- Adjusted gross margin was $16.5 million, or 37% of net revenue, compared to $7.2 million, or 20%, in Comparative Q4 Fiscal 2023, largely due to lower cost of sales and higher recreational and international sales.
- SG&A expenses decreased to $14.3 million from $15.8 million in Comparative Q4 Fiscal 2023, primarily due to lower technology costs including implementation expenses for a new ERP system, as well as reduced insurance costs, professional fees, and depreciation and amortization.
- Adjusted EBITDA was $5.9 million compared to $0.1 million in Comparative Q4 Fiscal 2023, primarily attributable to higher net flower revenue, lower general and administrative expenses and the increase in adjusted gross margins.
- Net loss was $5.4 million, compared to a net loss of $26.6 million in Comparative Q4 Fiscal 2023. The decrease in net loss from the comparative period is primarily due to higher adjusted gross margins[5] and lower impairment losses in the current quarter.
- Net cash provided by (used in) operating activities before working capital changes was $8.9 million, compared to $(8.5) in Comparative Q4 Fiscal 2023.

“We are pleased with the growth we achieved every quarter in Fiscal 2024, ending the year on a high note with respect to net revenue and adjusted EBITDA", said Greg Guyatt, Chief Financial Officer. "Efficiency improvements in our operations supported our strong adjusted gross margin in the quarter. Our operational improvements, combined with our recent acquisition of Motif, has laid the foundation for continued growth in Fiscal 2025."

Canadian Recreational Market Introduction Highlights

As an industry leader and pure-play cannabis company, Organigram remains committed to delivering consumer focused innovations and products to the Canadian market. Some recent notable highlights include:

SHRED X Tiger blood Heavies - Infused pre-rolls

Big Bag O' Buds Midnight M'mosa & First Class Funk - Large format flower

Big Jar of Joints - 56 x 0.5g joints

SHRED Captain Kush - 7g milled flower

Edison Sonics - 2 x 5mg THC FAST™ Nanoemulsion gummies

Research and Product Development

Product Development Collaboration ("PDC")

- Organigram and BAT continue to work together through their PDC on new work streams to develop innovative technologies in the edible, vape and beverage categories in addition to new disruptive inhalation formats aimed at addressing the biggest consumer pain points that exist in the category today.
- The first commercialized product resulting from PDC research is the Edison Sonics - gummies utilizing Organigram's Fast Acting Soluble Technology (FAST™), clinically validated through a PK study to have up to 50% faster onset and nearly twice as high peak cannabinoid concentration compared to traditional gummies.

Follow-on Strategic Investment from BAT and creation of "Jupiter" Investment Pool

- On November 6, 2023, Organigram announced a $124.6 million follow-on investment from BAT and the creation of "Jupiter", a strategic investment pool designed to expand Organigram's geographic footprint and capitalize on emerging growth opportunities.
- The first two $41.5 million tranches of the follow-on investment were closed in calendar 2024, with the final $41.5 million tranche expected to close in February 2025.

International Investments & Jupiter Strategic Investment Pool

- As described above, the Company made its first significant European strategic investment to expand its presence in the European cannabis market with a $21 million investment in Sanity Group, a leading German cannabis company.
- Jupiter has deployed capital to two international strategic investments: Steady State LLC (d/b/a Open Book Extracts) in the U.S. and Sanity Group in Germany.
- Prior to the establishment of Jupiter, Organigram had already made a strategic investment in U.S.-based Phylos Bioscience Inc., a leading in seed-based technology. The Company achieved 9% of cannabis harvest from seeds in Q4 Fiscal 2024 and 22% by the end of calendar 2024, contributing to a reduction in cultivation costs and increased cultivation capacity. The Company expects to further leverage lower-cost seed-based technology by targeting approximately 20% of harvests from seeds in fiscal year 2025, with monthly fluctuations between 15% and 30% depending on the cultivar requirements.
- Organigram is exploring additional U.S. and international investment opportunities that align with the Company's strategy to establish itself as a global leader and enhance profitability, with the goal of delivering long-term shareholder value.

International Sales

- In Fiscal 2024, the Company signed three new international supply agreements with customers in Germany, Australia and the UK.
- The Company now has supply agreements with nine partners in Germany, the UK, Australia and Israel, and is evaluating additional global partnership opportunities.
- The Company's EU-GMP audit was completed in November. If successful in obtaining certification, the Company expects its international sales to increase.

Balance Sheet and Liquidity

- On September 30, 2024, the Company had cash and short-term investments, including restricted cash, of $133.4 million compared to $51.8 million at September 30, 2023. The increase is primarily a result of closing the first two $41.5 million tranches of the BAT follow-on investment of $124.6 million, and the Company's $28.8 million overnight marketed offering closed in April, 2024. The company expects the final $41.5 million tranche to close in February 2025.

- Subsequent to year end, the Company's cash on hand decreased by approximately $55 million due to the acquisition of Motif, consisting of cash consideration of $50 million and approximately $5 million in transaction costs.
- Organigram believes its capital position is strong and that there is sufficient liquidity available to meet our strategic and operational objectives in fiscal 2025.

Select Balance Sheet Metrics (in $000s)	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023	% Change
Cash, restricted cash & short-term investments	133,426	51,757	158 %
Biological assets & inventories	82,524	80,953	2 %
Other current assets	86,996	49,596	75 %
Accounts payable & accrued liabilities	47,097	20,007	135 %
Working capital	208,897	133,545	56 %
Property, plant & equipment	96,231	99,046	(3) %
Long-term debt	25	79	(68) %
Total assets	407,860	298,455	37 %
Total liabilities	101,871	26,832	280 %
Shareholders' equity	305,989	271,623	13 %

CAPITAL STRUCTURE

in $000s	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023
Current and long-term debt	25	79
Shareholders' equity	305,989	271,623
Total debt and shareholders' equity	306,014	271,702
in 000s		
Outstanding common shares	108,585	103,801
Options	2,691	2,830
Warrants	4,236	4,236
Top-up rights	7,079	2,035
Restricted share units	2,974	881
Performance share units	1,117	261
Total fully-diluted shares	126,682	114,044

Outstanding basic and fully diluted share count as at December 18, 2024 is as follows:

in 000s	DECEMBER 18, 2024
Outstanding common shares	108,585
Options	2,684
Warrants	4,236
Top-up rights	8,466
Restricted share units	3,711
Performance share units	1,846
Total fully-diluted shares	129,528

Select Key Financial Metrics (in $000s unless otherwise indicated)	Fiscal 2024	Comparative Fiscal 2023[3]	% Change
Gross revenue	247,177	217,354	14 %
Excise taxes	(87,336)	(66,957)	30 %
Net revenue	159,841	150,397	6 %
Cost of sales	111,390	128,142	(13) %
Gross margin before fair value changes to biological assets & inventories sold	48,451	22,255	118 %
Realized loss on fair value on inventories sold and other inventory charges	(52,078)	(56,187)	(7) %
Unrealized gain on changes in fair value of biological assets	51,151	68,981	(26) %
Gross margin	47,524	35,049	36 %
Adjusted gross margin[1]	53,934	37,268	45 %
Adjusted gross margin %[1]	34 %	25 %	36 %
Selling (including marketing), general & administrative expenses[2]	65,721	67,661	(3) %
Adjusted EBITDA[1]	8,416	5,405	56 %
Net loss	(45,440)	(247,002)	82 %
Net cash provided by (used in) operating activities before working capital changes	(11,085)	(33,699)	(67) %
Net cash provided by (used in) operating after working capital changes	3,872	(52,134)	107 %

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 “Non-IFRS Financial Measures” in this press release for more information.
2 Excluding non-cash share-based compensation.
3 Comparative Fiscal 2023 results are for the unaudited twelve month period beginning October 1, 2022 and ending September 30, 2023.

Select Key Financial Metrics (in $000s unless otherwise indicated)	Q4-2024	Comparative Q4 F'23[2]	% Change
Gross revenue	69,877	56,179	24 %
Excise taxes	(25,179)	(19,481)	29 %
Net revenue	44,698	36,698	22 %
Cost of sales	30,907	34,321	(10)%
Gross margin before fair value changes to biological assets & inventories sold	13,791	2,377	480 %
Realized loss on fair value on inventories sold and other inventory charges	(15,365)	(15,901)	(3)%
Unrealized gain (loss) on changes in fair value of biological assets	18,790	21,751	(14)%
Gross margin	17,216	8,227	109 %
Adjusted gross margin[1]	16,543	7,161	131 %
Adjusted gross margin %[1]	37 %	20 %	85 %
Selling (including marketing), general & administrative expenses[2]	14,300	15,787	(9)%
Adjusted EBITDA[1]	5,860	58	10003 %
Net loss	(5,433)	(26,595)	80 %
Net cash provided by (used in) operating activities before working capital changes	1,191	(12,957)	(109)%
Net cash provided by (used in) operating activities	8,893	(8,469)	(205)%

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 “Non-IFRS Financial Measures” in this press release for more information.
2. Comparative Q4 Fiscal 2023 results are for the unaudited three month period beginning July 1, 2023 and ending September 30, 2023

ADJUSTED GROSS MARGIN AND ADJUSTED EBITDA RECONCILIATION

Adjusted Gross Margin Reconciliation (in $000s unless otherwise indicated)	Q4-2024	Comparative Q4-2023[1]	Fiscal 2024	Comparative Fiscal 2023
Net revenue	$ 44,698	$ 36,698	$ 159,841	$ 150,397
Cost of sales before adjustments	28,155	29,537	105,907	113,129
Adjusted gross margin	16,543	7,161	53,934	37,268
Adjusted gross margin %	37 %	20 %	34 %	25 %
Less:				
Provisions of inventories and biological assets	2,043	532	4,657	5,678
Provisions to net realizable value	709	4,252	826	9,334
Incremental fair value component on inventories sold from acquisitions	—	—	—	—
Unabsorbed overhead	—	—	—	—
Gross margin before fair value adjustments	13,791	2,377	48,451	22,256
Gross margin % (before fair value adjustments)	31 %	6 %	30 %	15 %
Add:				
Realized loss on fair value on inventories sold and other inventory charges	(15,365)	(15,901)	(52,078)	(56,187)
Unrealized gain on changes in fair value of biological assets	18,790	21,751	51,151	68,981
Gross margin	17,216	8,227	47,524	35,050
Gross margin %	39 %	22 %	30 %	23 %

1 Comparative Q4 Fiscal 2023 results are for the unaudited three month period beginning July 1, 2023 and ending September 30, 2023

Adjusted EBITDA Reconciliation (in $000s unless otherwise indicated)	Q4-2024	Comparative Q4-2023[1]	Fiscal 2024	Comparative Fiscal 2023
Net loss as reported	(5,433)	(26,595)	(45,440)	(247,002)
Add/(deduct):				
Financing costs, net of investment income	(960)	(652)	(3,311)	(3,423)
Income tax recovery	30	(2,279)	—	(3,812)
Depreciation, amortization, and (gain) loss on disposal of property, plant and equipment (per statement of cash flows)	3,097	3,294	11,446	23,959
Normalization of depreciation add-back due to changes in depreciable assets resulting from impairment charges	—	3,037	757	3,037
Impairment of intangible assets	—	6,951	—	44,856
Impairment of property, plant and equipment	—	11,918	—	165,255
Share of loss (gain) from investments in associates and impairment loss (recovery) from loan receivable	4,895	(51)	5,284	829
Realized loss on fair value on inventories sold and other inventory charges	15,365	15,901	52,078	56,187
Unrealized gain on change in fair value of biological assets	(18,790)	(21,751)	(51,151)	(68,981)
Share-based compensation (per statement of cash flows)	1,093	797	7,182	5,008
Legal provisions (recoveries), government subsidies, insurance recoveries and other non-operating expenses (income)	(184)	(407)	(176)	(482)
Share issuance costs allocated to derivative warrant liabilities and change in fair value of derivative liabilities, other financial assets and contingent consideration	1,911	(53)	8,605	(6,158)
ERP implementation costs	465	1,588	1,636	7,175
Transaction costs	74	505	915	1,437
Provisions (recoveries) and net realizable value adjustments related to inventory and biological assets	2,752	4,784	5,483	15,012
Research and development expenditures, net of depreciation	1,545	2,601	10,869	12,038
Provision for Canndoc expected credit losses	—	470	4,239	470
Adjusted EBITDA	**$ 5,860**	**$ 58**	**$ 8,416**	**$ 5,405**

1 Comparative Q4 Fiscal 2023 results are for the unaudited three month period beginning July 1, 2023 and ending September 30, 2023

FOURTH QUARTER AND FULL YEAR FISCAL 2024 CONFERENCE CALL

The Company will host a conference call to discuss its results with details as follows:
Date: December 18, 2024
Time: 8:00 am Eastern Time

To register for the conference call, please use this link:
https://conferencingportals.com/event/XWQpOvKk

To ensure you are connected for the full call, we suggest registering a day in advance or at minimum 10 minutes before the start of the call. After registering, a confirmation will be sent through email, including dial in details and unique conference call codes for entry. Registration is open through the live call.

To access the webcast:
https://events.q4inc.com/attendee/990999128

A replay of the webcast will be available within 24 hours after the conclusion of the call at https://www.organigram.ca/investors and will be archived for a period of 90 days following the call.

Non-IFRS Financial Measures

This news release refers to certain financial performance measures (including adjusted gross margin, adjusted gross margin % and adjusted EBITDA) that are not defined by and do not have a standardized meaning under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Non-IFRS financial measures are used by management to assess the financial and operational performance of the Company. The Company believes that these non-IFRS financial measures, 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 these non-IFRS measures, the Company's approaches may differ from those used by others, and accordingly, the use of these measures may not be directly comparable. Accordingly, these non-IFRS measures are 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. Adjusted EBITDA is a non-IFRS measure that the Company defines as net income (loss) before: financing costs, net of investment income; income tax expense (recovery); depreciation, amortization, reversal of/or impairment, (gain) loss on disposal of property, plant and equipment (per the consolidated statement of cash flows); share-based compensation (per the consolidated statement of cash flows); share of loss from investments in associates and impairment loss (recovery) from loan receivable; unrealized loss (gain) on changes in fair value of contingent consideration; change in fair value of derivative liabilities; expenditures incurred in connection with research & development activities (net of depreciation); unrealized (gain) loss on changes in fair value of biological assets; realized loss on fair value on inventories sold and other inventory charges; provisions and impairment of inventories and biological assets; provisions (recoveries) to net realizable value of inventories; government subsidies and insurance recoveries; legal provisions (recoveries); incremental fair value component of inventories sold from acquisitions; ERP implementation costs; transaction costs; and share issuance costs. Adjusted EBITDA is intended to provide a proxy for the Company's operating cash flow and derive expectations of future financial performance for the Company, and excludes adjustments that are not reflective of current operating results.

Adjusted gross margin is a non-IFRS measure that the Company defines as net revenue less cost of sales, before the effects of (i) unrealized gain (loss) on changes in fair value of biological assets; (ii) realized fair value on inventories sold and other inventory charges; (iii) provisions (recoveries) and impairment of inventories and biological assets; (iv) provisions to net realizable value. Adjusted gross margin % is calculated by dividing adjusted gross margin by net revenue. Management believes that these measures provide useful information to assess the profitability of our operations as it represents the normalized gross margin generated from operations and excludes the effects of non-cash fair value adjustments on inventories and biological assets, which are required by IFRS.

The most directly comparable measure to adjusted EBITDA, calculated in accordance with IFRS is net income (loss) and beginning on page 9 of this press release is a reconciliation to such measure. The most directly comparable measure to adjusted gross margin calculated in accordance with IFRS is gross margin before fair value changes to biological assets and inventories sold and beginning on page 8 of this press release is a reconciliation to such measure.

About Organigram Holdings Inc.

Organigram Holdings Inc. is a NASDAQ Global Select Market and TSX listed company whose wholly-owned subsidiaries include Organigram Inc., a licensed cultivator or cannabis and manufacturer of cannabis-derived goods in Canada, and recently acquired Motif Labs Ltd., a licensed cannabis processor.

Organigram is focused on producing high-quality, indoor-grown cannabis for patients and adult recreational consumers in Canada, as well as developing international business partnerships to extend the Company's global footprint. Organigram has also developed a portfolio of legal adult-use recreational cannabis brands, including Edison, Big Bag O' Buds, SHRED, Monjour and Trailblazer. Organigram operates facilities in Moncton, New Brunswick and Lac-Supérieur, Québec, with a dedicated manufacturing facility in Winnipeg, Manitoba. As a result of the acquisition of Motif Labs Ltd. on December 6, 2024, the Company now operates two additional cannabis processing facilities in Southwestern Ontario; one in Aylmer and the other in London. The facility in Aylmer houses best-in-class CO2 and Hydrocarbon extraction capabilities, and is optimized for formulation refinement, post-processing of minor cannabinoids, and pre-roll production. The facility in London will be optimized for labelling, packaging, and national fulfillment. The Company is regulated by the Cannabis Act and the Cannabis Regulations (Canada).

This news release contains forward-looking information. Forward-looking information, in general, can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "could", "would", "might", "expect", "intend", "estimate", "anticipate", "believe", "plan", "continue", "budget", "schedule" or "forecast" or similar expressions suggesting future outcomes or events. They include, but are not limited to, statements with respect to expectations, projections or other characterizations of future events or circumstances, and the Company's objectives, goals, strategies, beliefs, intentions, plans, estimates, forecasts, projections and outlook, including statements relating to the Company's future performance, the Company's positioning to capture additional market share and sales including international sales, expectations for consumer demand, expected increase in SKUs, expected improvement to gross margins before fair value changes to biological assets and inventories, expectations regarding adjusted gross margins, adjusted EBITDA and net revenue in Fiscal 2024 and beyond, expectations regarding cultivation capacity, the Company's plans and objectives including around the PDC, the closing of the final tranche of the follow-on investment from BAT, availability and sources of any future financing, availability of cost efficiency opportunities, the increase in the number of retail stores, the ability of the Company to fulfill demand for its revitalized product portfolio with increased staffing, expectations relating to greater capacity to meet demand due to increased capacity at the Company's facilities, expectations around lower product cultivation costs, the ability to achieve economies of scale and ramp up cultivation, expectations pertaining to

the increase of automation and reduction in reliance on manual labour, expectations around the launch of higher margin dried flower strains, expectations around market and consumer demand and other patterns related to existing, new and planned product forms ; timing for launch of new product forms, ability of those new product forms to capture sales and market share, estimates around incremental sales and more generally estimates or predictions of actions of customers, suppliers, partners, distributors, competitors or regulatory authorities; statements regarding the future of the Canadian and international cannabis markets and, statements regarding the Company's future economic performance. These statements are not historical facts but instead represent management beliefs regarding future events, many of which, by their nature are inherently uncertain and beyond management control. Forward-looking information has been based on the Company's current expectations about future events.

This news release contains information concerning our industry and the markets in which we operate, including our market position and market share, which is based on information from independent third-party sources. Although we believe these sources to be generally reliable, market and industry data is inherently imprecise, subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process, and other limitations and uncertainties inherent in any statistical survey or data collection process. We have not independently verified any third-party information contained herein.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual events to differ materially from current expectations. These risks, uncertainties and factors include: general economic factors; receipt of regulatory approvals or consents and any conditions imposed upon same and the timing thereof; the Company's ability to meet regulatory criteria which may be subject to change; change in regulation including restrictions on sale of new product forms; change in stock exchange listing practices; the Company's ability to manage costs, timing and conditions to receiving any required testing results and certifications; results of final testing of new products; timing of new retail store openings being inconsistent with preliminary expectations; changes in governmental plans including those related to methods of distribution and timing and launch of retail stores; timing and nature of sales and product returns; customer buying patterns and consumer preferences not being as predicted given this is a new and emerging market; material weaknesses identified in the Company's internal controls over financial reporting; the completion of regulatory processes and registrations including for new products and forms; market demand and acceptance of new products and forms; unforeseen construction or delivery delays including of equipment and commissioning; increases to expected costs; competitive and industry conditions; change in customer buying patterns; and changes in crop yields. These and other risk factors are disclosed in the Company's documents filed from time to time under the Company's issuer profile on the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval+ ("SEDAR") at www.sedarplus.ca and reports and other information filed with or furnished to the United States Securities and Exchange Commission ("SEC") from time to time on the SEC's Electronic Document Gathering and Retrieval System ("EDGAR") at www.sec.gov, including the Company's most recent MD&A and AIF. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this news release. The Company disclaims any intention or obligation, except to the extent required by law, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Forward looking information is subject to risks and uncertainties that are addressed in the "Risk Factors" section of the MD&A dated December 18, 2024 and there can be no assurance whatsoever that these events will occur.

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2024



ORGANIGRAM | Annual Report

ORGANIGRAM HOLDINGS INC.

EDISON

A mainstream brand focused on truly innovative products.



Electric Lemon JOLTS (1ct)
Red Razz Chiller *SONICS* (2ct)
THCV Super Sativa Oil (30 ml)

SHRED

An uplifting and vibrant value brand focused on flavour & convenience.



SHRED Captain Kush 7g pre-milled flower, SHRED Gnarberry Dartz, SHRED X Tropic Thunder Heavies, SHRED'ems Wild Berry Blaze gummies, SHRED X Blueberry Blaster Rip-Strip hash 2 g, SHRED'ems Shark Attack MAX10 gummies (1ct).

BIG BAG O' BUDS

Delivering interesting, high-quality strains in various sizes and formats.



BBOB - Ultra Sour flower 28 g
BOB - Jet Fuel Pie flower 14 g
BOB - Purple Cherry Punch flower 3.5 g
BBOJ - Dank the Tank prerolls 70 x 0.4 g

monjour

CBD and minor cannabinoid gummies designed for anytime and nighttime wellness.



Twilight Tranquility (25ct)
Berry Good Day (30ct)
Blueberry Lemon CBN Bedtime (4ct)

Trailblazer

An inclusive brand designed to appeal to the category's most trailblazing consumers.



Lemonade Haze flower 7 g
Crimson Toro Liquid Diamond vape 0.95 g

HOLY MOUNTAIN

An imaginative brand with stellar strains, pre-rolls and extracts.



Midnight M'mosa flower 28 g
Purple Punch-Out!! Holy Smokes 10 x 0.4 g
Pressed Hash 2 g

Corporate ESG Report FY2024

Organigram at a Glance

• Head office: Toronto, Ontario
• Production Facilities: Moncton, NB, Winnipeg, MB, Lac-Supérieur, QC
• Employees: 875 (as of September 30, 2024)

Introduction

This report presents the progress Organigram Holdings Inc., including its subsidiary Organigram Inc., (collectively "**Organigram**" or "**the Company**") has made on Environmental, Social and Governance ("**ESG**") issues over the fiscal year beginning on October 1, 2023 and ending September 30, 2024 ("Fiscal 2024" or "FY2024").

This report encompasses all of Organigram's operations and activities, at our corporate head office in Toronto (Ontario) and at our three production facilities: Moncton (New Brunswick), Winnipeg (Manitoba), and Lac-Supérieur (Quebec).

A Message from our CEO

Since the very beginning, Organigram has stayed true to its values, and we're proud of that. We think a company's success isn't just about financial goals. It's also about the way we work, the people, the connections we build, and how we help the communities around us. At Organigram, we believe that being successful means both reaching our financial goals and doing the right thing. This is what really defines our success today and guides our growth in the future.

We have a clear vision to be a respected global leader in the emerging cannabis movement and we believe it is our responsibility to be transparent with our stakeholders on all aspects of our business. Therefore, we are pleased to share with you our third ESG report where we continue to report on three broad but important parameters:

- Governance
- Environmental Impact
- Social Impact

This report explains how we work, shows the progress we've made in 2024, and talks about how we can do better in 2025. As a major cannabis producer, we understand our role in setting good standards for the industry.

You might know that we've spoken out against inflated THC levels in the industry. We did this for our consumers' safety and the industry at large. We are committed to championing such causes until we are able to create a secure, sustainable and more responsible space for everyone involved in this evolving industry. We are committed to our mission of delighting consumers with trusted brands that deliver innovative cannabis products and experiences while promoting education and industry advocacy.

/s/ Beena Goldenberg
Chief Executive Officer

Vision

To be a respected global leader in the emerging cannabis movement.

Mission

To delight consumers with trusted brands that deliver innovative cannabis products and experiences while promoting education and industry advocacy.

ESG Highlights 2024

Governance and Advocacy

Our governance structure evolved to embrace sustainability, with the introduction of the Governance, Nominating, and Sustainability Committee. Ethical business conduct, data security, and risk management were reinforced, ensuring the integrity of our operations. In advocacy, our continued lobbying of the government for regulatory change as well as our legal challenge against Health Canada underscored our commitment to industry improvements and product excellence, exemplifying our proactive approach.

Environmental Stewardship

In Fiscal 2024, we prioritized environmental sustainability, achieving notable milestones across our operations. As detailed in this report, as a result of a strategic energy management review at our Moncton, NB facility, we were able to significantly reduce our power usage at this facility, which is the largest in our business by far. We were also able to reduce the CO_2 emissions of our Lac-Supérieur, QC facility as a result of the facility's connection to the Hydro-Québec power grid and eliminating our use of a diesel fuel power generator. We also significantly reduced our waste output at our Moncton, NB facility by diverting more waste into recycling with the assistance of a newly acquired baler machine.

Our commitment to transparency in reporting our carbon emissions is evident in our decision to report emissions by category, highlighted later in this report, showcases advancements in energy consumption, and logistical optimizations.

Social Impact

Diversity and inclusion remained at the forefront of our social impact initiatives. With women's representation on the board at 40% and at 50% in senior leadership positions, we are fostering an inclusive workplace. Diversity training, leadership development programs, and ongoing engagement efforts contributed to a vibrant and supportive organizational culture.

Governance

Our commitment to sound governance practices is integral to our approach in maintaining transparency, accountability, and ethical decision-making. The following are the key aspects of our governance structure.

Board Structure

Our board is composed of ten members, nine of whom are independent directors. For the purposes of this report, independence signifies directors who are independent of management, acknowledging that our Chief Executive Officer is also a director. We believe that a mix of perspectives, including non-independent directors, contributes to robust decision-making.

All independent directors actively participate in committees and in-camera sessions to operate independently of management, fostering constructive discussions and oversight.

Corporate Ethics

Our corporate ethics framework is centred around our Code of Ethics, Whistleblower, Insider Trading, Anti-Bribery, Anti-Corruption, and Disclosure policies. Through these and other policies, we strive to ensure that our business conduct aligns with the highest ethical standards.

We also strive to ensure that our supply chains are free of goods and services that employ forced labour or child labour. In FY2024, we published our first modern slavery report under a new federal legislative framework[1] describing efforts we made to combat forced labour and child labour in their supply chains through staff training, stronger contract language, and more extensive due diligence on our suppliers. Our inaugural report on this matter was published on our corporate website in May 2024.

Data Security/Risk Management

We prioritize data security and risk management, utilizing Multi-Factor Authentication, comprehensive training programs, and well-defined policies. In FY2024, we enhanced our risk management practices through collaboration between our internal legal counsel and our IT department to improve offerings and processes and to assess policies.

We are committed to our leadership's awareness of evolving cyber threats to our business. Our board and all corporate employees are required to complete cybersecurity training on a regular basis to facilitate awareness of ongoing risks from external cyber threats. Annual cyber security training is provided to all

[1] See the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (SC 2023, c 9) for more information.

corporate and facilities staff, and a penetration test was conducted in FY2024 by Grant Thornton LLP, with a robust remediation and improvement plan being continuously executed.

In addition, we deployed Bitlocker, an enterprise-class software for hard drive encryption, and USB drives being disabled, to reduce the possibility of leakage of sensitive data. At an operational level, a network traffic access management appliance, Claroty, has been deployed to minimize unauthorized 3rd party access to equipment and systems in the manufacturing environment.

Finally, in pursuit of a more integrated and secure IT environment, certain on-premises systems have been decommissioned and functionality migrated to Tier 1 third party managed cloud-based environments that offer more robust security and controls.

Our crisis communication plan, onboarded in FY2022, provides for effective communication during challenging times. A Disaster Recovery Plan is currently under review. Our commitment to the privacy of patient and employee data is reinforced by a robust privacy policy.

Product Safety

In our commitment to product safety, we are proud to report that there have been no recalls of our products for the fourth consecutive fiscal year. We have taken significant strides to enhance transparency, particularly in our Tetrahydrocannabinol ("THC") potency testing procedures. Through detailed disclosure and a consumer rights campaign, we advocated for standardized THC potency testing by Health Canada. Our social media platforms have been instrumental in illustrating the rigorous scrutiny each of our products undergo, emphasizing our dedication to transparency and consumer safety. Accurate labeling remains a cornerstone of this commitment, as we recognize its pivotal role in ensuring heightened levels of consumer safety and trust.

We have established policies and procedures in our facilities to ensure that our cannabis is grown, processed and packaged in a safe environment. Our facilities follow policies and procedures with respect to product safety, including codification of Good Production Practices as defined in Part 5 of the *Cannabis Act* (Canada). We have established a quality management system based on the International Council for Harmonisation Q10 Pharmaceutical Quality Management System.

Additionally, we are in the process of obtaining European Union Good Manufacturing Practice (EU-GMP) certification for our Moncton facility. EU-GMP certification will open up business opportunities in international markets where this is the required quality standard. Organigram submitted its EU-GMP certification application for its Moncton Campus in Q1 of Fiscal 2024. A preliminary audit of the facility was completed in February 2024, enabling us to proceed to the next step in the process of securing an audit date with the European Union regulatory authority. We completed our official EU-GMP audit in November, 2024 and are awaiting the results.

Product safety is a priority for our management and leadership teams. To maintain product safety as a primary focus, the Company has an internal audit program that places responsibility on the leadership teams at each of our facilities to comply with all product safety related policies.

Advocacy

As responsible leaders in the emerging cannabis industry, we feel strongly that it is our duty to advocate for changes that will bring a positive impact to the cannabis industry as whole, and not only benefit

Organigram. In addition to direct lobbying on behalf of the Company, we are also active members of the Cannabis Council of Canada ("C3") where we have held a board seat for several years. In this association, we engage in advocacy initiatives that align with our commitment to responsible cannabis practices and also participate in events such as the annual Canadian Cannabis Leadership Summit event that bring government officials and other industry stakeholders together to discuss the industry's most pressing issues and potential solutions. Our commitment to participating in this annual event demonstrates our dedication to industry-wide collaboration that furthers the growth of the cannabis industry in a responsible manner. In addition to C3, Organigram actively participates in AQIC ("Association Québécoise de l'Industrie du Cannabis") and the Government of Canada Department of Industry, Science, and Economic Development cannabis industry forum to further advocate for changes needed for the long-term health of the industry.

While we advocate for many improvements to policy, our key focus in the past year and our focus for the year to come will be on three fronts: reform of the cannabis excise tax framework (regarding both the excise tax rate and stamp operations), increasing the THC limit for cannabis edibles, and bringing strong potency sampling and testing regulations to the industry in an effort to fight practices of THC inflation. Reform of the excise tax framework in Canada is key to the long-term viability of the cannabis industry in Canada. Increasing the THC limit in edible cannabis products will greatly help in pushing potentially dangerous illicit and unregulated edible cannabis products out of the Canadian marketplace. Finally, stronger sampling and testing regulations for THC potency will help to improve the accuracy of product labels and bring more certainty for cannabis consumers regarding the potency of the products they are purchasing.

During FY2023, we challenged Health Canada's decision regarding the classification of our Edison JOLTS sublingual lozenges ("**JOLTS**") by pursuing a judicial review of the decision. On August 8, 2023, the Federal Court of Canada ruled in our favour, citing a breach of procedural fairness by Health Canada. As a result, Health Canada was instructed to redetermine the classification of JOLTS. On March 22, 2024, despite strong evidence supporting classification as an ingestible extract, Health Canada issued a final redetermination that JOLTS are to be classified as edible cannabis. As a result, we have re-packaged JOLTS in a format that supports Health Canada's redetermination.

Environmental Impact

Our environmental initiatives have yielded both challenges and successes, reflecting our ongoing commitment to sustainability and efficiency.

Electricity Consumption

In FY2024, we observed an overall decrease in our electricity consumption at two of our three production facilities this past year, driven by efforts to reduce demand and consumption at our production facilities in Moncton, NB and Winnipeg, MB. The development of new greenhouses led to a notable increase in electricity consumption at our Lac-Supérieur, QC facility. Additionally, this facility was not previously connected to the local electrical grid and was running off electricity generated onsite by a diesel generator, so this is the first year we will be reporting electricity consumption for our Lac-Supérieur, QC facility.

Hashish and craft flower production continued through FY2024 at Lac-Supérieur, and with new greenhouses beginning operation towards the end of FY2023, we saw a significant expansion in our craft flower output. As we will discuss below, we have and continue to take measures to increase our energy efficiency wherever possible as we continue to grow and expand our production.

In FY2023, we changed our energy consumption measurement to kWh usage per kilograms ("kg's") of cannabis harvested, rather than per kg's of cannabis sold, to provide a more accurate representation of energy efficiency.

As our Lac-Supérieur facility focuses primarily on producing hashish, we measure our energy consumption based on kWh/kg of hashish produced at the Lac- Supérieur facility. As our Winnipeg facility produces edible and extract products, we measure energy efficiency based on kWh/kg of edible/extract products produced at the Winnipeg facility.

Electricity Consumption at Moncton

During FY2024, with the assistance of an external consultant, the Moncton facility implemented a Strategic Energy Management ("SEM") program to reduce energy consumption and peak demand. As part of this initiative, we lowered the lighting intensity in the pre-veg rooms, utilized free cooling in our air handling units ("AHUs"), reduced the use of redundant equipment, and decreased static pressure in the hallways. These actions were aimed at optimizing energy efficiency and lowering overall consumption. As a result of this initiative, we successfully reduced annual energy consumption by an estimated 1,779,854 kWh through process reduction, optimization, and elimination.

In FY2024, our overall energy usage at our Moncton facility was 113,273,043 kWh compared to 126,007,519 kWh in FY2023. In FY2024, we consumed 1,395 kWh per kg harvested, compared to 1,452 kWh per kg harvested in FY2023.

We are continually pursuing initiatives to further reduce the energy required for our lighting needs and other operational processes and look forward to reporting on our progress in the future.

Electricity Consumption at Winnipeg

In FY2024, the Winnipeg facility consumed 1,166,400 kWh compared to 1,242,360 kWh in FY2023. In FY2024, our Winnipeg facility consumed an average of 6.06 kWh per kg of edibles/extracts produced compared to 6.34 kWh per kg produced in FY2023.

Electricity Consumption at Lac-Supérieur

Our new Lac-Supérieur, QC facility was connected to an external electrical supply in the fourth quarter of FY2023, and therefore we are reporting our initial baseline electrical consumption for the Lac-Supérieur facility for the first time in this Report. Additionally, four new greenhouses were brought online at for the Lac-Supérieur facility in FY2024. In FY2024, the Lac-Supérieur facility consumed 5,089,288kWh of electricity, and consumed an average of 1,891 kWh per kg of hashish produced.

Gas Consumption

Natural gas is used at our Moncton and Winnipeg facilities mainly for heating purposes and our usage varies significantly during the seasons. At both our Moncton and Winnipeg facilities we saw the highest consumption of natural gas in the second quarter, which was during the winter months. Our overall natural gas usage at the Moncton facility for FY2024 was 158,036 units of one hundred cubic feet ("CCF") compared to 176,875 CCF in FY2023, a 10.65% decrease in consumption.

The natural gas usage at our Winnipeg facility was 195,594 cubic metres (m^3) in FY2024, compared to 196,967 m^3 in FY2023.

Propane is used at our Moncton and Lac-Supérieur facilities for heating. The usage of propane at Moncton was 17,838 litres (L) in FY2024 compared to 34,411 L in FY2023, a 48.16% reduction. At our Lac-Supérieur facility, 34,892 L of propane was used in FY2024 to heat the greenhouse compared to 56,563 L in FY2023, a 38.31% reduction.

Diesel fuel was previously used at the Lac-Supérieur facility to fuel an electricity generator while we awaited power for our new facility from Hydro-Québec. As our Lac-Supérieur facility is now connected to the local electrical grid, we no longer rely on diesel fuel in our operations and do not anticipate relying on it in the future.

CO_2 Emissions

In terms of greenhouse gas emissions tracking, we currently track our emissions of carbon dioxide (CO_2) only. Our metrics indicate a decrease in CO_2 emissions, which reflects our continued efforts to achieve efficiency wherever possible. We set baselines for CO_2 emissions in FY2022 at our Moncton and Winnipeg facilities and FY2023 was the first year that we were able to report a full baseline of emissions for our Lac-Supérieur facility.

For FY2024, we have broken down our CO_2 emissions generally into two categories to help us assess the impact of our operations relative to one another, classified as Category A and Category B emissions. We define our Category A emissions as the CO_2 emitted from sources we own. We define our Category B emissions as the CO_2 emitted from the generation of purchased electricity. We then multiply that electricity consumption, which is measured by the electricity provider, with the average provincial grid carbon intensities defined in the federal *Clean Fuel Regulations* as passed under the *Canadian Environmental Protection Act*.[2]

CO_2 Emissions from our Moncton Facility

The primary sources of Category A CO_2 emissions at our Moncton facility are the combustion of natural gas and propane, day-to-day operations, and the venting of compressed CO_2 gas from our extraction and growing operations.

During FY2024, our Moncton facility produced Category A CO_2 emissions of 927 metric tons (mt), compared to 1,051 mt in FY2023. Our Category A CO_2 emissions per kg of cannabis produced (mt/kg harvested) at Moncton were 0.011 mt/kg harvested for FY2024 compared to 0.012 mt/kg harvested in

[2] *Clean Fuel Regulations*, SOR/2022-140

FY2023. Our Category B CO_2 emissions at our Moncton facility were approximately 36,293 mt in FY2024 compared to 40,373 in FY2023. This translates into an average of 0.447 mt/kg harvested.

CO_2 Emissions from our Winnipeg Facility

During FY2024, the Winnipeg facility produced Category A CO_2 emissions of 381 mt, compared to 383 mt in FY2023. Our Category A CO_2 emissions per kg of edibles/extracts were 0.00198 mt/kg produced for FY2024 compared to 0.00196 mt/kg produced in FY2023. The Category B CO_2 emissions at our Winnipeg facility were 29.4 mt compared to 31.3 mt in FY2023. This equals an average of 0.00015 mt/kg produced at this facility.

CO_2 Emissions from our Lac-Supérieur Facility

During FY2024, the Lac- Supérieur facility produced Category A CO_2 emissions of 52 mt, compared to 189 mt in FY2023. Category A CO_2 emissions per kg of hashish produced (mt/kg produced) was 0.0192 mt/kg produced compared to 0.0848 mt/kg produced in FY2023.

The significant reduction of Category A CO_2 emissions is attributed to the elimination of diesel power generation at the facility by connecting to the Hydro-Quebec electrical power grid in Q1 FY2024.

FY2024 is the first year we reported baseline Category B CO_2 emissions for the Lac- Supérieur facility. The Category B CO_2 emissions for our Lac- Supérieur facility were 91.6 mt in FY2024. This equals an average of 0.034 mt/kg produced at this facility.

Water Management

In 2024 we saw an increase in water consumption driven by increased yield and production lines.

Our Moncton facility used 225,927 m^3 of water in FY2024, compared to 221,645 m^3 in FY2023. Water use per square foot in Moncton was 0.423 m^3/sq foot compared to 0.413 m^3/sq foot in FY2023. Increases in water consumption can be attributed to a change in growing methods.

To mitigate the increase water usage, we have developed a watering model that aims to reduce water consumption at our Moncton facility. Our new watering model focuses on reduction of water usage by reducing total watering time per plant to 1,080 minutes (143.64 liters) per cycle compared to the previous strategy of 1,260 minutes (167.58 liters). This saves 180 minutes (23.94 liters) per plant. With an average room containing 600 to 840 plants, this results in water savings of approximately 14.4 to 20.1 m^3 per cycle across each room. The updated approach ensures plants receive the right amount of hydration while reducing resource use. It also provides benefits such as improved flower quality, lower fertilizer usage, and greater labour efficiency.

Our Winnipeg facility used 7,811 m^3 of water in FY2024 compared to 5,395 m^3 in FY2023. Water use per square foot Winnipeg was 0.153m^3/sq foot compared to 0.106 m^3/sq foot in FY2023. The use of active dosing for the new nano emulsion machine has been a driver of increased water consumption at our Winnipeg facility.

Our Lac-Supérieur facility draws water from a well, which prevents us from being able to accurately measure our water use at this facility at this time.

Waste Management

We currently have comprehensive waste data for the Moncton facility, which provides valuable insights. Our Moncton facility produced a total of 1,451 mt of waste in FY2024, compared to 1,621 mt in FY2023. Of this total waste, 78.05% was organic waste from plant material and growing media, and 3.82% of the total waste was recycled. The reduction in waste for FY2024 can be partially attributed to the Moncton facility beginning to recycle low-density plastics, including bun bags, product bags, bulk bags, and pallet wrap in Q2 of FY2024. By Q3, with the help of a new baler, the Moncton facility had recycled 4.16 metric tonnes of soft plastic, avoiding such plastic going to landfill.

17.8% of our units sold in FY2024 were packaged in recyclable packaging. These units were manufactured at all three of our facilities.

Other Efficiency Gains

In FY2024, our Moncton facility developed a Strategic Energy Management (SEM) program with the assistance of a third party. This initiative successfully reduced annual energy consumption by an estimated 1,779,854 kWh through process reduction, optimization, and elimination.

Summary of Environmental Impact

In FY2024, we saw a decrease to our power consumption and CO_2 emissions at all our facilities both at the overall and per capita level. These decreases are driven by better energy management practices to increase our electrical efficiency. Lac-Supérieur saw a reduction in Category A emissions due to connecting to the power grid and no longer requiring diesel power generation. Although in FY2024, increases to water consumption at Moncton and Winnipeg facilities were noted, this was largely caused by increased production and the use of active dosing for the new nano-emulsion machine at our Winnipeg facility.

We continue to explore ways to reduce our environmental footprint and look forward to reporting on new initiatives in the future.

Social Impact

Diversity & Inclusion

In Fiscal 2024, we continued our path towards an equitable, diverse and inclusive organization. We completed our second diversity survey as part of our engagement survey, which provided both a view of diversity across our organization but also deeper analysis of where we could improve feelings of fairness and belonging.

Women Representation

Our commitment to gender diversity is reflected in our leadership, where women now constitute 50% of our senior leadership team and 40% of our board. These statistics evidence our dedication to fostering a gender-inclusive working environment.

Diversity, Equity, Inclusion and Belonging Training

In FY2024, we expanded on our leadership training offered in FY2023, by introducing monthly Diversity Equity Inclusion and Belonging learning paths for our leaders and team members. We began acknowledging days of significance through our monthly training calendars and organization-wide

communication. We also held two events to foster greater compassion and action. The first was a panel interview of senior female leaders for International Women's Day. The second, was a presentation by the METIS Federation for Truth and Reconciliation Day.

Learning and Development

Our commitment to investment in the training and development of our employees continued in FY2024 through numerous initiatives aimed at developing both the hard and soft skills of employees at all levels in our organization. These initiatives range from conflict resolution, critical thinking and body language to project management, performance management, and practical problem solving. In addition to those courses, we expanded our investment in LinkedIn Learning which is now available to all salaried team members across the organization. Over 5000 hours were spent on formal learning by our team members with a focus on soft skills and competencies.

Community Impact

Our commitment to social impact is epitomized by the "Organigram Operating for Good" program, where employees are given the opportunity to allocate work hours towards volunteer activities. During FY2024, our team collectively volunteered an impressive 3,451 hours for not-for-profit and charitable organizations. This program underscores our dedication to making a positive difference in the communities we serve. Our volunteers contribute their time and skills to a wide variety of initiatives including their local Food Bank, United Way, and Canadian Blood Services to name a few, reflecting our ongoing commitment to corporate social responsibility.

Labour Management

Hourly Wage Disclosure

In line with our commitment to fair compensation, we completed compensation benchmarking for all our locations, ensuring that compensation for our hourly positions remains above the median of the local area. For FY2025, base salaries were adjusted by 3.3%, maintaining our position above market rates. We are proud to maintain wages that exceed the living wage in all locations where we operate for all employee positions.

Career Development

Investing in the growth and career development of our team members remains a priority. In FY2024, we developed a career planning guide and created job levels to help our team members better form a career path that works for them. We also implemented development plans in our Human Resources Information System (HRIS), which will allow for greater collaboration between team members and leaders towards growth and progression.

Engagement & Recognition

Also, in FY2024, we completed our second annual engagement survey. With an 88% participation rate, we gained valuable insights into areas of satisfaction and dissatisfaction among employees regarding all aspects of the Company's management and strategy. Our team members told us that having a good relationship with their leaders and connection to senior leadership had improved. Although our average engagement was 61%, below our target benchmark, we implemented robust action plans, with a focus on open and transparent communication and creating space where all feel their opinions matter.

Compensation & Benefits

In 2024 we completed our development of a new salary compensation framework. This framework incorporates best practices in compensation design to contribute to equitable pay practices across the organization. We also expanded the number of team members who participate in our short-term incentive program, further connecting our teams to the goals of the organization and creating an environment where we share in the successes of Organigram.

Health & Safety

The Company is committed to the health and safety of our team members. We measure our workplace safety by Total Recordable Incident Frequency ("**TRIF**") which is calculated by taking the total number of injuries at our facilities, multiplying by 200,000 and then dividing by the hours worked. This measure allows us to easily compare the rate of injuries at our facilities with the rate of injuries in businesses of a similar scale. In Fiscal 2024, we recorded a TRIF of 1.4, an increase from the previous year's 1.19.

TRIF as a metric serves as a critical benchmark as we continuously strive to enhance our safety measures. Emphasizing transparency and accessibility, we introduced the 'Safety by Facility' SharePoint platform, providing a centralized repository for all safety documents, fostering ease of access and collaboration.

Recognizing the pivotal role of awareness in mitigating workplace injuries, we launched a comprehensive safety campaign. Themed 'Situational Awareness,' the campaign aimed to instill a proactive mindset among our workforce, fostering a collective commitment to injury prevention. In tandem with this campaign, we continue to observe our Personal Protective Equipment policy, outlining guidelines to ensure the well-being of our team members. Additionally, the implementation of a lockout mechanism to some of our industrial equipment that feature moving parts further strengthens our commitment to maintaining a secure work environment. These initiatives collectively reflect our proactive approach to health and safety, aiming to create a workplace where every team member feels secure and supported.

Forward-Looking Information

This report contains "forward-looking statements" and "forward-looking information" within the meaning of applicable Canadian and U.S. securities laws (collectively, "**forward-looking statements**") which are necessarily based upon the Company's current internal expectations, estimates, forecasts, assumptions and beliefs regarding, among other things, the future performance and results of the Company's business and operations, general economic conditions, global events and applicable regulatory regime. These forward-looking statements are generally identified by their use of such terms and phrases as "intend," "goal," "strategy," "estimate," "expect," "project," "projections," "forecasts," "plans," "seeks," "anticipates," "potential," "proposed," "will," "should," "could," "would," "may," "likely," "designed to," "foreseeable future," "believe," "scheduled" and other similar expressions.

Forward-looking statements contained herein include, but are not limited to, statements regarding the future implementation and performance of our ESG strategy and all other statements that are not historical facts. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. A

number of factors could cause actual events, performance or results to differ materially from what is projected in the forward-looking statements. These factors include, but are not limited to, the risk that the Company will not obtain its EU-GMP certification on anticipated timelines or at all, the risk that the Company's advocacy efforts are unsuccessful, the continued availability of affordable and accessible electricity the Company's ability to meet GHG and emissions targets, the development of provincial, national and international laws, policies and regulations in respect of ESG matters, the availability, accessibility and suitability of comprehensive and high-quality data, the need for active and continued participation of Company stakeholders, risks associated with developing and implementing new technologies, policies and systems, the increased cost of carbon offsetting, increased cost of renewable resources, labour relations risks, risks related to changes in the Canadian cannabis industry and market, changes in laws and the other risks described in the Company's annual information form and management's discussion & analysis for Fiscal 2024 under the heading "Risk Factors" and filed with the regulators as described below. Any forward-looking statement included in this report is made as of the date of this report and, except as required by law, the Company disclaims any obligation to update or revise any forward-looking statement. Readers are cautioned not to put undue reliance on any forward-looking statement. Forward-looking statements are provided for the purposes of assisting the reader in understanding the Company and its business as at and for the periods ended on certain dates, and to present information about management's current expectations and plans relating to the future, and the reader is cautioned that such statements are not appropriate for other purposes. All forward-looking statements contained in this report are expressly qualified by this cautionary statement.

ADDITIONAL INFORMATION ABOUT THE ASSUMPTIONS, RISKS AND UNCERTAINTIES OF ORGANIGRAM'S BUSINESS AND MATERIAL FACTORS OR ASSUMPTIONS ON WHICH INFORMATION CONTAINED IN FORWARD-LOOKING STATEMENTS IS BASED IS PROVIDED IN THE COMPANY'S DISCLOSURE MATERIALS, INCLUDING THE COMPANY'S MANAGEMENT DISCUSSION AND ANALYSIS ("**MD&A**") UNDER "RISK FACTORS" AND THE COMPANY'S CURRENT ANNUAL INFORMATION FORM ("**AIF**") UNDER "RISK FACTORS", FILED WITH THE SECURITIES REGULATORY AUTHORITIES IN CANADA AND AVAILABLE UNDER THE COMPANY'S ISSUER PROFILE ON SEDAR+ AT WWW.SEDARPLUS.CA, AND FILED WITH OR FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION AND AVAILABLE ON EDGAR AT WWW.SEC.GOV/EDGAR.

ORGANIGRAM



FISCAL 2024

Organigram Holdings Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A")

For the year ended September 30, 2024 and the thirteen months ended September 30, 2023

INTRODUCTION

This Management's Discussion and Analysis dated December 18, 2024 (this "MD&A"), should be read in conjunction with the audited annual consolidated financial statements (the "Financial Statements") of Organigram Holdings Inc. (together with its subsidiaries, the "Company", "Organigram",, "we", "us", or "our") for the year ended September 30, 2024 ("Fiscal 2024") and the thirteen months ended September 30, 2023 ("Fiscal 2023"), including the accompanying notes thereto.

CHANGE IN YEAR END

In May 2023, to better align our financial statement reporting periods with that of other public companies and with calendar quarters, we announced a change to our fiscal year end from August 31 to September 30. This change resulted in a transitional thirteen month period for Fiscal 2023 as opposed to a twelve month period, and a four month fourth quarter as opposed to a three month fourth quarter.

As required by International Financial Reporting Standards ("IFRS"), our Financial Statements for Fiscal 2024 compare our financial results for the twelve month period of Fiscal 2024 with the thirteen month period of Fiscal 2023. However, for comparative purposes in this MD&A, and to more accurately reflect period-over-period performance, this MD&A presents our financial results for the unaudited twelve month period beginning October 1, 2022 and ending September 30, 2023, and the unaudited and unreviewed three month period beginning July 1, 2023 and ending September 30, 2023. Management believes these comparative periods provide readers with more relevant information to better understand the Company's financial performance.

References in this MD&A to "**Fiscal 2024**" are to the twelve month period beginning October 1, 2023 and ending September 30, 2024. References in this MD&A to "**Fiscal 2023**" are to the thirteen month period beginning September 1, 2022, and ending September 30, 2023. References to "**Q4 Fiscal 2024**" are to the three month period beginning July 1, 2024 and ending September 30, 2024. References to "**Comparative Fiscal 2023**" are to the twelve month period beginning October 1, 2022, and ending September 30, 2023. References to "**Q4 Fiscal 2023**" are to the four month period beginning June 1, 2023, and ending September 30, 2023. References to "**Comparative Q4 Fiscal 2023**" are to the three month period beginning July 1, 2023, and ending September 30, 2023.

Under the heading below titled Comparative Key Annual Financial and Operating Results is a comparison of the results of Fiscal 2024, Fiscal 2023, and Comparative Fiscal 2023. Under the heading further below titled Comparative Key Quarterly Financial and Operating Results is a comparison of the results of Q4 Fiscal 2024, Q4 Fiscal 2023, and Q4 Comparative Fiscal 2023.

Comparative Key Annual Financial and Operating Results

	Fiscal 2024	Fiscal 2023 (thirteen months ended September 30, 2023)	Comparative Fiscal 2023 (twelve months ended September 30, 2023)[1]
Financial Results			
Gross revenue	$ 247,177	$ 233,647	$ 217,354
Net revenue	$ 159,841	$ 161,639	$ 150,397
Cost of sales	$ 111,390	$ 136,437	$ 128,142
Gross margin before fair value adjustments	$ 48,451	$ 25,202	$ 22,255
Gross margin % before fair value adjustments	30 %	16 %	15 %
Realized fair value on inventories sold and other inventory charges	$ (52,078)	$ (56,187)	$ (56,187)
Unrealized gain on changes in fair value of biological assets	$ 51,151	$ 68,981	$ 68,981
Gross margin	$ 47,524	$ 37,996	$ 35,049
Operating expenses	$ 83,195	$ 300,963	$ 295,067
Loss from operations	$ (35,671)	$ (262,967)	$ (260,018)
Other (income) expenses	$ 9,769	$ (10,554)	$ (9,204)
Net loss	$ (45,440)	$ (248,601)	$ (247,002)
Net loss per common share, basic and diluted	$ (0.477)	$ (3.058)	$ (3.116)
Net cash provided by (used in) operating activities	$ 3,872	$ (38,778)	$ (52,134)
Adjusted Gross Margin[2]	$ 53,934	$ 40,214	$ 37,268
Adjusted Gross Margin %[(2)]	34 %	25 %	25 %
Adjusted EBITDA[(2)]	$ 8,416	$ 5,951	$ 5,405

[1] Comparative Fiscal 2023 results is for the unaudited twelve month period beginning October 1, 2022 and ending September 30, 2023

[2] Adjusted gross margin, adjusted gross margin %, and Adjusted EBITDA are non-IFRS measures. See "Cautionary Statement Regarding Certain Non-IFRS Measures" and "Financial Results and Review of Operations" in this MD&A.

Comparative Key Quarterly Financial and Operating Results

	Q4 2024	Q4 2023 (four months ended September 30, 2023)	Comparative Q4 Fiscal 2023 (three months ended September 30, 2023)[3]
Financial Results			
Gross revenue	$ 69,877	$ 71,458	$ 56,179
Net revenue	$ 44,698	$ 46,040	$ 36,698
Cost of sales	$ 30,907	$ 42,885	$ 34,321
Gross margin before fair value adjustments	$ 13,791	$ 3,155	$ 2,377
Gross margin % before fair value adjustments	31 %	7 %	6 %
Realized fair value on inventories sold and other inventory charges	$ (15,365)	$ (15,901)	$ (15,901)
Unrealized gain on changes in fair value of biological assets	$ 18,790	$ 21,751	$ 21,751
Gross margin	$ 17,216	$ 9,005	$ 8,227
Operating expenses	$ 16,933	$ 45,550	$ 38,244
Income (loss) from operations	$ 283	$ (36,545)	$ (30,017)
Other (income) expenses	$ 5,686	$ (1,275)	$ (1,143)
Net loss	$ (5,433)	$ (32,991)	$ (26,595)
Net loss per common share, basic and diluted	$ (0.050)	$ (0.105)	$ (3.058)
Net cash provided by (used in) operating activities	$ 8,893	$ (17,017)	$ (8,469)
Adjusted Gross Margin[(2)]	$ 16,543	$ 7,939	$ 7,161
Adjusted Gross Margin %[(2)]	37 %	17 %	20 %
Adjusted EBITDA[(2)]	$ 5,860	$ (1,890)	$ 58

[3] Comparative Q4 Fiscal 2023 results are for the unaudited three month period beginning July 1, 2023 and ending September 30, 2023

Adjusted EBITDA (Non-IFRS Measure)

Adjusted EBITDA Reconciliation

	Q4-F24	Q4-F23 (Four months ended September 30, 2023)	Comparative Q4 Fiscal 2023 (three months ended September 30, 2023)[5]
Net income (loss) as reported	$ (5,433)	$ (32,991)	$ (26,595)
Add/(deduct):			
Financing costs, net of investment income	(960)	(923)	(652)
Income tax (recovery) expense	30	(2,279)	(2,279)
Depreciation, amortization, and (gain) loss on disposal of property, plant and equipment (per statement of cash flows)	3,097	5,581	3,294
Normalization of depreciation add-back due to changes in depreciable assets resulting from impairment charges	—	3,037	3,037
Impairment of intangible assets and goodwill	—	6,951	6,951
Impairment of property, plant and equipment	—	11,918	11,918
Share of loss (gain) from investments in associates and impairment loss (recovery) from loan receivable	4,895	(51)	(51)
Realized fair value on inventories sold and other inventory charges	15,365	15,901	15,901
Unrealized gain on changes in fair value of biological assets	(18,790)	(21,751)	(21,751)
Share-based compensation (per statement of cash flows)	1,093	1,208	797
Legal provisions (recoveries), government subsidies, insurance recoveries and other non-operating expenses (income)	(184)	(407)	(407)
Share issuance costs allocated to derivative liabilities and change in fair value of derivative liabilities, other financial assets and contingent consideration	1,911	(53)	(53)
ERP implementation costs	465	2,415	1,588
Transaction costs	74	580	505
Provisions (recoveries) and net realizable value adjustments related to inventory and biological assets	2,752	4,784	4,784
Research and development expenditures, net of depreciation	1,545	3,720	2,601
Adjusted EBITDA as previously reported	$ 5,860	$ (2,360)	$ (412)
Add: Provision for Canndoc expected credit losses	—	470	470
Adjusted EBITDA (revised)	$ 5,860	$ (1,890)	$ 58
Divided by: net revenue	44,698	46,040	36,698
Adjusted EBITDA Margin % (revised) (Non-IFRS Measure)	13 %	(4)%	— %

Financial data in this MD&A is based on the Financial Statements of the Company, and has been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"), unless otherwise stated. All financial information in this MD&A is expressed in thousands of Canadian dollars ("$"), except for share and per share calculations, references to $ millions and $ billions, per gram ("g") or kilogram ("kg") of dried flower and per milliliter ("mL") or liter ("L") of cannabis extracts calculations.

This MD&A contains forward-looking information within the meaning of applicable securities laws, and includes the use of Non-IFRS Measures (as defined herein). Refer to "Cautionary Statement Regarding Forward-Looking Information" and "Cautionary Statement Regarding Certain Non-IFRS Measures" included within this MD&A.

The financial information in this MD&A also contains certain financial and operational performance measures that are not defined by and do not have any standardized meaning under IFRS, but are used by management to assess the financial and operational performance of the Company. These include, but are not limited to, the following:

- Adjusted gross margin; and
- Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA").

The Company believes that these Non-IFRS Measures, 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. The Non-IFRS Measures are defined in the sections in which they appear. Adjusted gross margin and Adjusted EBITDA are reconciled to IFRS in the "Financial Results and Review of Operations" section of this MD&A.

As there are no standardized methods of calculating these Non-IFRS Measures, the Company's approaches may differ from those used by others, and the use of these measures may not be directly comparable. Accordingly, these Non-IFRS Measures are

[5] Comparative Q4 Fiscal 2023 results are for the unaudited three month period beginning July 1, 2023 and ending September 30, 2023

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. Refer to "Cautionary Statement Regarding Certain Non-IFRS Measures" included within this MD&A.

This MD&A contains information concerning our industry and the markets in which we operate, including our market position and market share, which is based on information from independent third-party sources. Although we believe these sources to be generally reliable, market and industry data is inherently imprecise, subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process, and other limitations and uncertainties inherent in any statistical survey or data collection process. We have not independently verified any third-party information contained herein.

Additional information relating to the Company, including the Company's most recent annual information form (the "AIF"), is available under the Company's issuer profile on the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval ("SEDAR+") at www.sedarplus.ca. The Company's reports and other information filed with or furnished to the United States Securities and Exchange Commission ("SEC") are available on the SEC's Electronic Data Gathering, Analysis and Retrieval System ("EDGAR") at www.sec.gov.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain information herein contains or incorporates comments that constitute forward-looking information within the meaning of applicable securities legislation ("forward-looking information"). Forward-looking information, in general, can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "could", "would", "might", "expect", "intend", "estimate", "anticipate", "believe", "plan", "continue", "budget", "schedule" or "forecast" or similar expressions suggesting future outcomes or events. They include, but are not limited to, statements with respect to expectations, forecasts or other characterizations of future events or circumstances, and the Company's objectives, goals, strategies, beliefs, intentions, plans, estimates, projections and outlook, including statements relating to the Company's plans and objectives, or estimates or predictions of actions of customers, suppliers, partners, distributors, competitors or regulatory authorities; and statements regarding the Company's future economic performance. These statements are not historical facts but instead represent management beliefs regarding future events, many of which by their nature are inherently uncertain and beyond management control. Forward-looking information in this MD&A is based on the Company's current expectations about future events.

Certain forward-looking information in this MD&A includes, but is not limited to the following:

- Moncton Campus (as defined herein), Winnipeg Facility (as defined herein) and Lac-Supérieur Facility (as defined herein) licensing and production capacity and timing thereof;
- Expectations regarding production capacity, facility size, tetrahydrocannabinol ("THC") content, costs and yields;
- Expectations regarding the prospects of the Company's collaboration and investment transaction with a wholly-owned subsidiary of British American Tobacco p.l.c. ("BAT");
- Expectations regarding the prospects for the Company's primary operating subsidiary, Organigram Inc., being the resulting entity from the October 2023 amalgamation between Organigram Inc., The Edibles and Infusions Corporation ("EIC") and Laurentian Organic Inc. ("Laurentian");
- The final outcome of the Anti-Dumping Investigation (as defined herein) in respect of Canadian cannabis exports to Israel;
- Expectations around demand for cannabis and related products, future opportunities and sales, including the relative mix of medical versus recreational cannabis products, the relative mix of products within the recreational category;
- Changes in legislation related to permitted cannabis classes, formats, cannabinoid content and potency, including regulations relating thereto, the timing and the implementation thereof, and our future product formats;
- Expectations around branded cannabis products with respect to timing, launch, product attributes, composition and consumer demand;
- Expectations around the Company's ability to develop current and future vapour hardware, and the Company's ability to enter into and expand its share of the cannabis vapour products market;
- Expectations around the revenue growth from innovative products, particularly the commercialization of its new FAST™ (Fast Acting Soluble Technology) nanoemulsion technology ("FAST™");
- The scope of protection the Company is able to establish and maintain, if any, for its intellectual property ("IP") rights;
- Strategic investments and capital expenditures, and expected related benefits;
- The expectation that the planned technical arrangement between Organigram and Phylos Bioscience Inc. ("Phylos") will permit Organigram to transition a portion of its garden to seed-based cultivation over time, and the anticipated benefits of seed-based production;
- Expectations regarding the Company's investments in Weekend Holdings Corp ("WHC"), the parent company of Green Tank Technologies Corp. ("Greentank"), Steady State LLC (d/b/a Open Book Extracts) ("OBX"), and Sanity Group GmbH ("Sanity Group");
- Expectations regarding European Union Good Manufacturing Practice ("EU-GMP") certification, including successful completion of the audit and timing for the issuance of the certification, if successful;

- Expectations regarding the resolution of litigation and other legal proceedings;
- The general continuance of current, or where applicable, assumed industry conditions;
- Changes in laws, regulations, guidelines, and policies, and the interpretation thereof, including those relating to the recreational and/or medical cannabis markets domestically and internationally, minor cannabinoids and environmental programs;
- The price of cannabis and derivative cannabis products;
- Expectations around the availability and introduction of new genetics including consistency and quality of seeds and plants and the characteristics thereof;
- The impact of the Company's cash flow and financial performance on third parties, including its supply partners;
- Fluctuations in the price of Common Shares and the market for Common Shares;
- The treatment of the Company's business under governmental regulatory regimes and tax laws, including the *Excise Act* 2001 (Canada) and the renewal of the Company's licenses thereunder and the Company's ability to obtain export permits from time to time;
- The treatment of the Company's business under international regulatory regimes and impacts on changes thereto on the Company's international sales;
- Expectations related to the war between Israel and Hamas and its impact on the supply of product and collection of accounts receivable and the demand for product in Israel;
- The Company's growth strategy, targets for future growth and forecasts of the results of such growth;
- Expectations concerning access to capital and liquidity, the consummation of the outstanding tranche of the follow-on strategic equity investment from BT DE Investments Inc., a wholly-owned subsidiary of BAT (the "Follow-on BAT Investment" and the Company's ability to access the public markets from time to time to fund operational activities and growth;
- The Company's ability to remain listed on the Toronto Stock Exchange (the "TSX") and Nasdaq Global Select Market ("NASDAQ") and the impact of any actions it may be required to take to remain listed;
- Expectations concerning the Company's financial position, future liquidity and other financial results;
- The ability of the Company to generate cash flow from operations and from financing activities;
- The competitive conditions of the industry, including the Company's ability to maintain or grow its market share;
- Expectations regarding the Company's ability to generate cost savings from operational effectiveness and automation initiatives;
- Expectations regarding capital expenditures and timing thereof; and
- Expectations concerning the Company's performance during the first quarter of fiscal year 2025 ("Fiscal 2025"), including with respect to revenue, adjusted gross margin, selling, general and administrative expenses ("SG&A") and Adjusted EBITDA.

Forward-looking information is provided for the purposes of assisting the reader in understanding the Company and its business, operations, risks, financial performance, financial position and cash flows as at and for the periods ended on certain dates, and to present information about management's current expectations and plans relating to the future, and the reader is cautioned that such statements may not be appropriate for other purposes. In addition, this MD&A may contain forward-looking information attributed to third party industry sources. Undue reliance should not be placed on forward-looking information, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. Forward-looking information does not guarantee future performance and involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in the forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the expectations, predictions, forecasts, projections and conclusions will not occur or prove accurate, that assumptions may not be correct, and that objectives, strategic goals and priorities will not be achieved. These and other factors may cause actual results or events to differ materially from those anticipated in the forward-looking information.

Factors that could cause actual results to differ materially from those set forth in forward-looking information include, but are not limited to: financial risks; cyber security risks; dependence on senior management and other key personnel, the board of directors of the Company (the "Board of Directors"), consultants and advisors; availability and sufficiency of insurance including continued availability and sufficiency of director and officer and other forms of insurance; the Company and its subsidiaries being able to, where applicable, cultivate cannabis pursuant to applicable law and on the currently anticipated timelines and in anticipated volumes; industry competition; global events, including heightened economic and industry uncertainty as a result of any pandemic or epidemic and governmental action in respect thereto, including with respect to impacts on production, operations, disclosure controls and procedures or internal control over financial reporting, and supply chain and distribution disruptions; facility and technological risks; changes to government laws, regulations or policy, including environmental or tax, or the enforcement thereof; agricultural risks; ability to maintain any required licenses or certifications; supply risks; product risks; construction delays or postponements; packaging and shipping logistics; inflationary risk, expected number of medical and recreational cannabis users in Canada and internationally; continuation of shipments to existing and prospective international jurisdictions and customers; potential time frame for the implementation of legislation to legalize cannabis internationally; the Company's, its subsidiaries' and its investees' ability to, where applicable, obtain and/or maintain their status as licensed producers (a "Licensed Producer" or "LP") or other applicable licensees; risk factors affecting its investees; availability of any required financing on commercially acceptable

terms or at all; the potential size of the regulated recreational cannabis market in Canada; demand for and changes in the Company's cannabis and related products, including the Company's derivative products, and the sufficiency of the retail networks to supply such demand; ability of the Company to develop current and future vapour hardware and to expand into the vapour market; ability to enter and participate in international market opportunities; general economic, financial market, regulatory, industry and political conditions affecting the Company; expectations related to the ongoing war between Israel and Hamas and its impact on the supply of product in the market and the demand for product in Israel as well as the impact of the war on collection of accounts receivable; the outcome of the final Anti-Dumping Investigation; the ability of the Company to compete in the cannabis industry and changes in the competitive landscape; a material decline in cannabis prices; the Company's ability to manage anticipated and unanticipated costs; the Company's ability to implement and maintain effective internal control over financial reporting and disclosure controls and procedures; risks relating to potential failure of the Company's information technology ("IT") system; ongoing expansions to the Company's enterprise resource planning ("ERP") system; continuing to meet listing standards for the TSX and the NASDAQ; risks relating to the Company's IP; liquidity risk; concentration risk; and other risks and factors described from time to time in the documents filed by the Company with securities regulators in Canada and the United States. Material factors and assumptions used in establishing forward-looking information include that production activities will proceed as planned, and demand for cannabis and related products will change in the manner expected by management. All forward-looking information is provided as of the date of this MD&A.

The Company does not undertake to update any such forward-looking information whether as a result of new information, future events or otherwise, except as required by law.

ADDITIONAL INFORMATION ABOUT THE ASSUMPTIONS, RISKS AND UNCERTAINTIES OF THE COMPANY'S BUSINESS AND MATERIAL FACTORS OR ASSUMPTIONS ON WHICH INFORMATION CONTAINED IN FORWARD-LOOKING INFORMATION IS BASED IS PROVIDED IN THE COMPANY'S DISCLOSURE MATERIALS, INCLUDING IN THIS MD&A UNDER "RISK FACTORS" AND THE COMPANY'S CURRENT AIF UNDER "RISK FACTORS", FILED WITH THE SECURITIES REGULATORY AUTHORITIES IN CANADA AND AVAILABLE UNDER THE COMPANY'S ISSUER PROFILE ON SEDAR+ AT WWW.SEDARPLUS.CA, AND FILED WITH OR FURNISHED TO THE SEC AND AVAILABLE ON EDGAR AT WWW.SEC.GOV. ALL FORWARD-LOOKING INFORMATION IN THIS MD&A IS QUALIFIED BY THESE CAUTIONARY STATEMENTS.

CAUTIONARY STATEMENT REGARDING CERTAIN NON-IFRS MEASURES

This MD&A contains certain financial and operational performance measures that are not recognized or defined under IFRS ("Non-IFRS Measures"). As there are no standardized methods of calculating these Non-IFRS Measures, the Company's approaches may differ from those used by others and this data may not be comparable to similar data presented by other Licensed Producers of cannabis and cannabis companies. For an explanation of these measures to related comparable financial information presented in the Financial Statements prepared in accordance with IFRS, refer to the discussion below.

The Company believes that these Non-IFRS Measures are useful indicators of operating performance and are specifically used by management to assess the financial and operating performance of the Company. These Non-IFRS Measures include, but are not limited to, the following:

- Adjusted gross margin is calculated by subtracting cost of sales, before the effects of: (i) unrealized gain on changes in fair value of biological assets; (ii) realized fair value on inventories sold and other inventory charges; (iii) provisions and impairment of inventories and biological assets; and (iv) provisions to net realizable value. Adjusted gross margin percentage is calculated by dividing adjusted gross margin by net revenue. Adjusted gross margin is reconciled to the most directly comparable IFRS financial measure in the "Financial Results and Review of Operations" section of this MD&A.

  Management believes that these measures provide useful information to assess the profitability of our operations as they represent the normalized gross margin generated from operations and exclude the effects of non-cash fair value adjustments on inventories and biological assets, which are required by IFRS. The most directly comparable measure to adjusted gross margin calculated in accordance with IFRS is gross margin before fair value adjustments.

- Adjusted EBITDA is calculated as net income (loss) excluding: financing costs, net of investment income; income tax expense (recovery); depreciation, amortization, impairment, normalization of depreciation add-back due to changes in depreciable assets resulting from impairment charges, (gain) loss on disposal of property, plant and equipment (per the consolidated statement of cash flows); share-based compensation (per the consolidated statement of cash flows); share of loss (gain) from investments in associates including impairment loss; change in fair value of contingent consideration; change in fair value of derivative liabilities, other financial assets and preferred shares; expenditures incurred in connection with research and development activities (net of depreciation); unrealized gain on changes in fair value of biological assets; realized fair value on inventories sold and other inventory charges; provisions and net realizable value adjustments related to inventory and biological assets; government subsidies, insurance recoveries and other non-operating expenses (income); legal provisions (recoveries); ERP implementation costs; transaction costs; share issuance costs; and provision for Canndoc (as defined herein) expected credit losses. Adjusted EBITDA is reconciled to the most

directly comparable IFRS financial measure in the "Financial Results and Review of Operations" section of this MD&A.

During the second quarter of Fiscal 2024, Management changed the calculation of Adjusted EBITDA and has conformed prior quarters accordingly to include provision for expected credit losses.

Adjusted EBITDA is intended to provide a proxy for the Company's operating cash flow and derives expectations of future financial performance for the Company, and excludes adjustments that are not reflective of current operating results. The most directly comparable measure to Adjusted EBITDA calculated in accordance with IFRS is net income (loss).

Non-IFRS Measures should be considered together with other data prepared in accordance with IFRS to enable investors to evaluate the Company's operating results, underlying performance and prospects in a manner similar to the Company's management. Accordingly, these Non-IFRS Measures are 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.

BUSINESS OVERVIEW

NATURE OF THE COMPANY'S BUSINESS

The Company is a federally incorporated Canadian cannabis cultivator and manufacturer of finished cannabis goods. Our principal operating subsidiary, Organigram Inc., is a Licensed Producer of cannabis regulated by Health Canada. Organigram is authorized to cultivate cannabis and to manufacture and distribute cannabis products to wholesale and retail channels in the recreational and medical cannabis regimes.

The Company's head office is located at 1400-145 King Street West, Toronto, Ontario, M5H 1J8. The Company's registered office is located at 35 English Drive, Moncton, New Brunswick, E1E 3X3. The Company's common shares ("Common Shares") are listed under the ticker symbol "OGI" on both the NASDAQ and the TSX. Any inquiries regarding the Company may be directed by email to investors@organigram.ca.

The Company conducts its operations at several facilities: (i) our primary indoor cultivation and manufacturing facility in Moncton, New Brunswick (the "Moncton Campus"); (ii) our edibles manufacturing facility in Winnipeg, Manitoba (the "Winnipeg Facility"); and (iii) our craft flower cultivation and hash production facility in Lac-Supérieur, Québec (the "Lac-Supérieur Facility"). We also export cannabis to various international jurisdictions.

On December 6, 2024, the Company acquired Motif Labs Ltd. ("Motif"), a leading cannabis company, specializing in cannabis extraction and vape and infused pre-roll formulation and production. As a result of the acquisition, the Company now operates two additional cannabis processing facilities in Southwestern Ontario: one in Aylmer (the "Aylmer Facility") and the other in London (the "London Facility"). The Aylmer Facility houses best-in-class CO2 and Hydrocarbon extraction capabilities, and is optimized for formulation refinement, post-processing of minor cannabinoids, and pre-roll production. The London Facility will be optimized for labelling, packaging, and national fulfillment. The Aylmer Facility and London Facility provide the Company with physical footprints in Canada's most populous province, and are expected to aid the Company in further optimizing its production and logistics.

STRATEGY

Our corporate strategy is to leverage our broad consumer brand and product portfolio and our culture of innovation to increase our market share, drive profitability, expand internationally, and continue to be an industry leader that delivers long-term shareholder value.

The pillars of our strategy are:

1. Innovation;
2. Consumer Focus;
3. Efficiency; and
4. Market Expansion.

1. Innovation

Meeting the demands of a fast-growing industry with changing consumer preferences requires innovation and the creation of breakthrough products that are embraced by the market and provide a long-term competitive advantage. We are committed to maintaining a culture of innovation and have a track record of introducing differentiated products that quickly capture market share, specifically:

- **SHRED:** Canada's first milled flower product blended to create curated flavour profiles;

- **Monjour Wellness gummies:** a cannabidiol ("CBD") focused wellness brand available in a large format and offering multiple flavours in one package;
- **SHRED X Rip-Strip hash:** a patent-pending botanical terpene-infused hash product sold in convenient pre-cut strips;
- **SHRED X Heavies: a** line of ultra-high THC (40%+) infused pre-rolls with diamonds, distillate and botanical terpenes;
- **THCV:** Canada's first whole-flower derived tetrahydrocannabivarin ("THCV") products, including gummies and whole and milled flower, offering consumers a differentiated experience compared to THC;
- **SHRED Dartz:** tube-style pre-rolls delivered in a format familiar to consumers in a sleek and low-profile package;
- **SHRED Rainbow Oz. Dartz:** a multi-flavour offering containing 7 different packs of pre-rolls, for a total of 70 pre-rolls per package; and
- **Edison Sonics**: Canada's first gummy product utilizing FAST™ which is clinically validated to show onset of up to 50% faster and results in nearly double the amount of peak cannabinoid levels compared to gummies without FAST™. Edison Sonics were launched in November 2024.

Consistent with our innovation culture, we have a product development collaboration ("PDC") with BAT, our largest institutional shareholder and a leading multi-category consumer goods business, through which we established a "Centre of Excellence" (the "CoE") to focus on developing the next generation of cannabis products. The CoE is located at the Moncton Campus, where Organigram has been authorized to conduct research and development activities with cannabis. Under the terms of the Product Development Collaboration agreement (the "PDC Agreement") between the parties dated March 10, 2021, we have a worldwide, royalty-free, sub-licensable, perpetual license to exploit IP developed in the PDC in any field. This license, which is exclusive to us in Canada and non-exclusive to us outside of Canada, enhances our ability to enter international markets, including through sublicensing arrangements with established operators. Both companies contributed scientists, researchers, and product developers to the CoE, which is governed and supervised by a steering committee consisting of an equal number of senior members from both companies.

2. Consumer Focus
Organigram seeks to address the changing needs of the cannabis consumer through its broad brand and product portfolio in which it offers products in the most popular categories and at attractive price points. Based on ongoing consumer research, the Company's product portfolio is frequently refreshed with different flower strains and new package formats and product introductions. Organigram's alignment with consumers is evidenced by its #2 market position[6] as of the end of Q4 Fiscal 2024, and its category leadership:

- **SHRED:** $225 million in annual retail sales as of the last twelve months ("LTM") at the end of Q4 Fiscal 2024[6]
- **Hash:** since acquiring the Lac-Supérieur Facility, Organigram has expanded hash distribution nationally and introduced the innovative Rip-Strip Hash product. On September 30, 2024, Organigram held the #1 market position in the hash category
- **SHRED'ems and Monjour gummies:** among the top-selling gummies in Canada. As of the end of Q4 Fiscal 2024, the Company held the #3 market position in the gummy category with Monjour being the best-selling CBD-only gummy[6] and **Boxhot:** the Company acquired the Boxhot brand through its acquisition of Motif in December, 2024. Boxhot is one of Canada's leading cannabis brands with $158 million in revenue in the last 12 months[7], and is the leading vape brand in the country[1], that represents products in the vape, infused pre-roll, and concentrates categories

In addition to third-party and direct consumer research, we maintain contact with consumers online via social media.

3. Efficiency
The Moncton Campus utilizes three-tier cultivation technology to maximize the use of facility square footage. It also employs proprietary information technology to track all aspects of the cannabis cultivation and harvest process. This is complemented by automation in post-harvest production, including high-speed pouch filling, pre-roll machines and automated excise stamping.

The Winnipeg Facility is highly automated and efficiently handles both small-batch artisanal manufacturing of edibles and large-scale nutraceutical-grade production, enabling us to produce a wide range of high-quality edible products at attractive price points.

The Lac-Supérieur Facility houses a cultivation and derivative products processing operation. We have strategically invested in the Lac-Supérieur Facility to increase cultivation capacity, processing and storage space, and accelerate automation.

Key efficiency milestones achieved in Q4 Fiscal 2024 include:
- Realized $9.1 million in annualized savings;
- Harvested 23,323 kg of flower representing an increase of 10% compared to Q4 Fiscal 2023;
- Produced 41.5 million gummies in Fiscal 2024, an increase of over 36% compared to Fiscal 2023;

[6] As of September 30, 2024 - Multiple sources (Hifyre, Weedcrawler, OCS wholesale sales and e-commerce orders shipped data, provincial boards data and internal sales data)
[7] Source: Hifyre (all provinces other than QC, NB and NS), Weedcrawler (QC), and Board Data (NB, NS, PE), R3M Oct 30

- Completed trials for reducing cannabinoid waste that are expected to deliver meaningful savings in Fiscal 2025, by changing to in-line active dosing tanks for the continuous edibles line;
- Achieved record yield per plant of 187 grams;
- The Company achieved 9% of its cannabis harvest from seeds in Q4 Fiscal 2024 and 22% by the end of calendar 2024, contributing to a reduction in cultivation costs and increased cultivation capacity. The Company expects to further leverage lower-cost seed-based technology by targeting approximately 20% of harvests from seeds in Fiscal 2025, with monthly fluctuations between 15% and 30% depending on the cultivar requirements;
- Optimized shift structure in Winnipeg from 8-hour shifts to 10-hour shifts for increase efficiencies, resulting in $650,000 of annualized salary savings;
- Increased yield per grow room in Lac Supérieur from 82 kg in the first quarter of Fiscal 2024, to 160 kg in the fourth quarter of Fiscal 2024, an increase of 95%;
- Excluding THC-capped Quebec flower, 43% of total harvests were above 26% THC;
- 56% of flower harvested in Lac Supérieur was over 26% THC in Q4 Fiscal 2024, up from 30% in Q3 Fiscal 2024;
- Successfully completed trial production of Edison Sonics, the Company's new fast-acting nanoemulsion gummies;
- Converted two vegetation rooms to flower at the Moncton Campus due to extra capacity from seeds which will provide an additional ~1,360kg flower from the garden annually; and
- Produced 1.1 million units of Hash in Fiscal 2024, compared to 0.7 million in Fiscal 2023.

4. Market Expansion

We are committed to expanding our market presence by diversifying our product offerings and broadening our geographical footprint. We expect to enable this via strategic investments and acquisitions, along with assessments for international expansion. Examples of market expansion include:

- The strategic acquisitions of (i) EIC, whose Winnipeg Facility added a purpose-built, highly-automated, 51,000-square-foot cannabis edibles manufacturing facility; and (ii) Laurentian, whose Lac-Supérieur Facility added craft cultivation and hash to our product portfolio and increased our presence in Québec;
- International shipments of bulk cannabis to Germany, Australia and the United Kingdom ("UK");
- The strategic Follow-on BAT Investment of $124.6 million and the creation of the "Jupiter" investment pool targeting international opportunities, with initial investments completed in OBX and Sanity Group; and
- The acquisition of Motif subsequent to Fiscal 2024 resulted in Organigram becoming the #1 LP in Canada by market share[8] and added two purpose-built facilities to its portfolio that are optimized for cannabis extraction, processing, manufacturing, and distribution. Motif's product portfolio is highly complementary to Organigram's, with minimal portfolio overlap.

KEY QUARTERLY FINANCIAL AND OPERATING RESULTS

	Q4-2024	Comparative Q4-2023	CHANGE	% CHANGE
Financial Results				
Net revenue	$ 44,698	$ 36,698	$ 8,000	22 %
Cost of sales	$ 30,907	$ 34,321	$ (3,414)	(10)%
Gross margin before fair value adjustments[(2)]	$ 13,791	$ 2,377	$ 11,414	480 %
Gross margin % before fair value adjustments[(1)]	31 %	6 %	25 %	417 %
Operating expenses	$ 16,933	$ 38,244	$ (21,311)	(56)%
Other expense (income)	$ 5,686	$ (1,143)	$ (6,829)	(597)%
Adjusted EBITDA[(2)]	$ 5,860	$ 58	$ 5,802	10,003 %
Net loss	$ (5,433)	$ (26,595)	$ (21,162)	(80)%
Net cash provided by (used in) operating activities	$ 8,893	$ (8,469)	$ 17,362	205 %
Adjusted Gross Margin[(2)]	$ 16,543	$ 7,161	$ 9,382	131 %
Adjusted Gross Margin %[(2)]	37 %	20 %	17 %	85 %
Operating Results				
Kilograms harvested - dried flower	23,323	21,238	2,085	10 %
Kilograms sold - dried flower	20,677	15,249	5,428	36 %

Note (1): Equals gross margin before fair value adjustments (as reflected in the Financial Statements) divided by net revenue.
Note (2): Adjusted EBITDA, Adjusted Gross Margin and Adjusted Gross Margin % are non-IFRS measures. See "Cautionary Statement Regarding Certain Non-IFRS Measures" and "Financial Results and Review of Operations" in this MD&A.
Note (3): Comparative Q4 Fiscal 2023 results is for the unaudited twelve month period beginning October 1, 2022 and ending September 30, 2023.

[8] Source: Hifyre (all provinces other than QC, NB and NS), Weedcrawler (QC), and Board Data (NB, NS, PE), R3M Oct 30

REVENUE

For Q4 Fiscal 2024, the Company reported $44,698 in net revenue. Of this amount $38,839 (88%) was attributable to sales to the recreational cannabis market, $4,075 (9%) to the international market, $513 (1%) to the medical market and $1,069 (2%) to other revenues. Q4 Fiscal 2024 net revenue increased 22%, or $8,000, from Comparative Q4 Fiscal 2023 net revenue of $36,698, primarily due to an increase in sales of dried flower and international sales.

Sale of flower from all product categories in the recreational market comprised 81% of total net revenue in the quarter. The average net selling price ("ASP") of recreational flower decreased to $1.47 per gram in Q4 Fiscal 2024 as compared to $1.59 per gram for Comparative Q4 Fiscal 2023. This decrease reflects historical price compression in the recreational market, as both the Company and the Canadian cannabis industry adapted to consumer and product mix increasingly focused on value offerings. Price compression for recreational flower stabilized in the third quarter of Fiscal 2024, with an ASP of $1.51 per gram. While selling prices are prone to fluctuation, the Company is committed to refining its product mix as customer preferences evolve.

The volume of flower sales in grams increased 36% to 20,677 kg in Q4 Fiscal 2024 compared to 15,249 kg in Comparative Q4 Fiscal 2023, primarily as a result of success of the Company's large format value products, as well as a significant increase in sales of infused pre-rolls.

COST OF SALES

Cost of sales for Q4 Fiscal 2024 decreased to $30,907 compared to $34,321 in Comparative Q4 Fiscal 2023, primarily due to lower cost of sales per unit and lower inventory provisions in Q4 Fiscal 2024. Included in Q4 Fiscal 2024 cost of sales are $2,752 of inventory provisions for unsaleable inventories. The Comparative Q4 Fiscal 2023 had inventory provision adjustments of $4,784.

GROSS MARGIN BEFORE FAIR VALUE ADJUSTMENTS AND ADJUSTED GROSS MARGIN

The Company realized gross margin before fair value adjustments for Q4 Fiscal 2024 of $13,791, or 31% as a percentage of net revenue, compared to $2,377, or 6%, in Comparative Q4 Fiscal 2023. The increase in gross margin before fair value adjustments, as a percentage of net revenue, is primarily driven by a higher proportion of international sales with stronger margins, lower cost of sales per unit achieved through greater scale and operating efficiencies (including but not limited to an improvement in yields), and reduced inventory provisions and net realizable value adjustments.

Adjusted gross margin[9] for Q4 Fiscal 2024 was $16,543, or 37% as a percentage of net revenue, compared to $7,161, or 20%, for Comparative Q4 Fiscal 2024 . This was largely due to lower cost of sales per unit and higher international sales.

OPERATING EXPENSES

	Q4-2024	Comparative Q4-2023	CHANGE	% CHANGE
General and administrative	$ 9,544	$ 11,524	$ (1,980)	(17)%
Sales and marketing	4,756	4,263	493	12 %
Research & development	1,667	2,856	(1,189)	(42)%
Share-based compensation	966	732	234	32 %
Impairment of intangible assets and goodwill	—	6,951	(6,951)	(100)%
Impairment of property, plant and equipment	—	11,918	(11,918)	(100)%
Total operating expenses	$ 16,933	$ 38,244	$ (21,311)	(56)%

Note (1): Comparative Q4 Fiscal 2023 results are for the unaudited and unreviewed three month period beginning July 1, 2023 and ending September 30, 2023.

GENERAL AND ADMINISTRATIVE

General and administrative expenses of $9,544 decreased from the Comparative Q4 Fiscal 2023 expenses of $11,524 primarily due to lower technology costs including implementation expenses for a new ERP system, as well as reduced insurance costs, professional fees, and depreciation and amortization.

SALES AND MARKETING

Sales and marketing expenses of $4,756 increased from Comparative Q4 Fiscal 2023 expenses of $4,263. The increase in expenses was due to the Company's continued investment in developing its share of the recreational market. These expenses as % of net revenue decreased to 12% from 13% in the Comparative Q4 Fiscal 2023.

[9] Adjusted gross margin is a non-IFRS financial measure. See the cautionary statement regarding non-IFRS financial measures in the "Introduction" section of this MD&A, and the discussion under the heading "Adjusted EBITDA" and the reconciliation to IFRS measures in the "Financial Results and Review of Operations" section of this MD&A.

RESEARCH AND DEVELOPMENT
Research and development costs of $1,667 decreased from the Comparative Q4 Fiscal 2023 costs of $2,856 primarily due to higher scientific research and experimental development (SR&ED) credits and reduced activity under the PDC Agreement with BAT and other product innovation projects.

SHARE-BASED COMPENSATION
Share-based compensation expense of $966 increased from the Comparative Q4 Fiscal 2023 expense of $732, primarily due to employee equity awards that were issued during the first half of the current fiscal year to retain talent.

OTHER (INCOME) / EXPENSES

	Q4-2024	Comparative Q4-2023	CHANGE	% CHANGE
Investment income, net of financing costs	(960)	(652)	(308)	(47)%
Share of loss (including impairment) from investments in associates	4,895	(10)	4,905	(49,050)%
Loss on disposal of property, plant and equipment	24	45	(21)	(47)%
Change in fair value of contingent consideration	—	(466)	466	(100)%
Share issue costs allocated to derivative liabilities and preferred shares	269	—	269	100 %
Change in fair value of derivative liabilities and other financial assets	1,642	413	1,229	(298)%
Other non-operating income	(184)	(473)	289	(61)%
Total other income	$ 5,686	$ (1,143)	$ 6,829	(597)%

Note (1): Comparative Q4 Fiscal 2023 results are for the unaudited and unreviewed three month period beginning July 1, 2023 and ending September 30, 2023.

INVESTMENT INCOME
Investment income (net of financing costs) of $960 increased from the Comparative Q4 Fiscal 2023 of $652, primarily due to a higher cash balance in the current period.

SHARE OF LOSS FROM INVESTMENTS IN ASSOCIATES
During Q4 Fiscal 2024, the Company determined that there are indicators of impairment related to its investment in Hyasynth Biologicals Inc. ("Hyasynth"). The Company determined the recoverable amount to be approximately $nil and a result, an impairment loss of $4,773 was recognized in the consolidated statement of operations and comprehensive loss for Fiscal 2024.

SHARE ISSUE COSTS
During Q4 Fiscal 2024, the Company closed the second tranche of the Follow-on BAT Investment and issued 4,429,740 Common Shares and 8,463,435 Preferred Shares (as defined herein). The transaction costs of $269 incurred in relation to the issuance of Preferred Shares were recognized as an expense in the consolidated statement of operations and comprehensive loss for Fiscal 2024.

CHANGE IN DERIVATIVE LIABILITIES AND OTHER FINANCIAL ASSETS
Change in fair value of derivative liabilities and other financial assets was a loss of $1,642 during Q4 Fiscal 2024 compared to a loss of $413 in Comparative Q4 Fiscal 2023. The increase is primarily due to a fair value loss of $2,872 and $3,070 recorded in relation to the increase in the derivative warrant liabilities and top-up rights (the "Top-up Rights") granted to BAT under the amended and restated investor rights agreement dated January 23, 2024 (the "Amended IRA"), which amended and restated the original investor rights agreement between BAT and the Company dated March 10, 2021 (the "Original IRA"). This decrease was partially offset by a fair value gain on other financial assets.

ADJUSTED EBITDA
Adjusted EBITDA[10] was $5,860 in Q4 Fiscal 2024 compared to Adjusted EBITDA of $58 in Comparative Q4 Fiscal 2023. The $5,802 increase in Adjusted EBITDA from the comparative period is primarily attributable to higher net flower revenue, lower general and administrative expenses and the increase in adjusted gross margins[11]. Please refer to the “Financial Results and Review of Operations” section of this MD&A for a reconciliation of Adjusted EBITDA to net loss.

[10] Adjusted EBITDA is a Non-IFRS Measure. See "Cautionary Statement Regarding Certain Non-IFRS Measures" in this MD&A, and the discussion under the heading “Adjusted EBITDA" and the reconciliation to IFRS measures in the "Financial Results and Review of Operations" section of this MD&A.
[11] Adjusted gross margin is a Non-IFRS Measure. See "Cautionary Statement Regarding Certain Non-IFRS Measures" in this MD&A.

NET LOSS

The net loss was $5,433 in Q4 Fiscal 2024 compared to a net loss of $26,595 in Comparative Q4 Fiscal 2023. The decrease in net loss from the comparative period is primarily due to higher adjusted gross margins[10] and lower impairment losses in the current period.

KEY DEVELOPMENTS DURING THE QUARTER AND SUBSEQUENT TO SEPTEMBER 30, 2024

In July 2024, Organigram bolstered its auto-flower and rare cannabinoid portfolio with a partial third tranche investment of US$1 million in Phylos, a U.S. cannabis genetics company and provider of production-ready seeds, with the remaining portion of the final tranche to be funded upon completion of a newly expanded final milestone. Already a cultivation leader in high potency THCV cultivars, Organigram is expected to pilot higher potency rare cannabinoids such as cannabigerol ("CBG"), cannabichromene ("CBC") and cannabidivarin ("CBDV"). As part of the expanded milestone, Phylos delivered to Organigram 21 unique auto-flower seed varietals for testing and phenotyping, and will deliver a second cohort of 21 auto flower seed varietals by January 31, 2025. In addition to the auto-flower seeds, Organigram received an expanded genetics license from Phylos that, in addition to THCV, includes access to high potency CBG, CBC and CBDV seed-based cultivars. The balance of the third tranche, being an additional US$1 million, will be advanced to Phylos conditional upon successful completion of the expanded milestone no later than March 31, 2026.

In July 2024, the Company announced the appointment of Craig Harris to the Board of Directors, as BAT's third nominee under the Amended IRA, bringing the number of directors to 10.

In August 2024, the Company unveiled the preliminary results of a landmark clinical pharmacokinetic (PK) study conducted via the PDC on the Company's latest innovation, nanoemulsion technology. This patent-pending technology, branded as FAST™ , is the first innovation to be commercialized by Organigram leveraging the output of the PDC. The final results of the study revealed: up to a 50% faster onset time of effects compared to gummies without FAST™; improved bioavailability of cannabinoids delivering nearly double the cannabinoids at peak effect; and early indicators of a more predictable duration of effects.

In August 2024, the Company closed the second of three tranches of the previously announced $124,559,674 Follow-on BAT Investment for gross proceeds $41,519,891. The third and final tranche is expected to close around February 28, 2025.

In November 2024, the Company launched Edison Sonics gummies, its inaugural product powered by FAST™, an advanced nanoemulsion delivery system that breaks down cannabinoids into tiny particles, allowing them to be absorbed more quickly and efficiently during consumption, as described in the results of the PK study cited above.

In **December 2024**, the Company announced its acquisition of Motif, which resulted in the Company becoming Canada's largest cannabis company by market share[12]. The Company acquired 100% of the issued and outstanding shares of Motif for upfront consideration of $90 million, consisting of $50 million in cash and $40 million of Common Shares based on the 30 trading day volume weighted average price ("VWAP") of $2.3210 per Common Share. Motif's former shareholders will also be entitled to receive additional contingent consideration of $10 million payable in Common Shares with a deemed issue price of $3.22031 per Common Share, conditional on the Company achieving a price per Common Share exceeding $3.2203, based on the rolling 30-trading day VWAP within 12 months of the date of the transaction.

DISCUSSION OF OPERATIONS

Moncton Campus (Indoor Cultivation and Manufacturing)

We have implemented various initiatives that have increased the average THC potency in our products. We have also implemented changes to our growing and harvesting methodologies to improve operating conditions, resulting in higher quality flower and reduced production costs.

In Fiscal 2023, the Company continued to invest in driving operational efficiencies through automation and internalizing certain post-harvest processes including commissioning a new automated packaging line for SHRED milled products, internalizing THC testing, internalizing remediation, and commissioning new drying machines. These initiatives have reduced headcount and significantly reduced costs while streamlining operations and increasing efficiency. Of the $10 million in annual savings targeted by the Company in Fiscal 2024 as a result of the Fiscal 2023 capex programs, $9.1 million was realized, with the remainder expected to be realized in early Fiscal 2025.

The Company harvested 23,323 kg of dried flower during Q4 Fiscal 2024 compared to 21,238 kg of dried flower in Comparative Q4 Fiscal 2023.

[12] Source: Hifyre (all provinces other than QC, NB and NS), Weedcrawler (QC), and Board Data (NB, NS, PE), R3M Oct 30

Winnipeg Facility (Edibles)

This purpose-built, highly automated 51,000 square-foot manufacturing facility was designed to produce highly customizable, precise, and scalable cannabis-infused products in various formats including pectin and gelatin-based sugar-free gummies. The Winnipeg Facility is capable of producing over 4 million gummies on a monthly basis. In May 2024, Organigram installed specialized manufacturing equipment for its nanoemulsion technology, and launched its first nanoemulsion gummies in November 2024.

Lac-Supérieur Facility (Hash/Concentrates and Craft Flower)

This facility initially had 6,800 square feet of cultivation area, which the Company expanded to 33,000 square feet in Q4 Fiscal 2023. The facility is equipped to produce 2,400 kilograms of flower and over 2 million packaged units of hash annually. The production of SHRED X Rip Strip Hash started in February 2023 using proprietary patent-pending technology with a capacity of 150 units per minute. The Company is currently producing Quebec-grown cannabis for its Trailblazer and Wola brands at this facility.

Aylmer Facility (Extraction and Manufacturing)

The Aylmer Facility, acquired by the Company in December 2024, houses best-in-class extraction and manufacturing capabilities including hydrocarbon and CO2 extraction and refinement, formulation, post-processing of minor cannabinoids, and infused and regular pre-roll production. The facility provides low cost ingredients to Organigram, and produces on a monthly basis approximately 1,350 kg of distillate, 400,000 kg of hydrocarbon extract, 750,000 pre-rolls, and 1 million vapes.

London Facility (Warehousing and Distribution)

The London Facility, acquired by the Company in December 2024, is a centralized warehouse distribution hub in Canada's most populous province of Ontario. The facility will support growing demand for Organigram products, optimize fulfillment, and reduce the cost and complexity of shipping product from the Company's Moncton Campus in New Brunswick.

RESEARCH AND PRODUCT DEVELOPMENT

Management believes that the cannabis industry is still in the nascent stages of product development and that product innovation backed by core fundamental research and development ("R&D") is necessary to establish a long-term competitive advantage in the industry. Our investments in these areas are expected to position the Company at the forefront of launching new, innovative, differentiated products and formulations that appeal to consumers.

BAT Product Development Collaboration and Centre of Excellence

The CoE was established to focus on R&D activities for the next generation of cannabis products, as well as fundamental cannabis science.

Under the PDC Agreement, both Organigram and BAT have access to certain of each other's IP and have the right to independently and globally commercialize the products, technologies, and IP created in the PDC. Costs relating to the CoE are funded equally by Organigram and BAT. Approximately $31 million of BAT's initial investment in Organigram has been reserved for Organigram's portion of its funding obligations.

The CoE's state-of-the-art biological experiment laboratory ("BioLab") enables us to conduct advanced research on plant science. Organigram has conducted R&D on several minor cannabinoids, which have since been introduced into our expanding product portfolio. The CoE is also developing a suite of emulsions, novel vapour formulations, flavour innovations, and packaging solutions that are expected to enhance Organigram's product portfolio.

The PDC has completed a PK study that enables us to substantiate certain innovations with application in the edibles and vapour product formats. The PK study was a significant milestone that generated a robust dataset validating our development efforts and enabling us to commercialize nanoemulsion technology beginning with the launch of our Edison Sonics gummies in November 2024.

Plant Science, Breeding and Genomics Research and Development in Moncton

Organigram's sophisticated cultivation program has continued its expansion with the addition of a dedicated cultivation R&D space. The new space has accelerated rapid assessment and screening, delivering 20 to 30 unique cultivars every two months while freeing up rooms for commercial grow operations. The plant science team continues to move the garden towards unique, high-terpene and high-THC cultivars, while also leveraging the BioLab for ongoing plant science innovation focusing on quality, potency and disease-resistance marker discovery to enrich the cultivation pipeline. This activity is supported by the wide-ranging technical collaboration being undertaken as part of the Company's strategic investment in Phylos.

OUTLOOK

Market Size

The Company maintains a positive outlook on the cannabis market, both in Canada and internationally. Canada-wide legal sales for the industry are expected to total $6 billion in calendar 2028[13]. Canada's cannabis exports have increased significantly over the last five years, growing from $8 million in 2020, to approximately $218 million in its 2024[14].

The momentum of global cannabis reform has encouraged many cannabis operators to seek exposure to emerging medical and recreational markets. Furthermore, as international revenue is not subject to onerous Canadian cannabis excise duties, LPs have increasingly sought to grow this revenue stream to expand their revenues and margins, while further solidifying Canada's strong reputation for producing high quality cannabis abroad.

Business Outlook

Opportunities to scale new cannabis strains require a patient and deliberate process where cultivation protocols are trialed for each strain and adjusted through multiple growth cycles before roll-out across the facility. Organigram's commitment to investing in new genetics and innovations continues, and we expect to launch new genetics, ready-to-consume innovations, and products containing minor cannabinoid stacks in various formats.

In addition to traditional dried flower and pre-roll offerings, Organigram expects to be in a position to generate more revenue growth from innovative products, particularly through the commercialization of FAST™, which was first introduced to the Canadian market in November 2024 with the launch of Edison Sonics gummies. FAST™ gummies have been clinically validated to produce up to a 50% faster onset and nearly double the level of cannabinoid concentration at peak compared to traditional gummies without FAST™. The Company anticipates garnering a competitive edge in the gummy category with this new ingestible technology.

The Company's international sales have increased sequentially throughout Fiscal 2024. Organigram further diversified its international supply partners in Fiscal 2024, and established a foothold in the rapidly growing German cannabis market through a $21 million investment in Sanity Group. This investment enhanced Organigram's previously announced supply agreement with Sanity Group such that its cannabis export volumes to the German market are expected to increase throughout Fiscal 2025. The anticipated EUGMP certification of Organigram's Moncton Campus is also expected to drive the growth of its international revenue.

Organigram achieved significant production, manufacturing, and logistics efficiency gains in Fiscal 2024, driving notable growth in adjusted gross margins in Fiscal 2024.

The Company expects adjusted gross margin to exceed 35% for Fiscal 2025. It also anticipates positive full-year Adjusted EBITDA[15] surpassing Fiscal 2024 levels, along with positive cash flow from operations.

Organigram has identified the following opportunities that it believes have the potential to improve margins in the future:

- Increased sales of higher-margin ready-to-consume products, including edibles, vapes, and tube-style pre-rolls
- Growth in high-margin international sales, with a strategic focus on the growing German market
- Continued operational efficiencies across the Company's facilities and a ramp-up of seed-based production, reducing input costs and improving profitability
- The Company's acquisition of Motif in December 2024 also brings several margin-enhancing opportunities:
    - Expanded production capabilities, enabling better utilization of assets, improved inventory turnover, and economies of scale
    - Integration of Motif's operations, which is expected to deliver significant cost savings, including $10+ million in incremental EBITDA synergies within 24 months of the acquisition. The central Ontario distribution hub is anticipated to further reduce shipping costs and streamline logistics, enhancing overall operational efficiency
    - Leadership in high-margin categories such as vapes and infused pre-rolls, combined with the Product Development Collaboration with BAT, which supports the introduction of innovative, premium products tailored to evolving consumer preferences

[13] June 30, 2024 data from BDSA, Hifrye, Headset Data, Internal Modelling
[14] Source: https://mjbizdaily.com/canada-medical-cannabis-exports-jump-to-ca220-million-domestic-sales-decline/
[15] Adjusted EBITDA is a Non-IFRS Measure. See "Cautionary Statement Regarding Certain Non-IFRS Measures" and "Financial Results and Review of Operations" in this MD&A.

Industry Trends

Competition and Supply

The cannabis industry is highly competitive and has historically experienced oversupply owing both to regulated LPs and the still largely unfettered operations of the illicit market, including many online delivery platforms. Recently, supply and demand dynamics have stabilized as many LPs have reduced surplus cultivation capacity through M&A and liquidation, with increasing levels of cultivation surplus being directed toward international markets. Consumer trends and preferences continue to evolve, including strong demand in the large format value segment, a desire for higher THC potency particularly in dried flower, as well as a penchant for newness, including new genetic strains and ready to consume products such as infused pre-rolls, vapes, beverages and novel edibles.

Inflated THC

In 2024, Organigram joined the board of directors of the Cannabis Standards Alliance of Canada (CSAC), an organization dedicated to furthering the establishment of THC potency testing standards with the goal of developing a level playing field when it comes to THC potency levels indicated on labels of cannabis products. Both Health Canada and the Alberta Gaming and Liquor Corporation are members of the observer groups and are engaged in ongoing initiatives at CSAC.

In January 2024, the Ontario Cannabis Store ("OCS"), the largest provincial government purchaser of cannabis in Canada, launched a temporary program of secondary testing of high-THC flower products to verify the accuracy of potency claims on labels. Products with labelled potency outside an acceptable range of variance are at risk of being returned-to-vendor for re-labelling. This initiative by OCS signals the seriousness of inflated THC potency, and affirms our stance on the issue. In April, 2024, the OCS reported a decrease in the number of high-THC products in its catalog.

In July 2024, Health Canada launched a cannabis data gathering program to assess potency levels in cannabis products by randomly purchasing and testing cannabis from authorized retailers in Canada. The program aims to support Health Canada's efforts to ensure that legal cannabis products in the Canadian market meets regulatory requirements, including with respect to accurate potency labeling, which has been an issue in recent years. If Health Canada identifies deficiencies with the products they analyze, they may take enforcement action to mitigate health and safety risks to the public.

Product Formats

Dried Flower and Pre-Rolls

Dried flower and pre-rolls remain the first and second largest product categories, respectively, in the Canadian recreational cannabis market[16] and we believe these categories will continue to dominate based on market data from mature legal markets in certain U.S. states and due to regulatory restrictions on other product formats (e.g. the 10 mg per package THC limit in the edibles category). While we expect that consumer preferences will gradually shift away from THC content and price as primary purchase drivers, they appear to be the most important attributes to consumers for flower products today. Over time, we expect that genetic diversity and other quality-related attributes such as terpene profile, bud density, the presence of minor cannabinoids, and aroma, will become increasingly important to consumers. We continue to conduct R&D on genetic breeding and pheno-hunting, and are transitioning a portion of our production to seed-based cultivation, with the goal of offering unique and consistent flower assortments to consumers.

Our portfolio of brands continues to show strong momentum within the flower segment in Canada and as of September 30, 2024, Organigram holds the #3 market share position in the flower category[16]. The growth and significant prevalence of dried flower value segment brands, however, has contributed to overall margin pressure for Organigram and many of its peers over the last number of quarters. To counteract this phenomenon, the Company revitalized its Trailblazer brand, using added capacity at the Lac-Supérieur Facility to supply the brand with premium cannabis. To address the growing demand for strain differentiation in the value segment, the Company has routinely expanded the strains available in its Big Bag O' Buds brands. Organigram is also a leader in infused and non-infused pre-rolls. As of September 30, 2024, Organigram held the #4 market position in infused pre-rolls and the #3 market position in all pre-rolls[16].

Cannabis Derivatives

While dried flower and pre-rolls are currently the largest categories in Canada, derivative cannabis products, including vapes, concentrates and edibles, are projected to continue to gain market share over the next several years at the expense of dried flower. Organigram is committed to these growing categories.

The Winnipeg Facility enables Organigram to produce high quality ingestible products (such as gummies) at scale, positioning it to effectively compete in this segment. The Lac-Supérieur Facility enables Organigram to produce high-quality products in the

[16] As of September 30, 2024 - Multiple sources (Hifyre, Weedcrawler, OCS wholesale sales and e-commerce orders shipped data, provincial boards data and internal sales data)

growing hash segment. The Company has leveraged its industry-leading national distribution and field sales network to accelerate the distribution and sale of Tremblant Cannabis, its flagship hash brand, to all provinces in Canada. As of September 30, 2024, Organigram continues to hold the #1 market share in the hash category[16].

In Q4 Fiscal 2024, Organigram held the number #3 position in the gummy category between its SHRED'ems and Monjour brands[16].

Monjour, Organigram's wellness brand, predominantly provides consumers with THC-free products that are focused on CBD and other minor cannabinoids. In Q4 Fiscal 2024, Monjour was the leading pure CBD-infused gummy brand[16]. The Monjour product line was expanded to include gummies that contain minor cannabinoids beyond CBD. The CBN Bedtime Blueberry Lemon gummies combine the cannabinoid cannabidiol ("CBN") with CBD and THC, and the Twilight Tranquility gummies combine CBD, CBN and CBG.

Following the Company's acquisition of Motif, Organigram leads in market share in the vape category[17], and adds considerable vape expertise to its team, positioning the Company to better leverage its strong pipeline of vape innovation. After an initial test launch in the second quarter of Fiscal 2024 of Greentank's quantum vape technology, the Company elected to refine its go-to-market approach and re-launch the technology in an all-in-one vape format. The Greentank technology will now be added to Motif's vape portfolio plan. The vape segment is driving significant growth and is one of the fastest growing segments in the total Canadian cannabis category.

International Market

Outside of Canada, the Company serves several international markets via exports and seeks to augment these sales channels over time. Future international shipments are contingent upon the timing and receipt of regulatory approval and an export permit from Health Canada, as well as timing and receipt of regulatory approval and an import permit from the purchaser's regulatory authority.

The Company serves eight international medical supply customers in Australia, Germany, the UK, and Israel, and has completed a major strategic investment in a German cannabis leader, Sanity Group, to establish a foothold in the growing European cannabis market. The Company has also completed strategic investments into two U.S.-based companies, OBX and Phylos, and continues to monitor and explore opportunities in the U.S. as regulations allow.

EU-GMP certification opens up business opportunities in international markets. Organigram submitted its EU-GMP certification application for its Moncton Campus in the first quarter of Fiscal 2024. A preliminary audit of the facility was completed in February 2024, enabling us to proceed to the next step in the process of securing an audit date with the European Union regulatory authority. The Company completed its EU-GMP audit in November, 2024, and is awaiting the results.

Jupiter Investment Pool

International expansion initiatives are expected to be supported in Fiscal 2024 and beyond by the Follow-on BAT Investment, with approximately $83 million earmarked for the "Jupiter Pool", a strategic investment pool targeting emerging growth opportunities. This positions the Company to expand into the U.S. and other international markets when appropriate and in compliance with to applicable laws. On Mach 26, 2024, the Company completed its inaugural Jupiter Pool investment, acquiring a stake in U.S.-based OBX. The Company completed its second Jupiter Pool investment and first European strategic investment in Sanity Group on June 25, 2024.

In January 2024, the Israeli government launched an "anti-dumping" investigation in respect of Canadian cannabis exports to Israel (the "Anti-Dumping Investigation"), the participation in which is voluntary for LPs. In March 2024, we submitted a response to the Israeli government with data demonstrating that we had not engaged in the practice of dumping. In June 2024, the Israeli government conducted an on-site data verification visit at Organigram's offices. In July 2024, the Israeli Anti-Dumping Commissioner issued a preliminary decision, finding dumping by all Canadian exporters, including the Company. We have since continued to make submissions advancing our original position that we did not engage in dumping. In November 2024, the Commissioner issued its final decision, continuing to find dumping by all Canadian exporters, including the Company, despite data to the contrary. The Israeli Ministry of Health, which regulates medical cannabis distribution in Israel, has opposed the Anti-Dumping Commissioner's decision on the basis that it is biased, inconclusive, and harmful to patients in Israel. The Anti-Dumping Commissioner's decision is being reviewed by Israeli authorities, and a final decision on the question of dumping is expected in 2025. A finding of dumping under international trade law could result in the imposition of a dumping duty on Israeli importers of Canadian cannabis exports by LPs. See "Risk Factors" in this MD&A.

[17] Source: Hifyre (all provinces other than QC, NB and NS), Weedcrawler (QC), and Board Data (NB, NS, PE), R3M Oct 30

Without limiting the generality of risk factors disclosed in the “Risk Factors” section of this MD&A and in the "Risk Factors" section of the Company's current AIF, the expectations concerning revenue, adjusted gross margin[18] and SG&A (comprised of general and administrative and selling and marketing expense) are based on the following general assumptions: consistency of revenue experience with indications of performance to date, consistency of ordering and return patterns or other factors with prior periods, and no material change in legal regulation, market factors or general economic conditions. The Company disclaims any obligation to update any of the forward looking information except as required by applicable law. See "Cautionary Statement Regarding Forward-Looking Information".

[18]Adjusted gross margin is a Non-IFRS Measure. See "Cautionary Statement Regarding Certain Non-IFRS Measures" and "Financial Results and Review of Operations" in this MD&A.

FINANCIAL RESULTS AND REVIEW OF OPERATIONS

CAUTIONARY NOTE REGARDING NON-IFRS FINANCIAL MEASURES

The Company uses certain Non-IFRS Measures such as Adjusted EBITDA and adjusted gross margin in its MD&A and other public documents, which are not measures calculated in accordance with IFRS and have limitations as analytical tools. These performance measures have no prescribed meaning under IFRS, and therefore, amounts presented may not be comparable to similar data presented by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance such as net income or other data prepared in accordance with IFRS. See the "Cautionary Statement Regarding Certain Non-IFRS Measures" section in this MD&A, and the following discussion.

FINANCIAL HIGHLIGHTS

Below is the period-over-period analysis of the changes that occurred between Fiscal 2024 and Comparative Fiscal 2023. Commentary is provided on the pages that follow.

	2024	Comparative Fiscal 2023	$ CHANGE	% CHANGE
Financial Results				
Gross revenue	$ 247,177	$ 217,354	$ 29,823	14 %
Net revenue	$ 159,841	$ 150,397	$ 9,444	6 %
Cost of sales	$ 111,390	$ 128,142	$ (16,752)	(13)%
Gross margin before fair value adjustments	$ 48,451	$ 22,255	$ 26,196	118 %
Gross margin % before fair value adjustments	30 %	15 %	15 %	100 %
Realized fair value on inventories sold and other inventory charges	$ (52,078)	$ (56,187)	$ 4,109	(7)%
Unrealized gain on changes in fair value of biological assets	$ 51,151	$ 68,981	$ (17,830)	(26)%
Gross margin	$ 47,524	$ 35,049	$ 12,475	36 %
Operating expenses	$ 83,195	$ 295,067	$ (211,872)	(72)%
Loss from operations	$ (35,671)	$ (260,018)	$ 224,347	(86)%
Other (income) expenses	$ 9,769	$ (9,204)	$ 18,973	206 %
Net loss	$ (45,440)	$ (247,002)	$ 201,562	(82)%
Net loss per common share, basic	$ (0.477)	$ (3.116)	$ 2.639	85 %
Net loss per common share, diluted	$ (0.477)	$ (3.116)	$ 2.639	85 %
Net cash provided by (used in) operating activities	$ 3,872	$ (52,134)	$ 42,650	82 %
Adjusted Gross Margin[1]	$ 53,934	$ 37,268	$ 16,666	45 %
Adjusted Gross Margin %[1]	34 %	25 %	9%	36 %
Adjusted EBITDA[1]	$ 8,416	$ 5,405	$ 3,011	56 %
Financial Position				
Working capital	$ 208,897	$ 133,545	$ 75,352	56 %
Inventory and biological assets	$ 82,524	$ 80,953	$ 1,571	2 %
Total assets	$ 407,860	$ 298,455	$ 109,405	37 %
Non-current financial liabilities[2]	$ 3,369	$ 3,630	$ (261)	(7)%

Note (1): Non-IFRS Measures that have been defined and reconciled within their respective subsections in this section of the MD&A.
Note (2): Non-current financial liabilities excludes non-monetary balances related to contingent share consideration and derivative liabilities.
Note (3): Comparative Fiscal 2023 results is for the unaudited twelve month period beginning October 1, 2022 and ending September 30, 2023.

NET REVENUE

Net revenue is defined as gross revenue, net of customer fees, discounts, rebates, and sales returns and recoveries, less excise taxes. Revenue consists primarily of dried flower and cannabis derivative products sold to the recreational cannabis, medical cannabis, wholesale, and international cannabis markets.

For Fiscal 2024, the Company recorded net revenue of $159,841 compared to net revenue of $150,397 for Comparative Fiscal 2023. Net revenue increased on a period-over-period basis primarily as a result of an increase in recreational cannabis revenue.

For Fiscal 2024, the ASP of recreational flower decreased to $1.50 per gram compared to $1.65 per gram for Comparative Fiscal 2023. The ASP of recreational flower in Q4 Fiscal 2024 as compared to Comparative Q4 Fiscal 2023 declined, as both the Company and the Canadian cannabis industry continued to experience general price compression in the recreational markets as the customer and product mix evolved to focus more on value offerings. Selling prices are prone to fluctuation, however, the Company has observed a more balanced supply and demand dynamic resulting in a stabilization of recreational flower ASP in Q4 Fiscal 2024 compared to Comparative Q4 Fiscal 2023.

Sales volumes of all flower in grams increased by 19% to 71,167 kg for the year ended September 30, 2024 compared to 59,797 kg in Comparative Q4 Fiscal 2023, primarily due to an increase in recreational cannabis sales.

REVENUE COMPOSITION

The Company's net revenue composition by product category was as follows for Fiscal 2024 and Comparative Fiscal 2023:

	2024	Comparative Fiscal 2023
Recreational Flower, net of excise duty	$ 91,193	$ 82,117
Recreational Vapes, net of excise duty	2,205	3,781
Recreational Hash, net of excise duty	11,294	11,208
Recreational Infused Pre-rolls, net of excise duty	12,205	2,871
Recreational Edibles, net of excise duty	21,414	22,113
Recreational Ingestible Extracts and Oil, net of excise duty	4,740	4,316
Medical, net of excise duty	1,732	2,986
International Flower and Oil	9,651	18,874
Wholesale and Other	5,407	2,131
Total Net Revenue	$159,841	$150,397

Note (1): Comparative Fiscal 2023 results is for the unaudited twelve month period beginning October 1, 2022 and ending September 30, 2023.

COST OF SALES AND GROSS MARGIN

The gross margin for Fiscal 2024 was $47,524, compared to $35,049 for Comparative Fiscal 2023. The changes and significant items impacting Fiscal 2024 were: (i) higher recreational cannabis revenue; (ii) lower cultivation and post-harvest costs; and (iii) lower unrealized gains on changes in the fair value of biological assets.

Included in gross margin are the changes in the fair value of biological assets related to IFRS standard IAS 41 – Agriculture. Unrealized gain on changes in the fair value of biological assets for Fiscal 2024 was $51,151 as compared to $68,981 in Comparative Fiscal 2023.

Cost of sales primarily consists of the following:

- Costs of sales of cannabis (dried flower, pre-rolls, and wholesale/international bulk flower), cannabis extracts, vapes, chocolates, and other wholesale formats such as extract) include the direct costs of materials and packaging, labour, including any associated share-based compensation, and depreciation of manufacturing building and equipment. This includes cultivation costs (growing, harvesting, drying, and processing costs), extraction, vape filling, quality assurance and quality control, as well as packaging and labelling;
- Costs related to other products, such as vaporizers and other accessories;
- Shipping expenses to deliver product to the customer; and
- The production costs of late-stage biological assets that are disposed of, plants destroyed that do not meet the Company's quality assurance standards, provisions for excess and unsaleable inventories, provisions related to adjustments to net realizable value that reduce the carrying value of inventory below the original production or purchase cost, and other production overhead.

ADJUSTED GROSS MARGIN

Adjusted gross margin is a Non-IFRS Measure that the Company defines as net revenue less cost of sales, before the effects of: (i) unrealized gains on changes in fair value of biological assets; (ii) realized fair value on inventories sold and other inventory charges; (iii) provisions and impairment of inventories and biological assets; and (iv) provisions to net realizable value. The Company believes that this measure provides useful information to assess the profitability of the Company's operations as it represents the normalized gross margin generated from operations and excludes the effects of non-cash fair value adjustments on inventories and biological assets, which are required by IFRS. See "Cautionary Statement Regarding Certain Non-IFRS Measures". The most directly comparable measure to adjusted gross margin calculated in accordance with IFRS is gross margin before fair value adjustments.

	Q1-F23	Q2-F23	Q3-F23	Comparative Q4-2023	Q1-F24	Q2-F24	Q3-F24	Q4-F24	2024
Net revenue	$ 43,321	$ 39,493	$ 32,785	$ 36,698	$ 36,455	$ 37,628	$ 41,060	$ 44,698	$159,841
Cost of sales before adjustments	30,492	26,121	26,711	29,537	25,259	26,019	26,474	28,155	105,907
Adjusted Gross margin	12,829	13,372	6,074	7,161	11,196	11,609	14,586	16,543	53,934
Adjusted Gross margin %	30 %	34 %	19 %	20 %	31 %	31 %	36 %	37 %	34 %
Less:									
Provisions of inventories and biological assets	1,067	1,256	2,823	532	1,672	314	628	2,043	4,657
Provisions to net realizable value	62	2,265	2,755	4,252	13	33	71	709	826
Gross margin before fair value adjustments	$ 11,700	$ 9,851	$ 496	$ 2,377	$ 9,511	$ 11,262	$ 13,887	$ 13,791	$ 48,451
Gross margin % (before fair value adjustments)	27 %	25 %	2 %	6 %	26 %	30 %	34 %	31 %	30 %
Add:									
Realized fair value on inventories sold and other inventory charges	$(12,528)	$(14,170)	$(13,588)	$ (15,901)	$(11,923)	$(11,062)	$(13,728)	$(15,365)	$(52,078)
Unrealized gain on changes in fair value of biological assets	$ 24,714	$ 14,121	$ 8,395	$ 21,751	$ 9,112	$ 9,400	$ 13,849	$ 18,790	$ 51,151
Gross margin[1]	$ 23,886	$ 9,802	$ (4,697)	$ 8,227	$ 6,700	$ 9,600	$ 14,008	$ 17,216	$ 47,524
Gross margin %[1]	55 %	25 %	(14)%	22 %	18 %	26 %	34 %	39 %	30 %

Note (1): Gross margin reflects the IFRS measure per the Company's Financial Statements.
Note (2): Comparative Q4 Fiscal 2023 results are for the unaudited and unreviewed three month period beginning July 1, 2023 and ending September 30, 2023.

Both adjusted gross margin and gross margin before fair value adjustments have improved throughout Fiscal 2024, approaching historical levels observed in first and second quarters of Fiscal 2023. Notably, the adjusted gross margin in Q4 2024 reached the highest level reported in the preceding eight quarters. This increase is attributed to several factors, including lower cultivation and post-harvest costs, reduced inventory provisions, lower depreciation resulting from impairment charges recorded in Fiscal 2023 and higher recreational cannabis revenue.

OPERATING EXPENSES

	2024	Comparative Fiscal 2023	CHANGE	% CHANGE
General and administrative	$ 45,870	$ 49,748	$ (3,878)	(8)%
Sales and marketing	19,851	17,913	1,938	11 %
Research and development	11,200	12,709	(1,509)	(12)%
Share-based compensation	6,274	4,586	1,688	37 %
Impairment of property, plant and equipment	—	44,856	(44,856)	(100)%
Impairment of intangible assets and goodwill	—	165,255	(165,255)	(100)%
Total operating expenses	$ 83,195	$ 295,067	$ (211,872)	(72)%

Note (1): Comparative Fiscal 2023 results are for the unaudited twelve month period beginning October 1, 2022 and ending September 30, 2023.

GENERAL AND ADMINISTRATIVE

For Fiscal 2024, the Company incurred general and administrative expenses of $45,870 compared to $49,748 for Comparative Fiscal 2023. The decrease in expenses mainly relates to lower technology costs including implementation expenses for a new ERP system, insurance costs, professional fees and lower depreciation resulting from impairment charges recorded in Fiscal 2023.

SALES AND MARKETING

For Fiscal 2024, the Company incurred sales and marketing expenses of $19,851 or 12% of net revenues as compared to $17,913 or 12% of net revenues for Comparative Fiscal 2023. The increase in the current period is on account of higher trade investments with retail partners, driven by a more competitive retail landscape.

RESEARCH AND DEVELOPMENT

Research and development costs of $11,200 for Fiscal 2024 decreased from $12,709 in Comparative Fiscal 2023. The decrease in expenses mainly relates to higher SR&ED credits, which is an offset to research and development expenses, and reduced activity under the PDC Agreement relative to Comparative Fiscal 2023.

SHARE-BASED COMPENSATION

For Fiscal 2024, the Company recognized $6,274, in share-based compensation expense in relation to selling, marketing, general and administrative, and research and development employees, compared to $4,586 for Comparative Fiscal 2023.

Total share-based compensation charges, including those related to production employees that are charged to biological assets and inventory, and amounts expensed, for Fiscal 2024, were $7,182 compared to $5,008 for Comparative Fiscal 2023. The increase in expense is mainly due to a greater number of equity settled awards issued during the current period, a portion of which vested immediately.

Share-based compensation represents a non-cash expense and was valued using the Black-Scholes valuation model for stock options and using the fair value of the shares on the date of the grant for restricted share units ("RSUs"). The fair value of performance share units ("PSUs") was based on the Company's share price at the grant date, adjusted for an estimate of likelihood of achievement of the defined performance criteria.

OTHER (INCOME) EXPENSES

	Fiscal 2024	Comparative Fiscal 2023	CHANGE	% CHANGE
Investment income, net of financing costs	(3,311)	(3,423)	(112)	(3)%
Share of loss (including impairment) from investments in associates	5,284	895	4,389	490 %
Change in fair value of contingent consideration	(50)	(3,364)	(3,314)	99 %
(Gain) Loss on disposal of property, plant and equipment	(633)	30	(663)	(2,210)%
Share issue costs allocated to derivative liabilities	937	—	937	N/A
Change in fair value of derivative liabilities	7,718	(2,794)	(10,512)	376 %
Other non-operating income	(176)	(548)	(372)	68 %
Total other (income) expenses	$ 9,769	$ (9,204)	$ 18,973	(206)%

Note (1): Comparative Fiscal 2023 results are for the unaudited twelve month period beginning October 1, 2022 and ending September 30, 2023.

INVESTMENTS IN ASSOCIATES AND CONTINGENT CONSIDERATION

During Fiscal 2024, the Company determined that there are indicators of impairment related to its investment in Hyasynth. The Company determined the recoverable amount to be approximately $nil and a result, an impairment loss of $4,773 was recognized in the consolidated statement of operations and comprehensive loss for Fiscal 2024.

In connection with the Company's acquisition of Laurentian, the Company had contingent commitments to deliver additional consideration should Laurentian achieve certain milestones. There was a $50 decrease in the estimated fair value of the Laurentian contingent liability for Fiscal 2024, compared to $3,364 in the prior year comparative period.

(GAIN) LOSS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

During Fiscal 2024, the Company recognized a gain on disposal of property, plant and equipment of $633 compared to loss of $30 in Comparative Fiscal 2023. The change in (gain) loss on disposal of property, plant and equipment was primarily as a result of an early termination of one lease agreement in the current period, which resulted in a gain of $416.

SHARE ISSUE COSTS

On April 2, 2024, the Company closed an offering (the "Unit Offering") for gross proceeds of $28.8 million pursuant to the Company's final Canadian base shelf prospectus dated October 6, 2023, and a corresponding amended Form F-10 registration statement filed with the SEC on October 6, 2023, and declared effective by the SEC on November 29, 2023 (SEC File No. 333-274686). The Company sold 8,901,000 units (each a "Unit") at a price of $3.23 per Unit, which included 1,161,000 Units sold pursuant to the exercise in full of the underwriters' over-allotment option. Each Unit is comprised of one Common Share and one-half of one warrant (a "Warrant"). Each Warrant is exercisable to acquire one Common Share (a "Warrant Share") for a period of four years following the closing date of the Unit Offering at an exercise price of $3.65 per Warrant Share, subject to adjustment in certain events. $7,798 of the gross proceeds was allocated to derivative liabilities with the residual, $20,953, which represents the value allocated to the Common Shares, being recorded in share capital. Share issue costs were $2,464 which included a 4.7% cash commission of $1,366 paid to placement agents with the balance related to filing, legal, and other professional fees directly related to the Unit Offering. Of the total, $668 of the share issue costs were allocated to the derivative liabilities and expensed in the consolidated statement of operations and comprehensive loss in the current period. Refer to Note 11 (iv) of the Financial Statements for more details.

CHANGE IN DERIVATIVE LIABILITIES AND OTHER FINANCIAL ASSETS

Change in fair value of derivative liabilities and other financial assets was a loss of $7,718 for Fiscal 2024, compared to a gain of $2,794 for Comparative Fiscal 2023.

During Fiscal 2024, the Company recorded a fair value loss of $6,208 and $5,390 for Top-up-Rights and derivatives in relation to the Follow-on BAT Investment, respectively. Additionally, during the year ended September 30, 2024, the Company recorded a fair value loss of $1,275 for the Preferred Shares liability. Refer to Note 11 and 12 of the Financial Statements for more details.

The above fair value loss was partially offset by gain in fair valuation of other financial assets. Refer to Note 9 of the Financial Statements for more details.

The comparative period fair value gain of $2,794 was primarily related to derivative warrant liabilities.

NET LOSS

Net loss for Fiscal 2024 was $45,440 or $0.477 per Common Share (basic and diluted), compared to $247,002 or $3.116 per Common Share (basic and diluted) for Comparative Fiscal 2023. The decrease in net loss from Comparative Fiscal 2023 is primarily due to higher adjusted gross margins and lower impairment loss that was recorded in Fiscal 2023.

SUMMARY OF QUARTERLY RESULTS

	Q1-F23	Q2-F23	Q3-F23	Comparative Q4-2023	Q1-F24	Q2-F24	Q3-F24	Q4-F24
Financial Results								
Adult-use recreational cannabis revenue (net of excise)	$ 35,859	$ 27,415	$ 29,202	$ 35,249	$ 34,425	$ 33,118	$ 36,467	$ 38,839
Medical international, wholesale and other revenue	$ 7,462	$ 12,078	$ 3,583	$ 1,450	$ 2,030	$ 4,510	$ 4,593	$ 5,859
Net revenue	$ 43,321	$ 39,493	$ 32,785	$ 36,699	$ 36,455	$ 37,628	$ 41,060	$ 44,698
Net income (loss)	$ 5,329	$ (7,488)	$(213,451)	$ (26,595)	$ (15,750)	$ (27,075)	$ 2,818	$ (5,433)
Net income (loss) per common share, basic	$ 0.068	$ (0.096)	$ (2.708)	$ (0.330)	$ (0.194)	$ (0.297)	$ 0.027	$ (0.050)
Net income (loss) per common share, diluted	$ 0.068	$ (0.096)	$ (2.708)	$ (0.330)	$ (0.194)	$ (0.297)	$ 0.026	$ (0.050)
Operational Results								
Dried flower yield per plant (grams)	168	156	144	163	164	164	185	187
Harvest (kg) - dried flower	22,296	20,624	18,604	21,238	19,946	20,962	21,420	23,323
Employee headcount (#)	921	939	923	935	984	987	914	875

Note (1): Comparative Q4 Fiscal 2023 results are for the unaudited and unreviewed three month period beginning July 1, 2023 and ending September 30, 2023.

The Company saw a decrease in net revenues from the first quarter of Fiscal 2023 until the third quarter of Fiscal 2023, followed by an increase in Q4 Fiscal 2023[19]. This was followed by a sequential decrease in net revenues in the first quarter of Fiscal 2024 and a subsequent increase in remaining quarters of Fiscal 2024. Net revenue in Q4 Fiscal 2024 was the highest that the Company has reported in the preceding eight quarters. The variability in net revenues over the preceding eight quarters is primarily as a result of fluctuations in international sales.

Continued growth in net revenues, lower costs of production (on a per unit basis) and lower impairment charges, resulted in net income or a reduced net loss as compared to net losses recognized during the different quarters of Fiscal 2023. In the first quarter of Fiscal 2023, the Company generated positive net income as a result of higher international sales and higher unrealized gain on changes in fair value of biological assets. In the remaining quarters of Fiscal 2023, the Company recorded a higher net loss than historical periods primarily due to impairment charges and lower net flower revenue. In the first and second quarters of Fiscal 2024, the Company recorded a higher net loss primarily due to lower gross margin, higher operating expenses and lower gain on the change in fair value of derivative liabilities. In the third quarter of Fiscal 2024, both net revenue and gross margin increased, resulting in net income. In Q4 Fiscal 2024, the Company recorded a net loss primarily due to an impairment loss of $4,773 for investments in associates and change in fair value of derivative liabilities and other financial assets (investments which are measured at fair value through profit and loss) of $1,642.

Adjusted EBITDA

Adjusted EBITDA is a Non-IFRS Measure and the Company calculates Adjusted EBITDA as net income (loss) excluding: financing costs, net of investment income; income tax expense (recovery); depreciation, amortization, impairment, normalization of depreciation add-back due to changes in depreciable assets resulting from impairment charges, (gain) loss on disposal of property, plant and equipment (per the consolidated statement of cash flows); share-based compensation (per the consolidated statement of cash flows); share of loss (gain) from investments in associates and impairment loss from loans receivable; change in fair value of contingent consideration; change in fair value of derivative liabilities. Preferred shares and other financial assets; expenditures incurred in connection with research and development activities (net of depreciation); unrealized (gain) loss on changes in fair value of biological assets; realized fair value on inventories sold and other inventory charges; provisions and net realizable value adjustments related to inventory and biological assets; government subsidies, insurance recoveries and other non-operating expenses (income); legal provisions (recoveries); incremental fair value component of inventories sold from acquisitions; ERP implementation costs; transaction costs; share issuance costs; and provision for Canndoc expected credit losses. Management believes that Adjusted EBITDA is intended to provide a proxy for the Company's operating cash flow and derives expectations of future financial performance for the Company, and excludes adjustments that are not reflective of current

[19] Q4 Fiscal 2023 results are for the four month period from June 1, 2023 through September 30, 2023

operating results. See "Cautionary Statement Regarding Certain Non-IFRS Measures". The most directly comparable measure to Adjusted EBITDA calculated in accordance with IFRS is net income (loss).

During the second quarter of Fiscal 2024, management changed the calculation of Adjusted EBITDA to include provisions for expected credit losses and has conformed prior quarters accordingly.

Adjusted EBITDA (Non-IFRS Measure)

Adjusted EBITDA Reconciliation	Q1-F23	Q2-F23	Q3-F23	Comparative Q4-2023	Q1-F24	Q2-F24	Q3-F24	Q4-F24	Fiscal 2024
Net income (loss) as reported	$ 5,329	$ (7,488)	$(213,451)	$ (26,595)	$(15,750)	$(27,075)	$ 2,818	$ (5,433)	$(45,440)
Add/(deduct):									
Financing costs, net of investment income	(815)	(1,051)	(903)	(652)	(522)	(650)	(1,179)	(960)	(3,311)
Income tax (recovery) expense	(232)	1	(1,302)	(2,279)	—	(30)	—	30	—
Depreciation, amortization, and (gain) loss on disposal of property, plant and equipment (per statement of cash flows)	7,183	6,867	6,975	3,294	2,837	3,180	2,332	3,097	11,446
Normalization of depreciation add-back due to changes in depreciable assets resulting from impairment charges	—	—	—	3,037	757	—	—	—	757
Impairment of intangible assets and goodwill	—	—	37,905	6,951	—	—	—	—	—
Impairment of property, plant and equipment	—	—	153,337	11,918	—	—	—	—	—
Share of loss (gain) from investments in associates and impairment loss (recovery) from loan receivable	406	296	287	(51)	155	112	122	4,895	5,284
Realized fair value on inventories sold and other inventory charges	12,528	14,170	13,588	15,901	11,923	11,062	13,728	15,365	52,078
Unrealized gain on changes in fair value of biological assets	(24,714)	(14,121)	(8,395)	(21,751)	(9,112)	(9,400)	(13,849)	(18,790)	(51,151)
Share-based compensation (per statement of cash flows)	1,852	1,342	1,325	797	2,007	1,995	2,087	1,093	7,182
Legal provisions (recoveries), government subsidies, insurance recoveries and other non-operating expenses (income)	—	(75)	—	(407)	(218)	87	139	(184)	(176)
Share issuance costs allocated to derivative liabilities and change in fair value of derivative liabilities, preferred shares, other financial assets and contingent consideration	(1,012)	(2,457)	(4,214)	(53)	406	12,529	(6,241)	1,911	8,605
ERP implementation costs	1,334	1,377	2,561	1,588	991	173	7	465	1,636
Transaction costs	318	27	538	505	590	(170)	421	74	915
Provisions and net realizable value adjustments related to inventory and biological assets	1,129	3,521	5,578	4,784	1,685	347	699	2,752	5,483
Research and development expenditures, net of depreciation	2,271	3,239	3,257	2,601	4,387	2,556	2,381	1,545	10,869
Adjusted EBITDA as previously reported	$ 5,577	$ 5,648	$ (2,914)	$ (412)	$ 136	$ (5,284)	$ 3,465	5,860	4,177
Add: Provision for Canndoc expected credit losses	—	—	—	470	—	4,239	—	—	4,239
Adjusted EBITDA (revised)	$ 5,577	$ 5,648	$ (2,914)	$ 58	$ 136	$ (1,045)	$ 3,465	5,860	8,416
Divided by: net revenue	43,321	39,493	32,785	36,698	36,455	37,628	41,060	44,698	159,841
Adjusted EBITDA Margin % (revised) (Non-IFRS Measure)	13 %	14 %	(9)%	— %	— %	(3)%	8 %	13 %	5 %

Note (1): Comparative Q4 Fiscal 2023 results are for the unaudited and unreviewed three month period beginning July 1, 2023 and ending September 30, 2023.

In the fist quarter of Fiscal 2023, the Company achieved Adjusted EBITDA of $5.6 million and in the second quarter of Fiscal 2024, the Company continued its track record of Adjusted EBITDA growth with $5.6 million reported in the second quarter of Fiscal 2023. During the third quarter of Fiscal 2023, the Company's Adjusted EBITDA decreased to a loss of $2.9 million due to lower international sales, continued price compression in the recreational market, low flower yields, and higher SG&A costs. In Q4 Fiscal 2023, continued price compression and lower international sales led to an Adjusted EBITDA loss of $1.9 million. In the first quarter of Fiscal 2024, the Company returned to a positive Adjustive EBITDA position due to a higher adjusted gross margin (31%) resulting from lower cultivation and post-harvest costs and positive contributions from Edison Jolts product sales. In the second quarter of Fiscal 2024, the Company's Adjusted EBITDA position was a loss of $1 million and the decrease in Adjusted EBITDA from the first quarter of Fiscal 2024 was primarily due to increased sales and marketing expenses. In the third quarter of Fiscal 2024, as a result of higher recreational cannabis revenue and a higher adjusted gross margin resulting from lower cultivation and post-harvest costs, Adjusted EBITDA increased to $3.5 million. In Q4 Fiscal 2024, the Company continued the momentum and achieved Adjusted EBITDA of $5.9 million which was the highest Adjusted EBITDA the Company had ever reported in any quarter.

BALANCE SHEET, LIQUIDITY AND CAPITAL RESOURCES

The following represents selected balance sheet highlights of the Company at the end Fiscal 2024 and Fiscal 2023:

	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023	% CHANGE
Cash, restricted cash & short-term investments	$ 133,426	$ 51,757	158 %
Inventories	$ 67,351	$ 63,598	6 %
Working capital	$ 208,897	$ 133,545	56 %
Total assets	$ 407,860	$ 298,455	37 %
Total current and long-term debt	$ 25	$ 79	(68)%
Non-current financial liabilities[(1)]	$ 3,369	$ 3,630	(7)%
Total shareholders' equity	$ 305,989	$ 271,623	13 %

Note 1: Non-current financial liabilities excludes non-monetary balances related to contingent share consideration, derivative liabilities and deferred income taxes.

On September 30, 2024, the Company had unrestricted cash of $133,426 compared to $51,757 at September 30, 2023. The increase is primarily a result of proceeds from the Follow-on BAT Investment and the Offering of Units that closed on April 2, 2024. Subsequent to year-end, the Company acquired Motif which included a cash component of approximately $50 million and approximately $5 million in transaction costs. The funds to finance this acquisition were not drawn from the Jupiter Pool. Furthermore, the Company is expecting to close the third tranche from the Follow-on BAT Investment in the amount of $41.5 million on or about February 28, 2025.

Management believes its capital position is healthy and that sufficient liquidity is available to fund operations and strategic growth initiatives in the medium term. Furthermore, the Company may be able to, if necessary and subject to prevailing market conditions, obtain equity or debt financing through capital markets. Additionally, subject to the restrictions in the Amended IRA, the Company may be able to use its shares as a currency for additional acquisitions. The Common Shares are listed for trading on both the NASDAQ and TSX, and there is analyst coverage among sell-side brokerages. However, there can be no assurance that capital will be available on terms acceptable to the Company or at all.

On October 6, 2023, the Company filed a final Canadian base shelf prospectus and corresponding amended Form F-10 registration statement (SEC File No. 333-274686) under the United States Securities Act of 1933, as amended, enabling the Company to qualify for the distribution of up to $500,000,000 of Common Shares, debt securities, subscription receipts, warrants and units, during the 25-month period that the base shelf prospectus remains effective. The specific terms of any future offering of securities are required to be disclosed in a prospectus supplement filed with the applicable Canadian securities regulators and the SEC. In April 2024, the Company successfully closed the Unit Offering pursuant to the base shelf prospectus and the corresponding Form F-10 registration statement.

The following highlights the Company's cash flows during Q4 Fiscal 2024 and Comparative Q4 Fiscal 2024:

	Q4-F24	Comparative Q4 Fiscal 2023 (three months ended September 30, 2023)	Fiscal 2024	Comparative Fiscal 2023 (twelve months ended September 30, 2023)
Cash provided (used) by:				
Operating activities	$ 8,893	$ (8,469)	$ 3,872	$ (52,134)
Financing activities	41,011	(151)	107,779	(748)
Investing activities	(22,415)	$ (1,499)	(38,770)	$ 8,456
Cash provided (used)	$ 27,489	$ (10,119)	$ 72,881	$ (44,426)
Cash position				
Beginning of period	79,256	43,983	33,864	78,290
End of period	$ 106,745	$ 33,864	$ 106,745	$ 33,864
Short-term investments	821	—	821	—
Cash and short-term investments	$ 107,566	$ 33,864	$ 107,566	$ 33,864

Note (1): Comparative Q4 Fiscal 2023 results are for the unaudited and unreviewed three month period beginning July 1, 2023 and ending September 30, 2023.

Note (2): Comparative Fiscal 2023 results are for the unaudited twelve month period beginning October 1, 2022 and ending September 30, 2023.

Cash provided by operating activities for Q4 Fiscal 2024 and Fiscal 2024 was $8,893 and $3,872, respectively, compared to cash used for Comparative Q4 Fiscal 2023 and Comparative Fiscal 2023 of $8,469 and $52,134, respectively. The decrease in cash

used by operating activities is primarily attributed to a reduced net loss. Working capital changes included an increase in accounts payable and accrued liabilities, reflecting the Company's focus on cash flow management.

Cash provided by financing activities for Q4 Fiscal 2024 and Fiscal 2024 was $41,011 and $107,779, respectively. In comparison, for Comparative Q4 Fiscal 2023 and Comparative Fiscal 2023 cash used by financing activities was 151 and 748, respectively. The increase in cash from financing activities in the current period was primarily due to proceeds from the Offering of Units that closed on April 2, 2024, and the Follow-on BAT Investment.

Cash used by investing activities for Q4 Fiscal 2024 and Fiscal 2024 was $22,415 and $38,770, respectively, compared to cash (used) provided by investing activities of $(1,499) and $8,456 in Comparative Q4 Fiscal 2023 and Comparative Fiscal 2023, respectively. The increase in cash used is primarily on account of purchase of other financial assets (investment in Sanity Group and Phylos).

OFF BALANCE SHEET ARRANGEMENTS

There were no off-balance sheet arrangements during Q4 Fiscal 2024 and Fiscal 2024.

RELATED PARTY TRANSACTIONS

MANAGEMENT AND BOARD COMPENSATION

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling activities of the Company, directly or indirectly. The key management personnel are the members of the Company's executive management team and Board of Directors. The transactions are conducted at arm's length and in the normal course of operations.

For Q4 Fiscal 2024 and Fiscal 2024 and for Q4 Fiscal 2023 and Fiscal 2023, the Company's expenses included the following: management and Board of Directors compensation:

	Q4-F24	Q4-F23	Fiscal 2024	Fiscal 2023
Salaries, bonus and consulting fees	$ 1,743	$ 1,195	$ 7,155	$ 4,388
Share-based compensation	806	494	4,620	3,446
Total key management compensation	$ 2,549	$ 1,689	$ 11,775	$ 8,262

During Q4 Fiscal 2024 and Fiscal 2024, Nil and 62,000 stock options (Fiscal 2023 – 6,250 and 206,250) were granted to key management personnel with an aggregate fair value of $nil and $123, respectively (September 30, 2023 – $34 and $665). In addition, during the Q4 Fiscal 2024 and Fiscal 2024, 29,762 and 2,175,879 RSUs, (September 30, 2023 – nil and 285,191), were granted to key management personnel with an aggregate fair value of $nil and $4,373, respectively (September 30, 2023 – $nil and $1,325). For the Q4 Fiscal 2024 and Fiscal 2024, nil and 678,717 PSUs, (September 30, 2023 – nil and 136,920) were issued to key management personnel with an aggregate fair value of $nil and $543, respectively (September 30, 2023 – $nil and $305).

SIGNIFICANT TRANSACTIONS WITH ASSOCIATES AND JOINT OPERATIONS

The Company has transactions with related parties, as defined in IAS 24 *Related Party Disclosures*, all of which are undertaken in the normal course of business.

For Q4 Fiscal 2024 and Fiscal 2024, under the PDC Agreement, BAT incurred $504 and $3,708 (Fiscal 2023 - $635 and $3,134) for direct expenses and the Company incurred $1,266 and $9,623 (Fiscal 2023 - $3,764 and $10,638) of direct expenses and capital expenditures of $nil and $96 (Fiscal 2023 - $462 and $1,768) related to the CoE, respectively. The Company recorded $885 and $6,666 (Fiscal 2023 - $2,001 and $6,886) of these expenditures in the consolidated statements of operations and comprehensive loss. For Q4 Fiscal 2024 and Fiscal 2024, the Company recorded $nil and $49 (Fiscal 2023 - $231 and $884) of capital expenditures in the consolidated statements of financial position.

During Q4 Fiscal 2024 and Fiscal 2024, BAT exercised nil and nil Top-up Rights. As at September 30, 2024, there is a receivable balance of $167 (September 30, 2023 - receivable of $167) from BAT.

FAIR VALUE MEASUREMENTS

(i) Financial Instruments

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation

techniques. A level is assigned to each fair value measurement based on the lowest-level input significant to the fair value measurement in its entirety.

The three levels of the fair value hierarchy are described as follows:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The fair values of cash, short-term investments, accounts and other receivables, accounts payable and accrued liabilities and restricted cash approximate their carrying amounts due to their short-term nature. The fair value of long-term debt approximates $25.

The fair value of the investment in WHC is primarily based on Level 3 unobservable inputs and is determined using a market-based approach, based on revenue multiples for comparable companies.

In determining the impairment loss, the FVLCD of property, plant and equipment was determined based on a third-party appraisal using market and replacement cost approaches. Consideration is given to information from historical data and industry standards which constitute both observable and unobservable inputs (level 2 and level 3).

The fair value of the convertible promissory note issued to OBX was determined using the binomial lattice model. The key assumptions used in the model are OBX stock price, dividend yield, expected future volatility of OBX stock, credit risk-adjusted discounting rate, risk-free rate, and probability and timing of certain qualified events. The credit risk-adjusted discounting rate and the expected equity volatility are based on unobservable inputs and are categorized as Level 3 in the fair value hierarchy.

The fair value of the Secured Convertible Loan advanced to Phylos was determined using the binomial lattice model and has been classified as level 3 in the fair value hierarchy. The fair value of the Secured Convertible Loan was based on certain assumptions, including likelihood, and timing of the federal legalization or decriminalization of cannabis in the United States. Similarly, the fair value of the commitment to fund an additional US $1 million was based on certain assumptions, including the probability of Phylos meeting certain required milestones.

The fair value of the Convertible Note advanced to Sanity Group was determined using the binomial lattice model. The key assumptions used in the Model for are Sanity Group stock price, dividend yield, expected future volatility of Sanity Group stock, credit risk-adjusted discounting rate, risk-free rate, and probability and timing of certain qualified and non-qualified events. The credit risk-adjusted discounting rate and the expected equity volatility are based on unobservable inputs and are categorized as Level 3 in the fair value hierarchy.

The fair value of equity interest in the Sanity Group was determined using the option pricing model wherein the current value of the Sanity Group was allocated to the various types of shares based on their rights and preferences. The current value of the Sanity Group was determined using the backsolve approach which benchmarks the original issue price of the Sanity Group's latest funding transaction.

The fair value of the Laurentian contingent share consideration is primarily based on Level 3 unobservable inputs in a Monte Carlo pricing model. The determination of the fair value of this liability is primarily driven by the Company's expectations of Laurentian achieving its business objectives. The key assumptions used in the model are the expected future sales volumes and selling prices used in determining Laurentian's future adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") and WACC. At September 30, 2024, the fair value of the Laurentian contingent share consideration was $Nil.

The fair value of derivative warrant liabilities is based on Level 1 and 2 inputs utilized in a Black-Scholes option pricing model to estimate the fair value of such Warrants. The key assumption used in the model is the expected future volatility in the price of the Company's Common Shares. If the expected future volatility in the common share price of the Company increased by 10%, the estimated fair value of the derivative warrant liability and net loss would increase by $456, or if it decreased by 10%, the estimated fair value of the derivative warrant liability and net loss would decrease by $508.

The fair value of the Top-up Rights is based on Level 3 inputs utilized in a Monte Carlo pricing model to estimate the fair value of such Top-up Rights. The key assumptions used in the model are the expected future price of the Company's Common Shares, the weighted average expected life of the instruments and the expected future volatility in the price of Common Shares. A sensitivity

analysis for changes in key inputs was not presented as it was deemed that the impact of reasonable changes in key inputs would not be significant.

The fair value of the contractual commitment to issue Preferred Shares in the future is based on level 1, level 2 and level 3 inputs and is determined based on estimated fair value of the Preferred Shares and the present value of the share price agreed with BAT. The fair value of the Preferred Shares was estimated using certain assumptions, including tenure of BAT's common shares and potential shareholding meeting 30% and 49% thresholds, respectively, market price and volatility of the Company's Common Shares, risk free rate and discount for lack of marketability.

The fair value of Preferred Shares is based on level 1, level 2 and level 3 inputs and is determined based on market price and volatility of the Company's Common Shares, risk free rate and discount for lack of marketability.

During the year, there were no transfers of amounts between Levels 1, 2 and 3.

Derivative Warrant Liabilities

Unit Offering 2024

On April 2, 2024, the Company closed the Unit Offering. The Company sold 8,901,000 Units (each a "Unit") at a price of $3.23 per Unit, which included 1,161,000 Units sold pursuant to the exercise in full of the underwriters' over-allotment option. Each Unit is comprised of one Common Share of the Company and one-half of one Warrant. Each Warrant is exercisable to acquire one Warrant Share for a period of four years following the closing date of the Unit Offering at an exercise price of $3.65 per Warrant Share, subject to adjustment in certain events.

The holders of the Warrants issued pursuant to the Unit Offering may elect, if the Company does not have an effective registration statement under the United States Securities Act of 1933, as amended, or the prospectus contained therein is not available for the offer and sale of the Common Shares to the Warrant holder, in lieu of exercising the Warrants for cash, a cashless exercise option to receive Common Shares equal to the fair value of the gain implied by the Warrants at the time of exercise. The fair value is determined by multiplying the number of Warrants to be exercised by the weighted average market price less the exercise price with the difference being divided by the weighted average market price. If a Warrant holder exercises this option, there will be variability in the number of shares issued per Warrant.

In accordance with IAS 32 *Financial Instruments: Presentation*, a contract to issue a variable number of shares fails to meet the definition of equity and must instead be classified as a derivative liability and measured at fair value with changes in fair value recognized in the statement of operations and comprehensive loss at each reporting period. The derivative warrant liabilities are expected to ultimately be converted into the Company's equity (Common Shares) when the Warrants are exercised or will be extinguished on the expiry of the outstanding Warrants and will not result in the outlay of any cash by the Company.

At initial recognition on April 2, 2024, the Company recorded derivative liabilities of $7,798 based on the estimated fair value of the Warrants at that date using the Black-Scholes option pricing model. Share issuance costs of $668 were recognized as costs allocated to derivative liabilities based on a pro-rata allocation of total issuance costs based on the relative fair value of the Warrants and the Common Shares issued as part of the Unit Offering.

As at September 30, 2024, the Company revalued the remaining derivative liabilities to an estimated fair value of $7,772. The Company recorded an increase in the estimated fair value change of the derivative liabilities for Fiscal 2024 of $26.

The following inputs were used to estimate the fair value of the Warrants at September 30, 2024:

	SEPTEMBER 30, 2024
Risk free interest rate	2.70 %
Life of Warrants (years)	3.51
Market price of Common Shares	$ 2.45
Expected future volatility of Common Shares	123.00 %
Fair value per Warrant	$ 1.75

If the expected future volatility in the common share price of the Company increased by 10%, the estimated fair value of the derivative warrant liability and net loss would increase by $456, or if it decreased by 10%, the estimated fair value of the derivative warrant liability and net loss would decrease by $508.

Unit offering 2020

The Warrants outstanding as at September 30, 2023, have expired in November 2023. See "Other (Income) Expenses - Derivative Warrant Liabilities" in this MD&A for further information.

Top-up Rights

On March 10, 2021, the Company issued 14,584,098 Common Shares to BAT in connection with BAT's initial equity investment in the Company. On January 23, 2024, the Company issued an additional 12,893,175 Common Shares to BAT in connection with the closing of the first tranche of the Follow-on BAT Investment, which, at the time, increased BAT's beneficial ownership in the Company to 29.90% (measured on a non-diluted basis).

In connection with the closing of the first tranche of the Follow-on BAT Investment in late January 2024, BAT and the Company entered into the Amended IRA, which amended and restated the Original IRA between the parties. Pursuant to the Amended IRA, BAT has been granted certain Top-Up Rights to subscribe for additional Common Shares or Preferred Shares, and together with the Common Shares, the "Shares") in specified circumstances where the pre-emptive rights are not applicable (referred to in the Amended IRA as "Exempt Distributions") and in specified circumstances where pre-emptive rights were not exercised (referred to in the Amended IRA as "bought deal Distributions").

The Follow-on BAT Investment is structured such that the aggregate number of Common Shares beneficially owned or controlled, directly or indirectly, by BAT, its affiliates, associates, related parties and any joint actors, may not exceed 30% of the issued and outstanding Common Shares (the "30% Common Share Limit"). As a result, pursuant to the terms of the Amended IRA, if the issuance of Common Shares upon BAT exercising its Top-Up Rights would result in BAT's aggregate ownership exceeding the 30% Common Share Limit, the Company shall issue Preferred Shares in lieu of Common Shares on the exercise of such rights, in order to restrict BAT's voting control to 30.0% of the issued and outstanding Common Shares. Such Preferred Shares would be convertible into Common Shares in accordance with their terms.

The price per Share to be paid by BAT pursuant to the exercise of its Top-up Rights will equal to the price paid by other participants in the Exempt Distribution or bought deal Distribution, subject to certain restrictions (including, if such price is not permitted pursuant to applicable securities laws, at the lowest price permitted thereunder).

The Company has classified the Top-up Rights as a derivative liability, and pursuant to the exercise of stock options, RSUs, PSUs and warrants that were outstanding at initial recognition on March 10, 2021 (the date of the Original IRA), the Company recorded a derivative liability of $2,740 based on the estimated fair value of the Top-up Rights at this date using a Monte Carlo pricing model.

As at September 30, 2024, the Company revalued the Top-up Rights of BAT pursuant to the Amended IRA to an estimated fair value of $6,338 (September 30, 2023 – $130). The Company recorded an increase in the estimated fair value of the Top-up Rights for the Fiscal 2024 of $6,208 (Fiscal 2023 - $605).

The following inputs were used to estimate the fair value of the Top-up Rights as at September 30, 2024, and September 30, 2023:

	SEPTEMBER 30, 2024				
	STOCK OPTIONS	WARRANTS	PSUs	RSUs	TOP-UP OPTIONS
Average exercise price[1]	$1.20 - $45.08	$2.50	$—	$—	$1.20 - $2.23
Risk free interest rate	2.78% - 2.89%	2.79%	2.83%	2.87%	3.10%
Expected future volatility of Common Shares	75.00% - 85.00%	75.00%	75.00%	75.00%	60.00%
Expected life[1]	2.14 - 4.40	0.12	5.92	5.18	1.41
Forfeiture rate	10%	—%	25%	6%	—%

	September 30, 2023			
	STOCK OPTIONS	WARRANTS	PSUs	RSUs
Average exercise price[1]	$1.20 - $45.08	$2.50	—	—
Risk free interest rate	4.11% - 4.54%	3.59%	3.65%	3.78%
Expected future volatility of Common Shares	70.00% - 90.00%	90.00%	85.00%	85.00%
Expected life[1]	1.34 - 5.12	0.12	5.92	5.18
Forfeiture rate	10%	—%	25%	6%

[1]Exercise price and expected life for stock options were determined using the range of exercise prices disclosed in Note 13(iv) in the Financial Statements

Secured Convertible Loan Agreement
On May 25, 2023, the Company entered into a secured convertible loan agreement (the "Secured Convertible Loan Agreement") with Phylos. Under the terms of the Secured Convertible Loan Agreement, upon the completion of certain milestones the Company has a commitment to fund US $4.75 million over two tranches within 12 and 24 months from the initial closing date. This commitment meets the definition of a derivative and the value of such derivative was considered as part of the overall transaction price in the initial recognition of the secured convertible loan and intangible assets. At initial recognition, the Company recorded a derivative liability of $1,424 based on the estimated fair value of the secured convertible loan.

In November, 2023, the Company funded the second tranche of US$2.75 million and a derivative liability of $1,385 was derecognized. Thereafter, in July 2024, the Company also funded US$1 million for the third tranche and a derivative liability of $752 was derecognized. As at September 30, 2024, the Company revalued the commitment to fund the remaining third tranche at an estimated fair value of $368 (September 30, 2023 – $1,743) and recorded a change in fair value of $762 for the year ended September 30, 2024.

Convertible Note
The fair value of the Convertible Note advanced to Sanity was determined using the binomial tree model. The key assumptions used in the Model for are Sanity stock price, dividend yield, expected future volatility of Sanity stock, credit risk-adjusted discounting rate, risk-free rate, and probability and timing of certain qualified and non-qualified events. The credit risk-adjusted discounting rate and the expected equity volatility are based on unobservable inputs and are categorized as Level 3 in the fair value hierarchy.

Non-voting Class A preferred shares
In relation to the Follow-on BAT Investment, the Company is required to issue non-voting Class A convertible preferred shares ("Preferred Shares"). The Preferred Shares to be issued as part of future tranches represent an obligation for the Company to deliver a variable number of its own Common Shares and hence meet the definition of an instrument classified as a derivative financial instrument as per IAS 32 *Financial Instruments: Presentation*. The Company measured the derivative at fair value on initial recognition. The derivative financial instrument is classified as a derivative asset or a derivative liability depending partly on whether the fair value of the Company's Preferred Shares is above or below the $3.2203 subscription price. At initial recognition, the derivative financial instrument was recognized as a derivative financial liability with a fair value off $1,921. Refer to Note 12 and 13 (iii) of the Financial Statements for further information regarding the Follow-on BAT Investment.

In August 2024, the Company closed the second tranche of the Follow-on BAT Investment and issued 8,463,435 Preferred Shares. The fair value of the derivative liability that was derecognized on closing of the second tranche was $4,339. As at September 30, 2024, the Company revalued the derivative liability for the third tranche to an estimated fair value of $4,771. Accordingly, the Company recognized a total fair value loss of $7,189 in the consolidated statements of operations and comprehensive loss.

The fair value of the contractual commitment to issue Preferred Shares in the future is based on level 1, level 2 and level 3 inputs and is determined based on estimated fair value of the Preferred Shares and the present value of the share price agreed with BAT. The fair value of the Preferred Shares was estimated using certain assumptions, including tenure of BAT's common shares and potential shareholding meeting 30% and 49% thresholds, respectively, market price and volatility of the Company's Common Shares, risk free rate and discount for lack of marketability.

Preferred Shares
On August 30, 2024, in relation to the Follow-on BAT Investment (as hereinafter defined), the Company issued 8,463,435 Preferred Shares of the Company. The Preferred Shares are eligible for conversion into Common Shares at BAT's option, provided that such conversion would not result in BAT's voting interest in the Company exceeding 30%. The number of shares that will be issued on conversion is not fixed and therefore, Preferred Shares are classified as liabilities. These liabilities are measured at FVTPL. The conversion feature is considered to be an embedded derivative that qualifies for bifurcation. However, the Company has elected to account for the entire instrument as FVTPL after determining under IFRS 9 that the Preferred Shares qualify to be accounted for under such FVTPL method.

On initial recognition, the Preferred Shares were measured at a fair value of $31,594. As at September 30, 2024, the Preferred Shares had an estimated fair value of $31,070, resulting in a fair value gain of $524 which was recognized in the consolidated statements of operations and comprehensive loss.

The fair value of Preferred Shares is based on level 1, level 2 and level 3 inputs and is determined based on market price and volatility of the Company's Common Shares, risk free rate and discount for lack of marketability.

(ii) Biological Assets

The Company measures biological assets, which consist of cannabis plants, at fair value less costs to sell up to the point of harvest, which then becomes the basis for the cost of finished goods inventories after harvest. Subsequent expenditures incurred on these finished goods inventories after harvest are capitalized based on IAS 2 Inventories.

The changes in the carrying value of biological assets as at September 30, 2024 are as follows:

	CAPITALIZED COST	BIOLOGICAL ASSET FAIR VALUE ADJUSTMENT	AMOUNT
Balance, September 30, 2023	$ 6,945	$ 10,410	$ 17,355
Unrealized gain on change in fair value of biological assets	—	51,151	51,151
Production costs capitalized	40,229	—	40,229
Transfer to inventory upon harvest	(41,226)	(52,336)	(93,562)
Carrying amount, September 30, 2024	$ 5,948	$ 9,225	$ 15,173

The fair value less costs to sell of biological assets is determined using a model which estimates the expected harvest yield in grams for plants currently being cultivated, then adjusts that amount for the average selling price per gram, and for any additional costs to be incurred, such as post-harvest costs. The following unobservable inputs, all of which are classified as level 3 within the fair value hierarchy (see Note 18 of the Financial Statements), are used in determining the fair value of biological assets:

i. average selling price per gram – calculated as the weighted average current selling price of cannabis sold by the Company, adjusted for expectations about future pricing;

ii. expected average yield per plant – represents the number of grams of finished cannabis inventory which is expected to be obtained from each harvested cannabis plant currently under cultivation;

iii. wastage of plants based on their various stages of growth – represents the weighted average percentage of biological assets which are expected to fail to mature into cannabis plants that can be harvested;

iv. post-harvest costs – calculated as the cost per gram of harvested cannabis to complete the sale of cannabis plants post-harvest, consisting of the cost of direct and indirect materials and labour related to drying, labelling, and packaging; and

v. stage of completion in the cultivation process – calculated by taking the average number of weeks in production over a total average grow cycle of approximately 14 weeks.

The Company estimates the harvest yields for the cannabis on plants at various stages of growth, based on expected yield of mature plants. As of September 30, 2024, it is expected that the Company's biological assets will yield 28,889 kg (September 30, 2023 – 26,917 kg) of cannabis when eventually harvested. The Company's estimates are, by their nature, subject to change, and differences from the expected yield will be reflected in the fair value adjustment to biological assets in future periods. The Company accretes fair value on a straight-line basis according to stage of growth. As a result, a cannabis plant that is 50% through its 14-week growing cycle would be ascribed approximately 50% of its harvest date expected fair value less costs to sell (subject to wastage adjustments).

Management believes the most significant unobservable inputs and their impact on fair value are as follows:

SIGNIFICANT INPUTS & ASSUMPTIONS	WEIGHTED AVERAGE INPUT			EFFECT ON FAIR VALUE	
	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023	SENSITIVITY	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023
Average selling price per gram (excluding trim)	$ 1.59	$ 1.73	Increase or decrease by 10% per gram	$ 1,463	$ 1,690
Expected average yield per plant	187 grams	173 grams	Increase or decrease by 10 grams	$ 781	$ 978

The expected average yield per plant at September 30, 2024 primarily reflects the average yield of the flower component of the plant.

OUTSTANDING SHARE DATA

(i) Outstanding Shares, Warrants and Options and Other Securities

The following table sets out the number of Common Shares, options, warrants, Top-up Rights, RSUs and PSUs outstanding of the Company as at September 30, 2024 and December 18, 2024:

	SEPTEMBER 30,	DECEMBER 18, 2024
Common shares issued and outstanding	108,585,492	108,585,492
Options	2,691,336	2,683,636
Warrants	4,235,913	4,235,913
Top-up rights	7,078,727	8,465,797
Restricted share units	2,973,643	3,710,864
Performance share units	1,117,218	1,845,571
Total fully diluted shares	126,682,329	129,527,273

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

The following are the estimates and judgments made by management in applying the accounting policies of the Company that have the most significant effect on the consolidated financial statements:

1. **Biological assets and inventories**
Determination of the fair value of biological assets requires management to make a number of estimates, including estimating the average selling price per gram and expected average yield per plant. The Company records obsolete and unsaleable inventories at the lower of cost and net realizable value. Adjustments to the carrying value of inventories are based on obsolescence trends, historical experience, forecast demand and average selling price for obsolete and unsaleable inventories. Refer to Note 5 and 6 of the Financial Statements for further information.

2. **Useful lives and impairment of property, plant and equipment and finite-life intangible assets**
Amortization of property, plant and equipment and finite life intangible assets requires estimates of useful lives, which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts, taking into consideration factors such as economic and market conditions.

3. **Share-based payments**
In determining the fair value of options and related costs, management estimates the expected life of the option, the expected volatility of the Company's share price, the risk-free interest rate, and the rate of forfeitures. Refer to Note 13 of the Financial Statements for further information.

4. **Provision for returns and price adjustments**
Government customers typically have the right to return products, and in some cases, the right to pricing adjustments for products that are subsequently discounted or sold for a lower price in another jurisdiction. The estimation of potential future returns and pricing adjustments includes the use of management estimates and assumptions that may not be certain given the evolving nature of the industry.

5. **Impairment of non-financial assets**
The recoverable amount of an individual CGU and group of CGUs is determined based on value in use which involves the use of a discounted cash flow model and significant assumptions which include forecasted cash flows, terminal growth rate and post-tax discount rates. In allocating any impairment loss, the Company determines the recoverable amounts of its property, plant and equipment. The recoverable amount of property and plant is determined based on fair value less costs of disposal and involves the use of capitalization rates, market rentals, market transactions and demolition costs. Refer to Note 8 for further information.

6. **Derivative liabilities**
Warrants issued pursuant to equity offerings that are potentially exercisable in cash or on a cashless basis resulting in a variable number of shares being issued are considered derivative liabilities and therefore measured at fair value through profit or loss. The Company uses the Black-Scholes option pricing model to estimate the fair value of such warrants at inception, on

each exercise, and subsequently at the period end date. The key assumption used in the model is the expected future volatility in the price of the Company's Common Shares.

The potential issuance of Common Share related to top-up rights is classified as a derivative liability and is therefore measured at fair value through profit or loss. The Company uses the Monte Carlo pricing model to estimate the fair value of such top-up rights at inception, upon each exercise, and at year-end. The key assumption used in the model is the expected future volatility of the price of the Company's Common Shares. The impact of changes in these key assumptions is described in Note 11 of the Financial Statements.

7. Recognition and measurement of preferred shares and derivative financial instrument
In determining the initial and subsequent measurement of the preferred shares and relative derivative, management has applied significant judgment and estimation in regards to the fair valuation of the preferred shares and related derivative liability. Refer to Note 11 and 18 for further information.

8. Recognition and measurement of other financial assets
In determining the initial and subsequent recognition and measurement of the other financial assets, management has applied significant judgment and estimates including but not limited to determing the appropriate valuation methodology and key inputs. Refer to Note 9 and 18 for further information.

Accounting standards issued but not yet effective

The new and amended standards and interpretations that are issued, but are not yet effective, up to the date of issuance of the Company's consolidated financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations when they become effective.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
The amendments to IFRS 10 and IAS 28 apply to situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, under IFRS 10, when an investor loses control of a subsidiary that does not contain a business as a result of a transaction involving an associate or a joint venture that is accounted for using the equity method, the gain or loss resulting from the transaction is recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. The full gain or loss continues to be recognized if the subsidiary contains a business. Similarly, IAS 28 is amended such that a full gain or loss is recognized when a downstream transaction involves assets that constitute a business.

These amendments shall be applied prospectively to the sale or contribution of assets occurring after the effective date. The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. These amendments are not expected to have a material impact on the Company's financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants
In January 2020 and October 2022, the IASB issued amendments to IAS 1 to specify the requirements relating to determining whether a liability should be presented as current or non-current in the consolidated statements of financial position. Under the new requirements, the assessment of whether a liability is presented as current or non-current is based on the contractual arrangements in place as at the reporting date and does not impact the amount or timing of recognition. These amendments also clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments apply retrospectively for annual reporting periods beginning on or after January 1, 2024. These amendments are not expected to have a material impact on the Company's consolidated financial statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
On September 22, 2022, the IASB issued amendments to IFRS 16, Leases, to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed. The Company has not entered into any sale and leaseback transactions in the past and does not anticipate doing so in the future. These amendments are not expected to have a material impact on the Company's consolidated financial statements.

Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements
In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed. These amendments are not expected to have a material impact on the Company's consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements
In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of financial statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows. These include changing the starting point for determining cash flows from operations under the indirect method from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18 and the amendments to the other standards, is effective for annual reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Company is currently evaluating the potential impact of IFRS 18 on the Company's consolidated financial statements.

PRODUCT DEVELOPMENT COLLABORATION

On March 10, 2021, in conjunction with the strategic investment we received from BAT, the Company and BAT entered into the PDC Agreement pursuant to which the CoE was established at the Moncton Campus to focus on developing the next generation of cannabis products.

Pursuant to the terms of the PDC Agreement, $31,109 of BAT's original investment in the Company was reserved as restricted cash in order to satisfy certain of the Company's future obligations under the PDC Agreement, including the Company's portion of its funding obligations under a mutually agreed initial budget for the CoE. Costs relating to the CoE are funded equally by the Company and BAT. Balances are transferred from restricted cash to the Company's general operating account as CoE related expenditures are periodically reconciled and approved. The balance in restricted cash as at September 30, 2024 is $25,860 (September 30, 2023 - $17,893).

The CoE is accounted for as a joint operation, with the Company and BAT each paying 50% of the costs incurred by the CoE. . For the year ended September 30, 2024, $6,666 (September 30, 2023 - $6,886) of expenses have been recorded in the statements of operations and comprehensive loss.

ACQUISITION OF SUBSIDIARIES

i. Laurentian Organic Inc.

On December 21, 2021, the Company acquired 100% of the shares and voting interests of the non-listed Laurentian for $36,000, consisting of $10,000 in cash consideration, $7,000 on closing and $3,000 held back, with the remaining $26,000 in share consideration at the acquisition date. The Company agreed to provide the seller additional share consideration based on Laurentian's future adjusted EBITDA over a period of two years, which were as follows (all capitalized terms used below not otherwise defined herein have the respective meanings described to them in the Company's agreement to acquire Laurentian):

a) First Year Earnout calculated for the period January 1, 2022 to December 31, 2022, as the greater of (i) zero and (ii) the difference obtained when the sum of $2,000 and 50% of the agreed capital expenditures is subtracted from 30% of the First Year adjusted EBITDA Multiple, payable in Common Shares, provided that, the sum of the Initial Consideration and the First Year Earnout Amount shall not exceed the First Year adjusted EBITDA Multiple; and

b) Second Year Earnout calculated for the period January 1, 2023 to December 31, 2023, as 19% of the Second Year adjusted EBITDA Multiple less the remaining balance of the agreed capital expenditures, payable in Common Shares, provided that, the sum of the Initial Consideration, the First Year Earnout Amount and the Second Year Earnout Amount shall not exceed the Second Year EBITDA Multiple.

Earnout payments paid in Common Shares were to be priced based on the five-day volume-weighted average price of the Company's Common Shares on the TSX as of the day prior to settlement. As at the acquisition date, the fair value of the contingent consideration was estimated to be $6,996 and subsequently as at August 31, 2022 adjusted to $2,913, to reflect changes in estimates.

The first year earnout milestone was not met and during the thirteen months ended September 30, 2023, the Company recognized a fair valuation gain of $2,864 in the statements of operations and comprehensive loss.

The second year earnout milestone was also not met and during the year ended September 30, 2024, the Company recognized a fair valuation gain of $50 in the statements of operations and comprehensive loss.

In July 2024, the Company received a dispute notice from the Laurentian vendors purporting to cover the first year and second year earnout. The Company and the Laurentian vendors have entered into an engagement letter appointing BDO Canada LLP as neutral accountant to review the items in the dispute notice in accordance with the share purchase agreement dated December 21, 2021.

ii. The Edibles and Infusions Corporation

On April 6, 2021, the Company acquired 100% of the shares and voting interests of the non-listed EIC, including SUHM Investments Inc. and Quality Confections Corporation who collectively owned 100% of EIC for $22,000 of share consideration at the acquisition date. The Company has agreed to provide the seller additional share consideration of $13,000 should EIC achieve its milestones.

Contingent share consideration

The acquisition included contingent share consideration based on various milestones as follows:

i) $3,500 to be paid in Common Shares upon the first listing of EIC or Organigram-branded product, manufactured at the EIC facility, in the Ontario or Alberta recreational markets prior to December 31, 2021. This was achieved in the year ended August 31, 2021 and subsequently settled on September 8, 2021;

ii) $7,000 to be paid in Common Shares on the generation of $15 million in net revenue during the 12 months ended December 31, 2022. This was achieved during the thirteen months ended September 30, 2023 and the Company issued 2,621,370 Common Shares as consideration to the former shareholders of EIC, for a total value of $6,500. The remaining $500 has been irrevocably disclaimed and waived as part of a negotiated settlement and the Company recorded it as a change in fair value of contingent share consideration during the thirteen months ended September 30, 2023

iii) $2,500 to be paid in Common Shares on the generation of $7 million in adjusted EBITDA for the 12 months ended December 31, 2022. The third milestone, calculated based on the adjusted EBITDA for the 12 months ended December 31, 2022, was not met.

Refer to Note25 to the Financial Statements for further information.

CONTINGENT LIABILITIES

The Company recognizes loss contingency provisions for probable losses when management can reasonably estimate the loss. When the estimated loss lies within a range, the Company records a loss contingency provision based on its best estimate of the probable loss. If no particular amount within that range is a better estimate than any other amount, the mid-point of the range is used. As information becomes known a loss contingency provision is recorded when a reasonable estimate can be made. The estimates are reviewed at each reporting date and the estimates are changed when expectations are revised. An outcome that deviates from the Company's estimate may result in an additional expense or release in a future accounting period.

Alberta Claim

On June 16, 2020, a claim in connection with a proposed national consumer protection class-action lawsuit (the "Alberta Claim") was filed with the Court of Queen's Bench in Alberta (the "AB Court") seeking damages against several Canadian cannabis companies including the Company (the "Defendants"). The Alberta Claim does not particularize all of the claims against the Defendants; however, it makes allegations with respect to the content of THC and CBD in the Defendants' products. In order to proceed as a class action, the AB Court must certify the action as a class action. A certification hearing has not yet been scheduled. The Company has reported the Alberta Claim to its insurers.

Estimating an amount or range of possible losses resulting from litigation proceedings is inherently difficult, particularly where the matters involve indeterminate claims for monetary damages and are in the stages of the proceedings where key factual and legal issues have not been resolved. For these reasons, the Company is currently unable to predict the ultimate timing or outcome of, or reasonably estimate, the possible losses or a range of possible losses resulting from the matter described above. In July, 2024, the plaintiffs filed a discontinuance of claim with the AB Court.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

In accordance with National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109") and Rule 13a-15 under the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), the establishment and maintenance of Disclosure Controls and Procedures ("DCP") and Internal Control Over Financial Reporting ("ICFR") is the responsibility of management.

The Company engaged PKF O'Connor Davies ("PKF") to perform an "integrated audit" which encompassed an opinion on the fairness of presentation of the Company's annual consolidated financial statements for the year ended September 30, 2024, as well as an opinion on the effectiveness of the Company's ICFR. PKF, the Company's independent registered public accounting firm, has audited the Company's consolidated financial statements and has issued an adverse report on the effectiveness of ICFR. PKF's audit report on the Company's ICFR is incorporated by reference into the Company's annual report on Form 40-F under the Exchange Act for the year ended September 30, 2024.

DISCLOSURE CONTROLS AND PROCEDURES

The Company maintains a set of DCP designed to provide reasonable assurance that information required to be publicly disclosed is recorded, processed, summarized and reported on a timely basis. As required by NI 52-109 and Exchange Act Rule 13a-15(b), an evaluation of the design and operation of our DCP was completed as of September 30, 2024 under the supervision and with the participation of management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") using the criteria set forth in Internal Control - Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO 2013 Framework"). Based upon this evaluation, our CEO and CFO concluded that because of the material weaknesses in our ICFR described below, our DCP were not effective as of such date.

INTERNAL CONTROL OVER FINANCIAL REPORTING

NI 52-109 requires the CEO and CFO to certify that they are responsible for establishing and maintaining ICFR for the Company and that those internal controls have been designed and are effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. Similarly, Exchange Act Rule 13a-15(c) requires the Company's management, with the participation of the CEO and CFO, to evaluate ICFR as of the end of the fiscal year. The CEO and CFO are also responsible for disclosing any changes to the Company's internal controls during the most recent period that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

MATERIAL CHANGES TO INTERNAL CONTROL OVER FINANCIAL REPORTING

There has been a change to the Company's ICFR during the three months ended September 30, 2024 that has materially affected, or is likely to materially affect, the Company's ICFR.

Control Environment

With respect to the material weakness related to the control environment during Fiscal 2024, the Company took the following actions:

- Bolstered the financial reporting, IT and accounting department's internal controls and accounting knowledge by hiring new full-time employees including those in more senior roles; and
- Implemented additional ongoing oversight, training and communication programs for management and personnel to reinforce the Company's control standards and expectations and clarified individual responsibility for control activities at various levels within the Company. Roles and responsibilities are continually assessed with a view to meeting the needs of the Company's internal control environment.

During Q4 Fiscal 2024, the Company completed its evaluation of the impact of these actions and concluded that this material weakness related to control environment was successfully remediated.

Information Process

With respect to the material weakness related to the information process during Fiscal 2024:

- The Company substantially progressed its ERP system implementation and successfully completed the second phase of ERP that included the implementation of finance and supply chain modules at our Winnipeg and Lac-Superieur facilities
- During Q4 Fiscal 2024, the Company launched the planning and design phase for a further enhancement to the ERP system, which will allow for improved costing management and reduction of complex spreadsheets related to inventory costing
- During Q4 Fiscal 2024, the Company launched the planning and design phase for a financial planning and management reporting tool, which is expected to further enhance the Company's analytical and review procedures

- As of September 30, 2024 the Company completed the implementation of a new human resources information system, or HRIS, that is intended to further streamline internal processes, support employee retention efforts and facilitate remediation activities.
- The Company hired a Director of IT to oversee and enhance the IT department, support the remediation of deficiencies in general IT controls and facilitate the development and implementation of the new ERP system. Under the direction of the Director of IT, the Company continued to make progress during the period in remediating certain IT general controls.
- The Company hired and trained a dedicated resource to review the third-party service organization control reports and assess their impact in relation to the Company's control environment. The Company streamlined its complex spreadsheet models, with the exception of biological asset models and inventory costing, to reduce the risk of errors in mathematical formulas and to improve the ability to verify the logic of complex spreadsheets.

Control Activities

With respect to the material weakness related to control activities during Fiscal 2024:

- The Company amalgamated Organigram Inc. with EIC and Laurentian. Post amalgamation, the Company's three facilities continued to operate as a single corporation under the name "Organigram Inc." which significantly simplified and streamlined the financial statement close process.
- The Company added a new dedicated resource with assigned responsibilities to support management in their ongoing remediation efforts.

MANAGEMENT'S EVALUATION OF INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management, under the supervision and with the participation of its CEO and CFO, conducted an evaluation of the effectiveness of the Company's ICFR as defined by NI 52-109 and Rule 13a-15(f) of the Exchange Act as of September 30, 2024, using the criteria set forth by the COSO 2013 Framework. Based on this evaluation, management concluded that the Company's ICFR was not effective as of September 30, 2024, due to material weaknesses in internal control over ICFR that have been previously identified but continue to exist.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. Management has identified the following material weaknesses:

- Management review controls to ensure the completeness and accuracy of complex spreadsheets used for biological assets and inventory were not designed or operating effectively; and
- The Company had ineffective general IT controls related to security and administration and monitoring of service organizations.

As a consequence of the above, the Company had ineffective control activities related to the design, implementation and operations of process level and financial statement close controls .

STATUS OF REMEDIATION PLAN

The Company was successful in remediating the material weakness related to the control environment and made progress in remediating other control deficiencies as discussed above under "Material Changes to Internal Control Over Financial Reporting" as at the end of Fiscal 2024. Management, with the assistance of external and internal specialists, has continued reviewing and revising its ICFR, and remains committed to implementing changes to its ICFR to ensure that the control deficiencies that contributed to the remaining material weaknesses are remediated in Fiscal 2025.

The following remedial activities remain in progress as at the date of this MD&A and are expected to continue at least throughout the first half of Fiscal 2025. The controls associated with these remedial activities have not yet been subject to control testing to conclude on the design or operational effectiveness.

- We will continue to engage internal control specialists that will assist management in evaluating internal controls and in designing remediation plans.
- Under the direction of the Chief Information Officer and the Director of IT, the Company will continue to remediate certain IT general controls.
- We will continue to work on implementing controls that are intended to evaluate information from organizations providing services to the Company.
- We will continue to streamline our complex spreadsheet models related to biological assets and inventory to reduce the risk of errors in mathematical formulas and to improve the ability to verify the logic of complex spreadsheets, while continuing to automate processes.

Following the substantial improvement and remediation of the material weakness described above, senior management has discussed the remaining material weaknesses with the Audit Committee which will continue to review progress on these remediation activities. While we believe these actions, including the third phase of the ERP system, will contribute to the remediation of material weaknesses, we have not yet completed all of the corrective processes, procedures and related evaluation or remediation that we believe are necessary. As we continue to evaluate and work to remediate the remaining material weaknesses, we may need to take additional measures to address the deficiencies. Until the remediation steps set forth above, including the efforts to implement any additional control activities identified in the process, are fully implemented and operate for a sufficient period of time that they can be concluded to be operating effectively, the remaining material weaknesses described above will not be considered fully remediated. While significant progress has been made toward remediation of the remaining material weaknesses, no assurance can be provided at this time that the actions and remediation efforts will effectively remediate the remaining material weaknesses described above or prevent the incidence of other material weaknesses in the Company's ICFR in the future. Management expects to fully remediate the remaining material weaknesses identified before the end of Fiscal 2025. See "Risk Factors" in this MD&A and the AIF.

Management, including the CEO and CFO, does not expect that DCP or ICFR will prevent all misstatements, even as the remediation measures are implemented and further improved to address the material weaknesses. The design of any system of internal controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving the stated goals under all potential future conditions.

RISK FACTORS

The Company's business is subject to risks inherent in a high growth, heavily regulated enterprise. We have identified certain risks pertinent to our business that may have affected or may affect our business, financial conditions, results of operations and cash flows, as further described throughout this MD&A and under "Risk Factors" in the AIF. For additional risk factors, readers are directed to the Company's AIF, which is (a) available under the Company's issuer profile on SEDAR+ at www.sedarplus.com, and (b) incorporated into and forms part of the Company's annual report on Form-40F filed on EDGAR at www.sec.gov. As a general matter, management of the Company attempts to assess and mitigate any risks and uncertainties by retaining experienced professional staff and ensuring that the Board of Directors and senior management of the Company are monitoring the risks impacting or likely to impact the business on a continuous basis.

(i) Credit Risk

Credit risk arises from deposits with banks, short-term investments, outstanding trade and other receivables, restricted cash and other financial assets. For trade receivables, the Company does not hold any collateral as security but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance. For other receivables, outside of the normal course of business, management generally obtains guarantees and general security agreements. The maximum exposure to credit risk of cash, short-term investments, restricted cash, other financial assets and accounts receivable and other receivables on the statement of financial position at September 30, 2024 approximates $211,306 (September 30, 2023 - $90,351).

As of September 30, 2024 and September 30, 2023, the Company's aging of trade receivables was as follows:

	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023
0-60 days	$ 32,349	$ 22,946
61-120 days	5,502	5,845
Gross trade receivables	$ 37,851	$ 28,791
Less: Expected credit losses and reserve for product returns and price adjustments	(5,196)	(1,334)
	$ 32,655	$ 27,457

(ii) Liquidity Risk

The Company's liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by reviewing on an ongoing basis its capital requirements. As at September 30, 2024, the Company had $106,745 (September 30, 2023 – $33,864) of cash and working capital of $208,897 (September 30, 2023 - $133,545). Further, the Company may potentially access equity capital through the capital markets if required.

The Company is obligated to the following contractual maturities relating to their undiscounted cash flows as at September 30, 2024:

	Carrying Amount	Contractual Cash Flows	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Accounts payable and accrued liabilities	$ 47,097	$ 47,097	$ 47,097	$ —	$ —	$ —
Long-term debt	25	85	60	25	—	—
	$ 47,122	$ 47,182	$ 47,157	$ 25	$ —	$ —

The contractual maturities noted above are based on contractual due dates of the respective financial liabilities.

In connection with the Company's facilities, the Company is contractually committed to approximately $1,676 of capital expenditures.

(iii) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the Company is comprised of interest rate risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with a floating interest rate. The Company has determined that a 1% change in rates would not have a material impact on the consolidated financial statements.

(iv) Concentration risk

The Company's accounts receivable are primarily due from provincial government agencies (three of which, individually, represented more than 10% of the Company's revenues during the year ended September 30, 2024), corporations (none of which

represented more than 10% of the Company's revenues during the period), and legal trusts and, thus, the Company believes that the accounts receivable balance is collectible.

(v) Risks related to the listing of Company's Common Shares on TSX and NASDAQ

On January 23, 2023, the Company received notification from NASDAQ that it is not in compliance with the minimum bid price requirement in NASDAQ Listing Rule 5450(a)(1) for continued listing on NASDAQ (the "Minimum Bid Requirement"), since the closing bid price for the Company's common shares listed on NASDAQ was below US$1.00 for 30 consecutive trading days. Under NASDAQ Listing Rule 810(c)(3)(A), the Company had a period of 180 calendar days from the date of notification, or until July 24, 2023, to regain compliance with the Minimum Bid Requirement, during which time the Common Shares would continue to trade on NASDAQ. To regain compliance, the closing bid price of the Common Shares was required to remain at or above US$1.00 per share for a minimum of 10 consecutive business days. In the event the Company did not regain compliance with the Minimum Bid Requirement by July 24, 2023, the Company would have been eligible for an additional period of 180 calendar days to regain compliance or would have been subject to delisting of the Common Shares from NASDAQ.

The Company effected the Share Consolidation regaining compliance with the Minimum bid Requirement, with legal effect from July 5, 2023. However, there can be no assurance that the Company will remain compliant with the Minimum Bid Requirement or otherwise maintain compliance with any of the other NASDAQ listing requirements. Any delisting of the Common Shares from NASDAQ could adversely affect the Company's ability to attract new investors, reduce the liquidity of the outstanding Common Shares, reduce the Company's ability to raise additional capital, reduce the price at which the Common Shares trades on the TSX, result in, negative publicity and increase the transaction costs inherent in trading such shares with overall negative effects for the Company's stockholders. In addition, delisting of the Common Shares could deter U.S. broker-dealers from making a market in or otherwise seeking or generating interest in the Common Shares and might deter certain institutions or persons from investing in the Company's securities at all. For these reasons and others, delisting of the Common Shares from NASDAQ could adversely affect the Company's business, financial condition and liquidity.

(vii) Risks related to third party data

The Company relies on independent third party data for market share position and there is no assurance third party data provides an accurate representation of actual sales as some third parties use different methodologies or calculations to estimate market share position, and because market and industry data is inherently imprecise, subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process, and other limitations and uncertainties inherent in any statistical survey or data collection process. The Company also relies on its own market research and internal data to determine the accuracy of such third-party data.

(vii) Risks related to international sales

The Company currently exports cannabis to a number of countries whose laws vary, and many are unsettled and still developing. There is no assurance that the Company will continue to meet the evolving legal and regulatory requirements applicable to each export jurisdiction. Any change in laws or regulations may adversely impact the Company's ability to export its products. In Israel, a potential dumping tariff on cannabis imports may impact the Company's ability to resume exports to this jurisdiction.

In January 2024, the Israeli government notified the Company that it was the subject of the Anti-Dumping Investigation in respect of its cannabis exports to Israel. The Company last shipped products to Israel in the second quarter of fiscal year 2023. Future shipments to Israel are contingent on, among other factors, customer buying patterns, receipt of applicable import and export permits, and contractual matters. Although the Company believes it is in compliance with international trade law related to its shipments to Israel, the outcome of the Israeli Anti-Dumping Investigation may result in risks to future shipments to Israel including potential imposition of a dumping duty on Israeli importers of Canadian cannabis exports. In July 2024, a preliminary determination was issued by the Israeli government, finding dumping by all Canadian exporters, including the Company. The Company intends to make submissions to advance its position that it has not engaged in dumping. A final decision on the question of dumping is expected in calendar 2025.

(ix)Israel-Hamas War and Conditions in Israel

On October 7, 2023, a war began between the terrorist organization Hamas and Israel. The Company continues to monitor the conflict in Israel and impacts the conflict has had and potential impacts the conflict could have on the Company's business in Israel. The extent to which the conflict may continue to impact the Company's business and activities will depend on future developments which remain highly uncertain and cannot be predicted. Any losses or damages incurred by the Company could have a material adverse effect on its business.

(x) Information Systems Risk

The Company's business operations are managed through a variety of IT systems. Certain of the Company's key IT systems are dated and require, or are in the process of, modernization. The Company's IT systems may also be vulnerable to damage or interruption from circumstances beyond the Company's control, including fire, flood, natural disasters, systems failures, network or communications failures, power outages, public health emergencies, security breaches, cyber-attacks and terrorism. If one of the Company's key IT systems were to suffer a failure, no assurance can be given that the Company's backup systems or contingency plans will sustain critical aspects of the Company's operations, and the Company's business, results of operations or financial condition could be materially adversely affected. Further, the Company relies on large outsourcing contracts for IT services with major third-party service providers, and if such service providers were to fail or the relationships with the Company were to end, and the Company were unable to find suitable replacements in a timely manner, the Company's business, results of operations or financial condition could be materially adversely affected.

The Company is continually modifying and enhancing its IT systems and technologies to increase productivity, efficiency and security. As new systems and technologies are implemented, the Company could experience unanticipated difficulties resulting in unexpected costs and adverse impacts to its financial reporting and manufacturing and other business processes. When implemented, the systems and technologies may not provide the benefits anticipated and could add costs and complications to ongoing operations, which may have a material adverse effect on the Company's business, results of operations or financial condition.

During Fiscal 2023 and Fiscal 2024, the Company launched a new ERP system, which provides for a more robust and secure financial system of record, among other supply chain and operational data. Various IT general controls are now centralized currently in the midst of stabilizing a new ERP system, which replaces its previous financial system. There can be no assurance that the ERP system will provide the information and benefits expected by management.

The Company is in the midst of implementing Phase 3 of its ERP system, *D365 Advanced Manufacturing* ("Phase 3"). The design and implementation of Phase 3 requires an investment of significant personnel and financial resources, including substantial expenditures for outside consultants, system hardware and software in addition to other expenses in connection with the implementation. The Company may not be able to implement Phase 3 successfully without experiencing delays, increased costs and other difficulties, including potential design defects, miscalculations, testing requirements, and the diversion of management's attention from day-to-day business operations. If it is unable to implement Phase 3 as planned, the effectiveness of the internal control over financial reporting could be adversely affected, the ability to assess those controls adequately and to disseminate its financial documents could be delayed, the Company's operations can be affected and the Company's financial condition, results of operations and cash flows could be negatively impacted.


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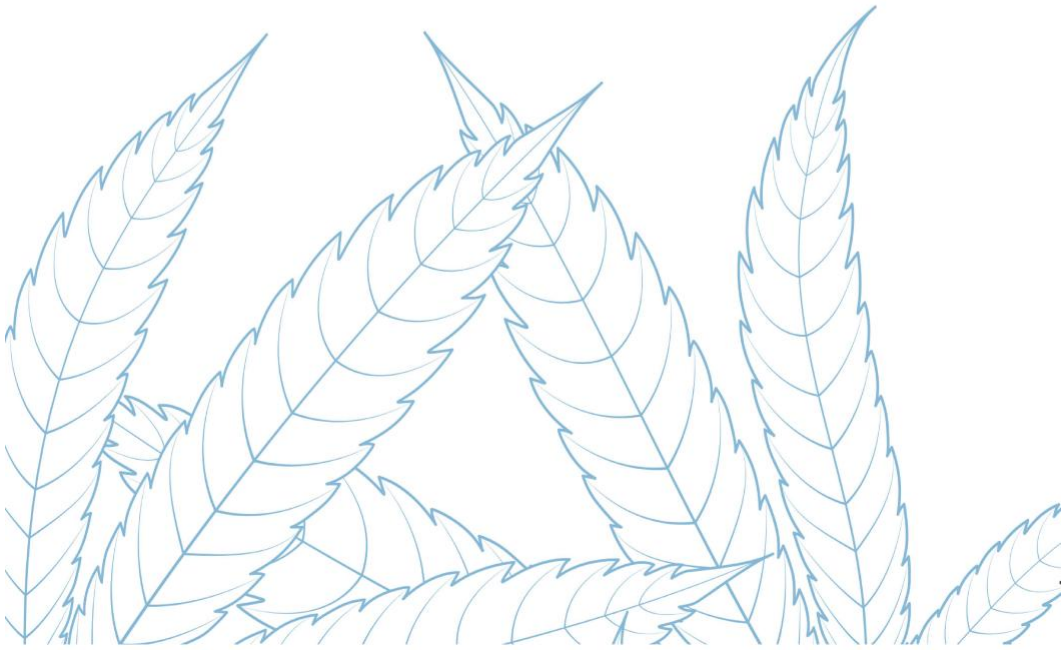
Organigram Holdings Inc.

Consolidated Financial Statements

For the year ended September 30, 2024 and
the thirteen months ended September 30, 2023

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ORGANIGRAM

December 18, 2024

Management's Responsibility for the Financial Statements

The accompanying consolidated financial statements of Organigram Holdings Inc. (the "Company") have been prepared by the Company's management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and contain estimates based on management's judgment. Internal control systems are maintained by management to provide reasonable assurance that assets are safe-guarded and financial information is reliable.

The Board of Directors of the Company is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements and the accompanying management discussion and analysis. The Board of Directors carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board of Directors. It meets with the Company's management and auditors, and reviews internal controls and financial reporting matters to ensure that management is properly discharging its responsibilities before submitting the financial statements to the Board of Directors for approval.

(signed) 'Beena Goldenberg'
Chief Executive Officer
Toronto, Ontario

(signed) 'Greg Guyatt'
Chief Financial Officer
Toronto, Ontario

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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
Organigram Holdings Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statement of financial position of Organigram Holdings Inc. and subsidiaries (the Company) as of September 30, 2023, the related consolidated statements of operations and comprehensive loss, changes in equity, and cash flows for the thirteen month period ended September 30, 2023, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2023, and the results of its operations and its cash flows for the thirteen month period ended September 30, 2023, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation

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Document classification: KPMG Confidential

of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

We served as the Company's auditor from 2020 to 2024.

Vaughan, Canada

December 19, 2023

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors
of Organigram Holdings Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statement of financial position of Organigram Holdings Inc. (the "Company") as of September 30, 2024, and the related consolidated statements of operations and comprehensive loss, changes in equity, and cash flows for the year then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2024, and the results of its operations and its cash flows for the year then ended, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of September 30, 2024, based on criteria established in *Internal Control–Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and our report dated December 18, 2024, expressed and adverse opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Assessment of measurement of the fair value of biological assets

As described in Notes 3iv, 3xxii, and 5, to the consolidated financial statements, the Company measures biological assets, which consist of cannabis plants, at fair value less costs to sell up to the point of harvest, which then becomes the basis for the cost of finished goods inventories after harvest. As disclosed in Note 5 to the consolidated financial statements, as of September 30, 2024, the carrying value of the Company's biological assets was $15,173 thousand. The fair value less cost to sell of biological assets is determined using a model which estimates the expected harvest yield in grams for plants currently being cultivated, then adjusts that amount for the average selling price per gram, and for any additional costs incurred.

We identified the assessment of the significant assumptions used to estimate the fair value less cost to sell of biological assets as a critical audit matter as a high degree of auditor judgement is required to evaluate the significant assumptions. The significant assumptions used to determine the fair value less cost to sell of biological assets are the expected average yield per plant and the average selling price per gram.

The primary procedures we performed to address this critical audit matter included:

- Tested the following estimates used to determine the Fair Value Less Costs to Sell ("FVLCS") of the biological assets:
    - Average Selling Price ("ASP") Per Gram: We tested the accuracy of the sales report used in the Company's model to calculate the ASP by reconciling the report totals to the trial balance and tracing a sample of transactions back to the revenue sub-ledger & sales invoice. In addition, we performed variability testing of the ASP by comparing actual sales prices from before and after year-end to the ASP at year-end.
    - Expected Average Yield per Plant: We tested the accuracy of the harvest reports used to determine the average yields for each strain by comparing the averages to historical actual yields and verified the accuracy of the data by selecting a sample of the historical yields and comparing to quality assurance records. We further verified the number and ages of the plants through observation procedures.
    - Wastage Rates: We tested the wastage rate calculation by performing various analytics and comparing the historical kill rates to quality assurance records.
    - Costs to Sell: We tested the various costs to sell (post-harvest, drying, packaging) by performing analytics, vouching invoices, and reconciling the underlying data to sub-ledgers.
- We tested the accuracy of the unrealized gain on changes in fair value of biological assets by performing a rollforward analysis and testing the underlying data through the various tests mentioned above.
- Assessed the appropriateness of disclosures in the consolidated financial statements.

Fair value measurement of the Greentank Technologies Corp., Phylos Bioscience Inc., Open Book Extracts, Sanity Group GmbH, and British American Tobacco P.L.C. financial instruments

As discussed in Notes 3xxii, 9, and 11 to the consolidated financial statements, the Company has other financial assets and preferred shares and warrants issued pursuant to equity offerings that are potentially exercisable in cash or on a cashless basis resulting in a variable number of shares being issued that are considered derivative liabilities and therefore measured at fair value through profit or loss at each reporting period. As of September 30, 2024, there were financial instruments that were recorded as other financial assets of $40.7 million, preferred shares of $31.1 million, current derivative liabilities of $5.1 million, and noncurrent derivative liabilities of $14.1 million with a fair value loss of $7.7 million recognized in the change in fair value of derivative liabilities, preferred shares and other financial assets, in the year ended September 30, 2024.

We identified the assessment of the fair value measurement of the financial instruments as a critical audit matter. There was a high degree of subjective auditor judgment in the evaluation of the key assumptions that were not directly observable, when determining the fair value of the financial instruments. The key assumptions included discount rates, volatility, credit spreads, the probability of each scenario, time to liquidity event, company's prevailing capital structure. Additionally, the audit effort associated with the evaluation of the discount rate, volatility of underlying portfolio companies, tranche specific volatilities of the specific equity classes, credit spreads, time to liquidity event and probability of each scenario required specialized skills and knowledge.

The following are the primary procedures we performed to address this critical audit matter:

- Involved valuation professionals with specialized skills and knowledge who assisted in evaluating the Company's key assumptions. The evaluation was achieved by applying the below procedures as applicable to the various financial instruments:
    - Volatility Analysis: Assessed the volatility of portfolio companies (Greentank, OBX, Sanity Group, Phylos, BAT) using Guideline Public Companies from a third-party database and evaluated tranche-specific volatilities based on comparable market data and specialized models.
    - Credit Spreads: Determined appropriate credit spreads using reputable data sources.
    - Discount for Lack of Marketability ("DLOM"): Evaluated DLOM using third-party evidence and conducted sensitivity analyses on assumptions based on Asian Put Option models and Black-Scholes calculations.
    - Market Inputs Validation: Corroborated key valuation model inputs, including volatility, risk-free rates, credit spreads, discount rates, and stock prices, to ensure consistency with market data.
    - Sensitivity Analysis: Performed scenario-based sensitivity analyses to test the robustness of Fair Value conclusions and the DLOM under varying assumptions such as the risk-free rate, volatility, and years to maturity.
- Assessed the appropriateness of disclosures in the consolidated financial statements.

PKF O'Connor Davies, LLP

We have served as the Company's auditor since June 28, 2024.

New York, New York

December 18, 2024

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
Organigram Holdings Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Organigram Holdings Inc.'s (the "Company") internal control over financial reporting as of September 30, 2024, based on criteria established in Internal Control–Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, because of the effect of the material weaknesses described in the following paragraphs on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of September 30, 2024, based on criteria established in Internal Control–Integrated Framework (2013) issued by COSO.

A material weakness is a control deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weaknesses have been identified and included in management's assessment:

- Management review controls to ensure the completeness and accuracy of complex spreadsheets used for biological assets and inventory were not designed or operating effectively.
- Ineffective general IT controls related to security and administration and monitoring of service organizations.

As a consequence of the above the Company had ineffective control activities related to the design, implementation and operations of process level and financial statement close controls.

These material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the September 30, 2024 consolidated financial statements, and this report does not affect our report dated December 18, 2024, on those consolidated financial statements.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheet of the Company as of September 30, 2024, the related consolidated statements of operations, comprehensive income (loss), shareholders' equity, and cash flows for the year ended September 30, 2024 and our report dated December 18, 2024, expressed an unqualified opinion thereon.

PKF O'CONNOR DAVIES, LLP
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PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Controls over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PKF O'Connor Davies, LLP

New York, New York
December 18, 2024

ORGANIGRAM HOLDINGS INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at September 30, 2024 and September 30, 2023
(Expressed in CDN $000's except share and per share amounts)

	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023
ASSETS		
Current assets		
Cash	$ 106,745	$ 33,864
Restricted cash (Note 13 and 24)	25,860	—
Short-term investments	821	—
Accounts and other receivables (Note 4)	37,153	30,157
Biological assets (Note 5)	15,173	17,355
Inventories (Note 6)	67,351	63,598
Prepaid expenses and deposits	9,116	11,002
	262,219	155,976
Restricted cash (Note 24)	—	17,893
Property, plant and equipment (Note 7)	96,231	99,046
Intangible assets and goodwill (Note 8)	8,092	10,624
Deferred charges and deposits (Note 7)	545	613
Other financial assets (Note 9)	40,727	8,437
Investments in associates (Note 15)	—	5,284
Net investment in sublease	46	582
	$ 407,860	$ 298,455
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$ 47,097	$ 20,007
Other liabilities (Note 10)	1,086	1,228
Income taxes payable (Note 23)	—	94
Derivative liabilities (Note 11)	5,139	1,102
	53,322	22,431
Long-term debt	25	79
Derivative liabilities (Note 11)	14,110	771
Preferred shares (Note 12 and 13)	31,070	—
Lease liabilities (Note 14)	3,344	3,551
	101,871	26,832
SHAREHOLDERS' EQUITY		
Share capital (Note 13)	852,891	776,906
Equity reserves (Note 13)	37,129	33,404
Accumulated other comprehensive loss (Note 9)	(63)	(159)
Accumulated deficit	(583,968)	(538,528)
	305,989	271,623
	$ 407,860	$ 298,455

Subsequent events (Note 27)

On behalf of the Board:
/s/Beena Goldenberg, Director
/s/Peter Amirault, Director

The accompanying notes are an integral part of these Consolidated Financial Statements.

ORGANIGRAM HOLDINGS INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

For the year ended September 30, 2024 and thirteen months ended September 30, 2023

(Expressed in CDN $000's except share and per share amounts)

	YEAR ENDED SEPTEMBER 30, 2024	THIRTEEN MONTHS ENDED SEPTEMBER 30, 2023
REVENUE		
Gross revenue (Note 19)	$ 247,177	$ 233,647
Excise taxes	(87,336)	(72,008)
Net revenue	159,841	161,639
Cost of sales (Note 6 and 20)	111,390	136,437
Gross margin before fair value adjustments	48,451	25,202
Realized fair value on inventories sold and other inventory charges (Note 6)	(52,078)	(56,187)
Unrealized gain on changes in fair value of biological assets (Note 5)	51,151	68,981
Gross margin	47,524	37,996
OPERATING EXPENSES		
General and administrative (Note 22)	45,870	53,030
Sales and marketing	19,851	19,348
Research and development	11,200	13,201
Share-based compensation (Note 13 (iv))	6,274	5,273
Impairment of property, plant and equipment (Note 7)	—	165,255
Impairment of intangible assets and goodwill (Note 8)	—	44,856
Total operating expenses	83,195	300,963
LOSS FROM OPERATIONS	(35,671)	(262,967)
Investment income, net of financing costs	(3,311)	(3,692)
Share of loss (including impairment) from investments in associates (Note 15)	5,284	1,004
(Gain) loss on disposal of property, plant and equipment and intangible assets	(633)	418
Change in fair value of contingent share consideration	(50)	(3,364)
Change in fair value of derivative liabilities, preferred shares and other financial assets (Note 9, 11 and 12)	7,718	(4,372)
Share issuance costs allocated to derivative liabilities and preferred shares (Note 11 and 12)	937	—
Other non-operating income	(176)	(548)
Loss before tax	(45,440)	(252,413)
Income tax expense (recovery) (Note 23)		
Current, net	—	(195)
Deferred, net	—	(3,617)
NET LOSS	$ (45,440)	$ (248,601)
OTHER COMPREHENSIVE INCOME (LOSS)		
Change in fair value of investments at fair value through other comprehensive income (Note 9)	96	(159)
COMPREHENSIVE LOSS	$ (45,344)	$ (248,760)
Net loss per common share, basic (Note 13 (v))	$ (0.477)	$ (3.058)
Net loss per common share, diluted (Note 13 (v))	$ (0.477)	$ (3.058)

The accompanying notes are an integral part of these Consolidated Financial Statements.

ORGANIGRAM HOLDINGS INC.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended September 30, 2024 and thirteen months ended September 30, 2023

(Expressed in CDN $000's except share and per share amounts)

	NUMBER OF SHARES[1]	SHARE CAPITAL	EQUITY RESERVES	ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME	ACCUMULATED DEFICIT	SHAREHOLDERS' EQUITY
Balance - September 1, 2022	78,453,879	$769,725	$28,338	$(78)	$ (289,927)	$508,058
Shares issued to former shareholders of EIC, net of issue costs of $19 (Note 13 (iii) and 25)	2,621,370	6,481	—	—	—	6,481
Share-based compensation (Note 13 (iv))	—	—	5,727	—	—	5,727
Exercise of stock options (Note 13 (iii))	26,300	69	(30)	—	—	39
Exercise of restricted share units (Note 13 (iii))	59,138	621	(621)	—	—	—
Exercise of performance share units (Note 13 (iii))	948	10	(10)	—	—	—
Rounding of fractional shares after share consolidation	(5)	—	—	—	—	—
Net loss	—	—	—	—	(248,601)	(248,601)
Other comprehensive loss	—	—	—	(81)	—	(81)
Balance - September 30, 2023	81,161,630	$ 776,906	$ 33,404	$ (159)	$ (538,528)	$ 271,623
Balance - October 1, 2023	81,161,630	$ 776,906	$ 33,404	$ (159)	$ (538,528)	$ 271,623
Unit financing, net of issuance costs (Note 13 (iii))	8,901,000	19,157	—	—	—	19,157
Private placement (Note 13 (iii))	17,322,915	53,365	—	—	—	53,365
Share-based compensation (Note 13 (iv))	—	—	7,182	—	—	7,182
Exercise of stock options (Note 13 (iii))	3,942	11	(5)	—	—	6
Exercise of restricted share units (Note 13 (iii))	1,193,789	3,430	(3,430)	—	—	—
Exercise of performance share units (Note 13 (iii))	2,216	22	(22)	—	—	—
Net loss	—	—	—		(45,440)	(45,440)
Other comprehensive loss	—	—	—	96	—	96
Balance - September 30, 2024	108,585,492	$ 852,891	$ 37,129	$ (63)	$ (583,968)	$ 305,989

The accompanying notes are an integral part of these Consolidated Financial Statements.

[1] The Company implemented a consolidation of its common shares in July 2023 and the number of common shares have been retrospectively adjusted. Refer to Note 1 for further information.

ORGANIGRAM HOLDINGS INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the year ended September 30, 2024 and thirteen months ended September 30, 2023

(Expressed in CDN $000's except share and per share amounts)

	YEAR ENDED SEPTEMBER 30, 2024	THIRTEEN MONTHS ENDED SEPTEMBER 30, 2023
OPERATING ACTIVITIES		
Net loss	$ (45,440)	$ (248,601)
Items not affecting operating cash:		
Share-based compensation (Note 13 (iv))	7,182	5,727
Depreciation and amortization (Note 7 and 8)	12,079	26,188
(Gain) loss on disposal of property, plant and equipment and intangible assets	(633)	418
Impairment of property, plant and equipment (Note 7)	—	165,255
Impairment of intangible assets and goodwill (Note 8)	—	44,856
Realized fair value on inventories sold and other inventory charges (Note 6)	52,078	56,187
Unrealized gain on changes in fair value of biological assets (Note 5)	(51,151)	(68,981)
Investment income, net of financing costs	(3,311)	(3,692)
Share of loss (including impairment) from investments in associates (Note 15)	5,284	1,004
Change in fair value of contingent consideration (Note 25)	(50)	(3,364)
Legal recovery	—	(75)
Bad debts and provision for expected credit losses (Note 4)	4,222	—
Change in fair value of derivative liabilities, preferred shares and other financial assets (Note 9, 11 and 12)	7,718	(4,372)
Share issuance costs allocated to derivative liabilities and preferred shares (Note 11 and 12)	937	—
Income tax expense (recovery) (Note 23)	—	(3,812)
Cash used in operating activities before working capital changes	(11,085)	(33,262)
Changes in non-cash working capital:		
Net change in accounts and other receivables, biological assets, inventories, prepaid expenses and deposits	(12,059)	13,552
Net change in accounts payable and accrued liabilities, provisions and other liabilities	27,016	(19,068)
Net cash provided by (used in) operating activities	3,872	(38,778)
FINANCING ACTIVITIES		
Share issuance costs (Note 13 (iii))	—	(19)
Proceeds from unit financing, net of issuance costs (Note 13 (iii))	26,018	—
Private placement, net of share issuance costs (Note 13 (iii))	82,541	—
Payment of lease liabilities, net of sublease receipts (Note 14)	(710)	(750)
Payment of long-term debt	(76)	(87)
Stock options exercised (Note 13 (iii))	6	39
Net cash provided by (used in) financing activities	107,779	(817)
INVESTING ACTIVITIES		
Purchase of short-term investments	(800)	(10,000)
Proceeds from short-term investments	—	40,476
Investment income	3,518	3,589
Change in restricted cash, net (Note 9, 13 and 24)	(7,967)	8,927
Other financial assets (Note 9)	(28,440)	(8,647)
Proceeds on sale of property, plant and equipment	257	1,027
Purchase of property, plant and equipment (Note 7)	(4,731)	(29,142)
Purchase of intangible assets (Note 8)	(607)	(1,286)
Net cash (used in) provided by investing activities	(38,770)	4,944
INCREASE (DECREASE) IN CASH	$ 72,881	$ (34,651)
CASH POSITION		
Beginning of period	$ 33,864	$ 68,515
End of period	$ 106,745	$ 33,864

The accompanying notes are an integral part of these Consolidated Financial Statements.

1. NATURE OF OPERATIONS

Organigram Holdings Inc. (the "Company") is a publicly traded corporation with its common shares (the "Common Shares") trading on the Toronto Stock Exchange ("TSX") and on the Nasdaq Global Select Market ("NASDAQ") under the symbol "OGI". The head office of the Company is 1400-145 King Street West, Toronto, Ontario, Canada, M5H 1J8 and the registered office is 35 English Drive, Moncton, New Brunswick, Canada, E1E 3X3.

The Company's wholly-owned subsidiaries are: (i) Organigram Inc., a licensed producer ("LP" or "Licensed Producer") of cannabis and cannabis-derived products in Canada regulated by Health Canada under the Cannabis Act (Canada) and the Cannabis Regulations (Canada); and (ii) 10870277 Canada Inc., a special purpose holding company for the Company. The Company was incorporated under the Business Corporations Act (British Columbia) on July 5, 2010, and continued under the Canada Business Corporations Act ("CBCA") on April 6, 2016. Organigram Inc. was incorporated under the Business Corporations Act (New Brunswick) on March 1, 2013. 10870277 Canada Inc. was incorporated under the CBCA on July 4, 2018.

On October 1, 2023, Organigram Inc. amalgamated with the Company's then wholly-owned subsidiaries. The Edibles and Infusions Corporation ("EIC") and Laurentian Organic Inc. ("Laurentian") and continued as a single corporation under the name "Organigram Inc.", a 100% owned subsidiary of the Company. EIC was incorporated under the Business Corporations Act (Ontario) on September 20, 2018. Laurentian was incorporated under the CBCA on March 18, 2019.

On June 19, 2023, the Company's Board of Directors approved the consolidation of the Company's issued and outstanding Common Shares at a consolidation ratio of four (4) pre-consolidation Common Shares for every post-consolidation Common Share (the "Share Consolidation"). The Share Consolidation was implemented with effect from July 5, 2023 to facilitate compliance with NASDAQ's listing requirements with respect to the minimum bid price for listed securities, to reduce volatility, and to enhance the marketability of the Common Shares to institutional investors. In accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), the change has been applied retrospectively and as a result, all disclosures of Common Shares, per Common Share data and data related to stock options, restricted share units ("RSU"), performance share units ("PSU"), warrants and Top-up-Rights (as hereinafter defined) in the accompanying consolidated financial statements and related notes reflect this Share Consolidation for all periods presented.

In May 2023, to better align the Company's financial statement reporting requirements with other public companies and calendar quarters, the Company's Board of Directors approved a change in the Company's fiscal year end from August 31 to September 30. The Company's current fiscal year commenced on October 1, 2023 and ended on September 30, 2024 (fiscal 2024). As a result of the change in year end, the current period in these consolidated financial statements is for the twelve months ended September 30, 2024, whereas the comparative period is for the thirteen months ended September 30, 2023.

2. BASIS OF PREPARATION

i. Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB and interpretations of the IFRS Interpretations Committee ("IFRIC").

These consolidated financial statements were approved and authorized for issue by the Board of Directors of the Company on December 18, 2024.

ii. Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for biological assets, share-based compensation, contingent share consideration, short-term investments, other financial assets and derivative liabilities, which are measured at fair value.

Historical cost is the fair value of the consideration given in exchange for goods and services, which is generally based upon the fair value of the consideration given in exchange for assets at the time of the transaction.

iii. Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries on a consolidated basis after elimination of intercompany transactions and balances. Subsidiaries are entities the Company controls when it is exposed, or has rights, to variable returns from its involvement and has the ability to affect those returns through its power to direct the relevant activities of the subsidiaries. The results of subsidiaries acquired during the year are consolidated from the date of acquisition.

Associates are all entities over which the Company has significant influence but not control or joint control. Investments in associates are accounted for using the equity method after initial recognition at cost. Joint operations are arrangements in which the Company has joint control. The Company includes its proportionate share of the assets acquired and expenses incurred of the joint operation.

iv. Foreign currency translation

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Company's and its subsidiaries' functional currency, except for the Company's investment in its associate, Alpha-Cannabis Pharma GmbH as described in Note 15, for which the functional currency has been determined to be Euros.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognized in the consolidated statements of operations and comprehensive loss.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Canadian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Canadian dollars using average exchange rates for the month during which the transactions occurred. Foreign currency differences are recognized in the consolidated statements of operations and comprehensive loss within other comprehensive (loss) income and are accumulated in accumulated other comprehensive (loss) income.

When the Company disposes of its entire interest in a foreign operation, or loses control over a foreign operation, the foreign currency gains or losses accumulated in other comprehensive (loss) income related to the foreign operation are recognized in the consolidated statements of operations and comprehensive loss. If the Company disposes of part of an interest in a foreign operation that remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in other comprehensive (loss) income related to the subsidiary is reallocated between controlling and non-controlling interests.

3. MATERIAL ACCOUNTING POLICY INFORMATION

i. Cash

Cash is a financial asset that is measured at amortized cost, which approximates fair value and includes cash-on-hand and deposits held with financing institutions.

ii. Short-term investments

The Company considers short-term investments in the form of guaranteed investment certificates to be an investing activity. These investments are measured at amortized cost.

iii. Financial assets

Accounts and other receivables are initially recognized when they are originated. All other financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, financial assets are classified as measured at: amortized cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVTOCI"). Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income ("OCI"). This election is made on an investment-by-investment basis.

Financial assets not classified as being measured at amortized cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset

that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Subsequent to initial measurement, financial assets are measured as follows:

- Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the consolidated statements of operations and comprehensive loss.
- Financial assets at amortized cost: These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in the consolidated statements of operations. Any gain or loss on derecognition is recognized in the consolidated statements of operations and comprehensive loss.
- Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the consolidated statement of operations. Other net gains and losses are recognized in other comprehensive income (loss). On derecognition, gains and losses accumulated in OCI are reclassified to the consolidated statements of operations and comprehensive loss.
- Equity instruments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognized in income in the consolidated statements of operations and comprehensive loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to the consolidated statements of operations and comprehensive loss.

iv. Biological assets

While the Company's biological assets are within the scope of IAS 41 *Agriculture*, the direct and indirect costs of biological assets are determined using an approach similar to the capitalization criteria outlined in IAS 2 *Inventories*. This includes the direct cost of labour, seeds and growing materials as well as other indirect costs such as utilities and supplies used in the growing process. Indirect labour cost for individuals involved in the growing and quality control process is also included, as well as depreciation of manufacturing assets. All direct and indirect costs of biological assets are capitalized as they are incurred. Biological assets are measured at their fair value less costs to sell on the consolidated statements of financial position and unrealized fair value gains/losses on growth of biological assets are recorded on the consolidated statements of operations and comprehensive loss.

v. Inventories

Inventories of finished goods and packaging and supplies are initially valued at cost, and subsequently at the lower of cost and net realizable value on the consolidated statements of financial position. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs to sell. The Company reviews inventories for obsolete, redundant and slow-moving goods and any such inventories identified are written down to net realizable value. The direct and indirect costs of finished goods inventory initially include the fair value of the biological asset at the time of harvest. They also include subsequent costs such as materials, labour and depreciation expense on equipment involved in packaging, labeling and inspection. All direct and indirect costs related to inventory are capitalized as they are incurred, and they are subsequently recorded within cost of sales on the consolidated statements of operations and comprehensive loss at the time the inventory is sold.

vi. Property, plant and equipment

Property, plant and equipment are initially recognized at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for the asset to be capable of operating in the manner intended by the Company's management. Property, plant and equipment are subsequently measured at cost, less accumulated depreciation and impairment losses, if any.

Depreciation is recognized on a straight-line basis to reduce the cost, less estimated residual value, of depreciable fixed assets. The following useful lives are applied:

Buildings	25 years
Growing and processing equipment	2-10 years
Computer equipment	5 years
Vehicles	5 years
Furniture and fixtures	10 years
Leasehold improvements	5 years
Right-of-use assets	term of lease

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets, and are recognized as profit or loss within the consolidated statements of operations and comprehensive loss.

Construction in process is transferred to the appropriate asset class when available for use and depreciation of these assets commences at that point.

An asset's residual value, useful life and depreciation method are reviewed each year and adjusted if appropriate. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) and depreciated accordingly.

vii. Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognized. Goodwill is carried at cost less accumulated impairment losses, if any. The Company monitors goodwill at the group of cash-generating unit ("CGU") level and accordingly for the purpose of impairment testing, goodwill has been allocated to the group of CGUs.

Goodwill is tested annually for impairment at year end, or more frequently when there is an indication that goodwill may be impaired. If the recoverable amount, representing the higher of its fair value less cost to sell and its value in use, of the group of CGUs is less than its carrying amount, any resulting impairment loss is first allocated to goodwill and subsequently to other assets on a pro rata basis, but not below the fair value of the assets, for each CGU. Any goodwill impairment loss is recorded in the consolidated statements of operations and comprehensive loss in the period of impairment. Previously recognized impairment losses for goodwill are not reversed in subsequent periods.

viii. Assets held for sale

Assets and liabilities held for sale are no longer depreciated and are presented separately in the consolidated statement of financial position at the lower of their carrying amount and fair value less costs to sell. An asset is regarded as held for sale if its carrying amount will be recovered principally through a sale transaction, rather than through continuing use. For this to be the case, the asset must be available for immediate sale and its sale must be highly probable.

ix. Impairment of non-financial assets

Goodwill and indefinite life intangible assets are tested annually for impairment, or more frequently when there is an indication that goodwill and indefinite life intangible assets may be impaired. Property, plant and equipment and definite life intangible assets are reviewed each reporting period for indicators of impairment. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. The Company monitors goodwill at the group of CGUs level and accordingly for the purpose of impairment testing, goodwill has been allocated to the group of CGUs. There may be an indication of an impairment of an individual CGU within a group of CGUs containing the goodwill. In such circumstances, the Company tests the individual CGU for impairment first, and recognizes any impairment loss for that CGU, before testing for impairment of the group of CGUs to which the goodwill is allocated. If the recoverable amount of the individual CGU is less than its carrying amount, any resulting impairment loss is allocated to the assets within the individual CGU on a pro rata basis using the carrying amount of each asset within the individual CGU. If the recoverable amount of the group of CGUs is less than its carrying amount, any resulting impairment loss is first allocated to goodwill and subsequently to other assets on a pro rata basis for each individual CGU. In allocating an impairment loss, the Company does not reduce the carrying amount of an asset or lower level CGUs below its recoverable amount determined based on the higher of fair value less costs of disposal and value in use.

Except for goodwill, where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

x. Share-based payments

The Company measures equity settled share-based payments based on their fair value at the grant date and recognizes compensation cost over the vesting period based on the Company's estimate of equity instruments that will eventually vest. Fair value for options is determined using the Black-Scholes option pricing model and fair value for RSUs and PSUs is determined using the Company's share price at the grant date.

Expected forfeitures are estimated at the date of the grant and subsequently adjusted if further information indicates actual forfeitures may vary from the original estimate. The impact of the revision of the original estimate is recognized in profit or loss such that the cumulative cost recognized is reflected in the period the estimate is revised. Cancellations of unvested equity settled share-based payments are accounted for as an acceleration of vesting and any remaining unamortized costs are recognized immediately in profit or loss.

For stock options granted to non-employees, the cost is measured at the fair value of the goods and services received except when the fair value cannot be estimated, in which case it is measured at the fair value of the equity instrument granted.

Consideration paid by employees or non-employees on the exercise of options is recorded as an increase to share capital and the related share-based payment cost is transferred from equity reserves to share capital.

xi. Investments in associates and joint operations

Associates are companies over which the Company has significant influence. Significant influence is presumed when the Company has an ownership interest greater than 20%, unless certain qualitative factors overcome this assumption. Conversely, where the Company has an ownership interest of less than 20%, it is presumed that the Company does not have significant influence, unless certain qualitative factors overcome this assumption. In assessing significant influence and the ownership interest, potential voting rights that are currently exercisable are taken into consideration.

Investments in associates are accounted for using the equity method and are initially recognized at cost, inclusive of transaction costs. The consolidated financial statements include the Company's share of the income or loss and equity movement of equity accounted associates. In accordance with IFRS, the associate's most recent available financial statements are used in the application of the equity method. Where the associate's reporting period differs from the Company's, the associate prepares financial information as of the same period end as the Company, unless it is impracticable to do so. Otherwise, the Company will adjust for its share of income and expenses and equity movement based on the associate's most recently completed financial statements, adjusted for the effects of significant transactions. The Company does not recognize losses exceeding the carrying value of its interest in the associate.

The Company recognizes its share of the assets, liabilities, revenue and expenses of joint operations in accordance with the related agreements (Note 24).

Investments in associates are considered impaired and impairment losses are recognized if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. In such cases, the carrying value of the associate is written down to its recoverable amount which is the higher of value in use and fair value less costs of disposal.

xii. Intangible assets

Intangible assets are recorded at cost less accumulated amortization and impairment losses, if any. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. Amortization of definite life intangible assets is recorded on a straight-line basis over their estimated useful lives, which do not exceed the contractual period, if any, except for off-market supply agreements, where amortization is provided based on the actual output received versus the estimated output forecast to be received over the life of the agreement. Other intangible assets with a definite useful life are amortized over the estimated useful lives which are as follows:

License agreements	1-5 years
Brands	5 years
Non-compete agreements	5 years

The estimated useful lives, residual values, and amortization methods are reviewed at each year end, and any changes in estimates are accounted for prospectively. Intangible assets with an indefinite life or not yet available for use are not subject to amortization, but are tested for impairment annually. The Company does not have intangible assets not yet in use or indefinite lived intangible assets.

Research costs are expensed as incurred. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development to use or sell the asset. Research costs and other related expenditures that are not eligible to be capitalized are recognized as an expense in the consolidated statements of operations and comprehensive loss as incurred.

xiii. Provisions

Provisions are recognized when the Company has a present legal or constructive obligation based on past events, it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reasonably estimated. Provisions are measured at the present value of the estimated expenditures expected to settle the obligation, if the effect of the time value of money is material.

xiv. Loss per share

Basic and diluted loss per share is calculated by dividing net loss attributable to common shareholders by the weighted average number of shares outstanding during the year. When there is net income, diluted loss per share is calculated in a similar manner, but with adjustments to give effect to all dilutive potential common shares outstanding during the year. The dilutive effect of warrants, options, Top-up Rights, RSUs and PSUs is calculated using the treasury stock method. Anti-dilutive effects of potential conversions of securities are ignored for this calculation.

xv. Revenue recognition

Revenue from the direct sale of cannabis dried flower and cannabis derivative products for a fixed price is recognized when the Company transfers control of the goods to the customer. This transfer occurs either at the point of delivery or, in certain cases, when the product is shipped from the Company's facilities.

Gross revenue includes excise taxes, which the Company pays as principal, but excludes duties and taxes collected on behalf of third parties. Gross revenue also includes the net consideration to which the Company expects to be entitled. Gross revenue is recognized to the extent that it is highly probable that a significant reversal will not occur. Therefore, gross revenue is stated net of expected price discounts, allowances for customer returns and certain promotional activities and similar items. Generally, payment of the transaction price is due within credit terms that are consistent with industry practices, with no element of financing.

Net revenue is revenue less excise taxes. Excise taxes are effectively a production tax which becomes payable when the product is removed from the Company's premises and may or may not be directly related to the revenue depending on the province of sale. It is generally not included as a separate item on external invoices; increases in excise tax are not always passed on to the customer and where a customer fails to pay for product received, the Company cannot reclaim the excise tax. The Company therefore recognizes excise tax, unless it regards itself as an agent of the regulatory authorities, as a cost and reduction to revenue for the Company.

xvi. Derivative liabilities

Derivative liabilities are initially recognized at fair value at the date on which the derivative contract was entered into. Any attributable transaction costs are recognized in the consolidated statements of operations and comprehensive loss as incurred. Subsequent to initial recognition, derivative liabilities are measured at fair value at each reporting date until settlement, with the re-measurement gain or loss being recognized immediately in the consolidated statements of operations and comprehensive loss. The Company does not enter into or hold derivative financial instruments for trading or speculative purposes.

For more details on derivative liabilities consisting of warrants, Top-up Rights, commitment to issue Preferred Shares (as hereinafter defined) in the future and a secured convertible loan, see Note 11.

xvii. Preferred shares

The Preferred Shares contain embedded derivatives that normally require bifurcation. However, the Company has elected to account for the entire instrument as FVTPL after determining under IFRS 9 that the Preferred Shares qualify to be accounted for under such FVTPL method.

xviii. Income taxes

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements.

Income tax expense in the consolidated statements of operations and comprehensive loss is the sum of current and deferred tax as explained below.

Current tax is the expected income tax payable (recoverable) on the taxable income (loss) for the year, using tax rates enacted, or substantively enacted, as at the end of the reporting year. Current tax expense (recovery) included in the consolidated statements of operations and comprehensive loss reflects the current tax for the reporting year, plus adjustments to the current tax of prior years, less current tax recorded directly in other comprehensive income (loss) or equity.

Deferred taxes are accounted for under the liability method and are the taxes expected to be payable or recoverable on the temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences and unused tax losses and tax credits can be utilized. Deferred tax is calculated on a non-discounted basis, using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The carrying amounts of individual deferred tax assets are reviewed at the end of each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is not recognized for: i) temporary differences related to the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; ii) differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and, iii) differences arising on the initial recognition of goodwill.

xix. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time that the assets are substantially ready for their intended use or sale. Other borrowing costs are expensed in the

period in which they are incurred and reported in finance costs. No borrowing costs were capitalized during the years presented.

xx. Business combinations

The Company accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Company. In determining whether a particular set of activities and assets is a business, the Company assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set of assets and activities has the ability to produce outputs.

The Company has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable assets acquired and liabilities assumed. Goodwill is the excess of consideration transferred over the fair value of the net tangible and intangible assets acquired, at the acquisition date and is tested annually for impairment, or when indicators of impairment arise. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issuance of debt or equity securities. The consideration transferred does not include amounts related to the settlement of any pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

xxi. Government subsidies

Government subsidies are recognized when there is reasonable assurance that the subsidy will be received, and all the attached conditions will be complied with. Subsidies are recognized as income in the consolidated statements of operations and comprehensive loss on a systematic basis over the periods in which the expenses are recognized for the related costs for which the subsidies are intended to compensate, which in the case of a subsidy related to assets, requires recording it as deferred income or deducting it from the carrying amount of the asset.

xxii. Critical accounting estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

The following are the estimates and judgments made by management in applying the accounting policies of the Company that have the most significant effect on the consolidated financial statements:

1. **Biological assets and inventories**
   Determination of the fair value of biological assets requires management to make a number of estimates, including estimating the average selling price per gram and expected average yield per plant. The Company records obsolete and unsaleable inventories at the lower of cost and net realizable value. Adjustments to the carrying value of inventories are based on obsolescence trends, historical experience, forecast demand and average selling price for obsolete and unsaleable inventories. Refer to Note 5 and 6 for further information.

2. **Useful lives and impairment of property, plant and equipment and finite-life intangible assets**
   Amortization of property, plant and equipment and finite life intangible assets requires estimates of useful lives, which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts, taking into consideration factors such as economic and market conditions.

3. **Share-based payments**
   In determining the fair value of options and related costs, management estimates the expected life of the option, the expected volatility of the Company's share price, the risk-free interest rate, and the rate of forfeitures. Refer to Note 13 for further information.

4. **Provision for returns and price adjustments**
   Government customers typically have the right to return products, and in some cases, the right to pricing adjustments for products that are subsequently discounted or sold for a lower price in another jurisdiction. The estimation of potential future returns and pricing adjustments includes the use of management estimates and assumptions that may not be certain given the evolving nature of the industry.

5. **Impairment of non-financial assets**
The recoverable amount of an individual CGU and group of CGUs is determined based on value in use which involves the use of a discounted cash flow model and significant assumptions which include forecasted cash flows, terminal growth rate and post-tax discount rates. In allocating any impairment loss, the Company determines the recoverable amounts of its property, plant and equipment. The recoverable amount of property and plant is determined based on fair value less costs of disposal and involves the use of capitalization rates, market rentals, market transactions and demolition costs. Refer to Note 8 for further information.

6. **Derivative liabilities**
Warrants issued pursuant to equity offerings that are potentially exercisable in cash or on a cashless basis resulting in a variable number of shares being issued are considered derivative liabilities and therefore measured at fair value through profit or loss. The Company uses the Black-Scholes option pricing model to estimate the fair value of such warrants at inception, on each exercise, and subsequently at the period end date. The key assumption used in the model is the expected future volatility in the price of the Company's Common Shares.

The potential issuance of Common Share related to top-up rights is classified as a derivative liability and is therefore measured at fair value through profit or loss. The Company uses the Monte Carlo pricing model to estimate the fair value of such top-up rights at inception, upon each exercise, and at year-end. The key assumption used in the model is the expected future volatility of the price of the Company's Common Shares. The impact of changes in these key assumptions is described in Note 11.

7. **Recognition and measurement of preferred shares and derivative financial instrument**
In determining the initial and subsequent measurement of the preferred shares and relative derivative, management has applied significant judgment and estimation in regards to the fair valuation of the preferred shares and related derivative liability. Refer to Note 11 and 18 for further information.

8. **Recognition and measurement of other financial assets**
In determining the initial and subsequent recognition and measurement of the other financial assets, management has applied significant judgment and estimates including but not limited to determing the appropriate valuation methodology and key inputs. Refer to Note 9 and 18 for further information.

New and amended accounting standards effective for the current year

Amendments to IAS 8: Definition of Accounting Estimates
These amendments introduce the definition of an accounting estimate and include other amendments to IAS 8 to help entities distinguish changes in accounting estimates from changes in accounting policies. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty." The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for annual periods beginning on or after January 1, 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The Company adopted these amendments effective October 1, 2023. Management assessed the Company's significant accounting estimates under the new definition and concluded that the application of these amendments do not have an impact on the Company's consolidated financial statements.

Amendments to IAS 1: Disclosure of Accounting Policies
These amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments to IAS 1 are effective for annual periods beginning on or after January 1, 2023 and are to be applied prospectively.

The Company adopted these amendments effective October 1, 2023. The application of these amendments have an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's consolidated financial statements.

Amendments IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences (e.g. leases and decommissioning liabilities). In other words, these amendments clarify that a deferred tax asset and liability must be recognized on the initial recognition of a lease or decommissioning liabilities. The amendments are effective for annual reporting periods beginning on or after January 1, 2023.

The Company adopted these amendments effective October 1, 2023. The Company's previous accounting policy was to not apply the initial recognition exemption (i.e. the Company previously recognized deferred tax assets and liabilities on the Company's lease liabilities and right-of-use assets, respectively). This previous accounting policy choice is consistent with the amendments to IAS 12 and therefore, the application of these amendments do not have an impact on the Company's consolidated financial statements.

Accounting standards issued but not yet effective

The new and amended standards and interpretations that are issued, but are not yet effective, up to the date of issuance of the Company's consolidated financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations when they become effective.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 apply to situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, under IFRS 10, when an investor loses control of a subsidiary that does not contain a business as a result of a transaction involving an associate or a joint venture that is accounted for using the equity method, the gain or loss resulting from the transaction is recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. The full gain or loss continues to be recognized if the subsidiary contains a business. Similarly, IAS 28 is amended such that a full gain or loss is recognized when a downstream transaction involves assets that constitute a business.

These amendments shall be applied prospectively to the sale or contribution of assets occurring after the effective date. The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. These amendments are not expected to have a material impact on the Company's financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants

In January 2020 and October 2022, the IASB issued amendments to IAS 1 to specify the requirements relating to determining whether a liability should be presented as current or non-current in the consolidated statements of financial position. Under the new requirements, the assessment of whether a liability is presented as current or non-current is based on the contractual arrangements in place as at the reporting date and does not impact the amount or timing of recognition. These amendments also clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments apply retrospectively for annual reporting periods beginning on or after January 1, 2024. These amendments are not expected to have a material impact on the Company's consolidated financial statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

On September 22, 2022, the IASB issued amendments to IFRS 16, Leases, to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed. The Company has not entered into any sale and leaseback transactions in the past and does not anticipate doing so in the future. These amendments are not expected to have a material impact on the Company's consolidated financial statements.

Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed. These amendments are not expected to have a material impact on the Company's consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of financial statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows. These include changing the starting point for determining cash flows from operations under the indirect method from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18 and the amendments to the other standards, is effective for annual reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Company is currently evaluating the potential impact of IFRS 18 on the Company's consolidated financial statements.

4. ACCOUNTS AND OTHER RECEIVABLES

The Company's accounts receivable include the following balances as at September 30, 2024 and September 30, 2023:

	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023
Gross trade receivables	$ 37,851	$ 28,791
Less: reserves for product returns and price adjustments	(501)	(810)
Less: expected credit losses	(4,695)	(524)
Trade receivables	32,655	27,457
Sales taxes receivable	14	9
Current portion of net investment in subleases	513	508
Other receivables	3,971	2,183
	$ 37,153	$ 30,157

During the year ended September 30, 2024, the Company recognized a provision for expected credit losses of $4,222, included in general and administrative expenses in the consolidated statements of operations and comprehensive income (loss).

5. BIOLOGICAL ASSETS

The Company measures biological assets, which consist of cannabis plants, at fair value less costs to sell up to the point of harvest, which then becomes the basis for the cost of finished goods inventories after harvest. Subsequent expenditures incurred on these finished goods inventories after harvest are capitalized based on IAS 2 *Inventories*.

The changes in the carrying value of biological assets as at September 30, 2024 and September 30, 2023 are as follows:

	CAPITALIZED COST	BIOLOGICAL ASSET FAIR VALUE ADJUSTMENT	AMOUNT
Balance, September 30, 2022	$ 8,753	$ 9,215	$ 17,968
Unrealized gain on changes in fair value of biological assets	—	68,981	68,981
Production costs capitalized	52,502	—	52,502
Transfer to inventory upon harvest	(54,310)	(67,786)	(122,096)
Balance, September 30, 2023	$ 6,945	$ 10,410	$ 17,355
Unrealized gain on changes in fair value of biological assets	—	51,151	51,151
Production costs capitalized	40,229	—	40,229
Transfer to inventory upon harvest	(41,226)	(52,336)	(93,562)
Balance, September 30, 2024	$ 5,948	$ 9,225	$ 15,173

The fair value less costs to sell of biological assets is determined using a model which estimates the expected harvest yield in grams for plants currently being cultivated, then adjusts that amount for the average selling price per gram, and for any additional costs to be incurred, such as post-harvest costs. The following unobservable inputs, all of which are classified as level 3 within the fair value hierarchy (see Note 18), are used in determining the fair value of biological assets:

i. average selling price per gram – calculated as the weighted average current selling price of cannabis sold by the Company, adjusted for expectations about future pricing;
ii. expected average yield per plant – represents the number of grams of finished cannabis inventory which is expected to be obtained from each harvested cannabis plant currently under cultivation;
iii. wastage of plants based on their various stages of growth – represents the weighted average percentage of biological assets which are expected to fail to mature into cannabis plants that can be harvested;
iv. post-harvest costs – calculated as the cost per gram of harvested cannabis to complete the sale of cannabis plants post-harvest, consisting of the cost of direct and indirect materials and labour related to drying, labelling, and packaging; and

v. stage of completion in the cultivation process – calculated by taking the average number of weeks in production over a total average grow cycle of approximately 14 weeks.

The Company estimates the harvest yields for the cannabis on plants at various stages of growth, based on expected yield of mature plants. As of September 30, 2024, it is expected that the Company's biological assets will yield 28,889 kg (September 30, 2023 – 26,917 kg) of cannabis when eventually harvested. The Company's estimates are, by their nature, subject to change, and differences from the expected yield will be reflected in the fair value adjustment to biological assets in future periods. The Company accretes fair value on a straight-line basis according to stage of growth. As a result, a cannabis plant that is 50% through its 14-week growing cycle would be ascribed approximately 50% of its harvest date expected fair value less costs to sell (subject to wastage adjustments).

Management believes the most significant unobservable inputs and their impact on fair value are as follows:

SIGNIFICANT INPUTS & ASSUMPTIONS	WEIGHTED AVERAGE INPUT			EFFECT ON FAIR VALUE	
	September 30, 2024	September 30, 2023	SENSITIVITY	September 30, 2024	September 30, 2023
Average selling price per gram (excluding trim)	$ 1.59	$ 1.73	Increase or decrease by 10% per gram	$ 1,463	$ 1,690
Expected average yield per plant	187 grams	173 grams	Increase or decrease by 10 grams	$ 781	$ 978

The expected average yield per plant at September 30, 2024 primarily reflects the average yield of the flower component of the plant.

6. INVENTORIES

The Company's inventories are comprised of the following balances as at September 30, 2024 and September 30, 2023:

	SEPTEMBER 30, 2024		
	CAPITALIZED COST	FAIR VALUE ADJUSTMENT	CARRYING VALUE
Plants in drying stage	$ 1,390	$ 2,225	$ 3,615
Dry cannabis			
Available for packaging	12,059	10,570	22,629
Packaged inventory	3,297	2,493	5,790
Flower and trim available for extraction	1,354	1,950	3,304
Concentrated extract	7,283	3,833	11,116
Formulated extracts			
Available for packaging	5,958	2,091	8,049
Packaged inventory	3,119	366	3,485
Packaging and supplies	9,363	—	9,363
	$ 43,823	$ 23,528	$ 67,351

	SEPTEMBER 30, 2023		
	CAPITALIZED COST	FAIR VALUE ADJUSTMENT	CARRYING VALUE
Plants in drying stage	$ 1,033	$ 949	$ 1,982
Dry cannabis			
Available for packaging	15,250	16,398	31,648
Packaged inventory	4,634	1,559	6,193
Flower and trim available for extraction	1,180	1,602	2,782
Concentrated extract	3,745	2,111	5,856
Formulated extracts			
Available for packaging	3,681	366	4,047
Packaged inventory	2,224	80	2,304
Packaging and supplies	8,786	—	8,786
	$ 40,533	$ 23,065	$ 63,598

Flower and trim available for extraction are converted into concentrated extract, which can then be used for oil formulation (combining with a carrier oil) or other products such as edibles, hash and vaporizable products.

The amount of inventory expensed in cost of sales for the year ended September 30, 2024 was $86,546 (September 30, 2023 - $101,853). The amount of inventory provisions and processing and packaging waste for the year ended September 30, 2024 was $11,216 (September 30, 2023 - $20,883), which includes provisions for excess and unsaleable inventories of $4,657 (September 30, 2023 - $5,678), adjustments to net realizable value of $826 (September 30, 2023 - $9,334) and processing and packaging waste of $5,733 (September 30, 2023 - $5,871), which is comprised of the production or purchase costs of these inventories. The remaining balance of cost of sales relates to freight and operational overheads.

The amount of realized fair value on inventories sold and other inventory charges for the year ended September 30, 2024 was $52,078 (September 30, 2023 - $56,187), including realized fair value on inventories sold of $43,275 (September 30, 2023 - $43,524). Inventory provisions to recognize the realized fair value on waste and to adjust to net realizable value during the year ended September 30, 2024 were $9,629 (September 30, 2023 - $21,997) consisting of $826 (September 30, 2023 - $9,334) recognized in cost of sales and $8,803 (September 30, 2023 - $12,663) recognized in fair value adjustments.

7. PROPERTY, PLANT AND EQUIPMENT

	LAND	BUILDINGS	CONSTRUCTION IN PROCESS	GROWING & PROCESSING EQUIPMENT	OTHER	RIGHT-OF-USE ASSETS	TOTAL
Cost							
Balance, August 31, 2022	$ 4,705	$ 146,270	$ 10,372	$ 165,138	$ 12,074	$ 3,599	$ 342,158
Additions	—	348	6,146	17,314	2,938	2,300	29,046
Construction completed	—	14,544	(16,518)	1,692	282	—	—
Disposals	—	(182)	—	(17,204)	(455)	(1,299)	(19,140)
Balance, September 30, 2023	$ 4,705	$ 160,980	$ —	$ 166,940	$ 14,839	$ 4,600	$ 352,064
Additions	—	1,811	135	2,253	180	1,384	5,763
Disposals	—	—	—	(241)	(1)	(2,225)	(2,467)
Balance, September 30, 2024	$ 4,705	$ 162,791	$ 135	$ 168,952	$ 15,018	$ 3,759	$ 355,360
Accumulated depreciation and impairment							
Balance, August 31, 2022	$ —	$ (19,592)	$ —	$ (55,030)	$ (6,069)	$ (1,648)	$ (82,339)
Depreciation	—	(2,023)	—	(18,166)	(1,817)	(713)	(22,719)
Disposals	—	38	—	16,146	367	744	17,295
Impairment	(2,721)	(78,320)	—	(79,521)	(4,074)	(619)	(165,255)
Balance, September 30, 2023	$ (2,721)	$ (99,897)	$ —	$ (136,571)	$ (11,593)	$ (2,236)	$ (253,018)
Adjustment	—	(3,420)	—	4,011	—	—	591
Depreciation	—	(2,882)	—	(5,200)	(499)	(359)	(8,940)
Disposals	—	—	—	176	1	2,061	2,238
Balance, September 30, 2024	$ (2,721)	$ (106,199)	$ —	$ (137,584)	$ (12,091)	$ (534)	$ (259,129)
Net book value							
September 30, 2023	$ 1,984	$ 61,083	$ —	$ 30,369	$ 3,246	$ 2,364	$ 99,046
September 30, 2024	$ 1,984	$ 56,592	$ 135	$ 31,368	$ 2,927	$ 3,225	$ 96,231

Included in deferred charges and deposits is $471 (September 30, 2023 - $222) paid to secure the acquisition of growing and processing equipment. The amounts will be recorded within property, plant and equipment as equipment is received.

i. Impairment

During the thirteen months ended September 30, 2023, the Company determined that indicators of impairment existed for its Moncton Campus and Lac-Supérieur CGUs and as a result, the Company performed an impairment test. Refer to Note 8 for further information.

ii. Reconciliation of property, plant, and equipment additions to the statements of cash flows

The following table reconciles additions of property, plant, and equipment per the above table to the purchases of property, plant, and equipment per the statements of cash flows:

	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023
Total additions (including right-of-use lease assets)	$ 5,763	$ 29,046
Additions related to right-of-use lease assets (Note 14)	(1,384)	(2,300)
Net change in deferred charges and deposits related to purchases of property, plant and equipment	258	(5,285)
Net change in accounts payable and accrued liabilities related to purchases of property, plant and equipment	94	7,681
Purchase of property, plant and equipment	$ 4,731	$ 29,142

8. INTANGIBLE ASSETS AND GOODWILL

	GOODWILL	LICENSE AGREEMENTS	BRANDS	COMPUTER SOFTWARE	NON-COMPETE AGREEMENT	TOTAL
Cost						
Balance, August 31, 2022	$ 41,979	$ 10,231	$ 6,258	$ 848	$ 585	$ 59,901
Additions	—	2,710	—	—	—	2,710
Disposals	—	—	—	—	—	—
Balance, September 30, 2023	$ 41,979	$ 12,941	$ 6,258	$ 848	$ 585	$ 62,611
Additions	—	607	—	—	—	607
Balance, September 30, 2024	$ 41,979	$ 13,548	$ 6,258	$ 848	$ 585	$ 63,218
Accumulated amortization and impairment						
Balance, August 31, 2022	$ —	$ (1,935)	$ (836)	$ (725)	$ (166)	$ (3,662)
Amortization	—	(2,006)	(1,238)	(98)	(127)	(3,469)
Impairment	$ (41,979)	$ (1,586)	$ (1,266)	$ (25)	$ —	(44,856)
Disposals	$ —	$ —	$ —	$ —	$ —	—
Balance, September 30, 2023	$ (41,979)	$ (5,527)	$ (3,340)	$ (848)	$ (293)	$ (51,987)
Amortization	—	(2,124)	(898)	—	(117)	(3,139)
Disposals	—	—	—	—	—	—
Balance, September 30, 2024	$ (41,979)	$ (7,651)	$ (4,238)	$ (848)	$ (410)	$ (55,126)
Net book value						
September 30, 2023	$ —	$ 7,414	$ 2,918	$ —	$ 292	$ 10,624
September 30, 2024	$ —	$ 5,897	$ 2,020	$ —	$ 175	$ 8,092

i. CGU Impairment

As at May 31, 2023, the Company identified impairment indicators for its Moncton Campus and Lac-Supérieur CGUs and as a result performed an impairment test for both CGUs. The recoverable amount of each CGU was determined based on a value in use calculation using cash flow projections from financial budgets and/or forecasts approved by senior management covering a period of 4.33 years. The forecasted cash flows beyond a period of 4.33 years was extrapolated using a 3.0% growth rate based on projected consumer price inflation and industry growth. The post-tax discount rate applied to forecasted cash flows was 14.8% and 15% for the Moncton Campus and Lac-Supérieur, respectively. Management concluded that the recoverable amounts of $176,510 and $16,840 were lower than the carrying value as at May 31, 2023 by approximately $148,848 and $7,366 of the Moncton Campus and Lac-Supérieur CGUs, respectively and hence, impairment loss of $156,214 was recognized for these CGUs which was allocated to property, plant and equipment and intangible assets.

As at September 30, 2023, the Company reassessed whether there were events or changes in circumstances that would indicate that any CGU was further impaired. The Company considered external and internal factors including overall financial performance and relevant entity and CGU specific factors. As part of this assessment, management identified impairment indicators for its Moncton CGU and as a result performed an impairment test for this CGU. The recoverable amount of the CGU was determined based on a value in use calculation using cash flow projections from financial budgets and/or forecasts approved by senior management covering a period of 4-years. The forecasted cash flows beyond a period of 4-years was extrapolated using a 3.0% growth rate based on projected consumer price inflation and industry growth. The post-tax discount rate applied to forecasted cash flows was 15.5%. Management concluded that the recoverable amount of $89,409 was lower than the carrying value by $87,805, however, in allocating the impairment loss, the Company determined the fair value less cost to dispose ("FVLCD") for its property, plant and equipment and did not allocate impairment to assets for

which the FVLCD was higher than the carrying amount. As a result, only $11,918 of impairment loss was allocated to property, plant and equipment.

ii. Goodwill

As at May 31, 2023, the Company determined that indicators of impairment existed in relation to the group of CGUs to which goodwill has been allocated. Management performed an impairment test and determined the recoverable amount of the group of CGUs based on a value in use calculation using cash flow projections from financial budgets and/or forecasts approved by senior management covering a period of 4.33 years. Management concluded that the recoverable amount of $224,530 was lower than the carrying value of the group of CGUs and hence, an impairment loss of $35,028 was recognized against goodwill.

As at September 30, 2023, the Company performed its annual goodwill impairment test. The recoverable amount of the group of CGUs to which goodwill is allocated was determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a four-year period. Management concluded that the recoverable amount of the group of CGUs of $163,152 was lower than the carrying value by approximately $55,583, however, in allocating the impairment loss, the Company did not allocate impairment to assets and lower level CGUs for which the recoverable amounts was higher than the carrying amount. As a result, $6,951 of impairment loss was recognized against goodwill.

The significant assumptions applied in the determination of the recoverable amount as at September 30, 2023 are described below:

a. Forecasted cash flows: Estimated cash flows were projected based on actual operating results and the growth plans for the future. Forecasted cash flows are based on the expanded production capacity that was partially achieved during fiscal 2023, market size and the forecasted market share assumptions;

b. Post-tax discount rate: The post-tax discount rate applied to forecasted cash flows was 15.5%, which was reflective of the group of CGUs weighted average cost of capital ("WACC");

c. Terminal value growth rate: The forecasted cash flows beyond a period of four-years, were extrapolated using a 3.0% growth rate based on projected consumer price inflation and industry growth.

A sensitivity analysis for change in the key assumptions was not presented as it was deemed that the impact of reasonable changes in these assumptions would not have significant impact on the impairment loss that was recognized during the thirteen months ended September 30, 2023.

9. OTHER FINANCIAL ASSETS

i. Weekend Holdings Corp.

On March 30, 2023, the Company entered into a product purchase agreement with Greentank Technologies Corp. ("Greentank"), a leading vaporization technology company and a subscription agreement with Greentank's parent company, Weekend Holdings Corp. ("WHC"). The product purchase agreement grants the Company an exclusivity period in Canada for the new technology used in 510 vape cartridges and other formats for cannabis, including the development of a proprietary custom all-in-one device. The period of exclusivity is 18 months following its commercialization. Under the terms of the subscription agreement, the Company subscribed for preferred shares of WHC for an aggregate subscription price of US$4.0 million ($5,504 including transaction costs of $73) representing an approximate 2.6% interest in WHC.

At initial recognition, the investment in WHC is classified as an equity investment and the Company irrevocably elected to measure this investment at fair value through other comprehensive income. As at September 30, 2024, the investment had a fair value of $5,441 (September 30, 2023 – $5,345). During the year ended September 30, 2024, the Company recognized an increase in fair value of $96 (September 30, 2023 – decrease of $159) in the consolidated statements of operations and comprehensive loss within other comprehensive income (loss).

ii. Phylos Bioscience Inc.

On May 25, 2023, the Company entered into a secured convertible loan agreement (the "Secured Convertible Loan Agreement") with Phylos Bioscience Inc. ("Phylos"), a cannabis genetics company and provider of production ready seeds, based in Portland, Oregon. Under the terms of this agreement, the Company will advance up to US$8 million to Phylos in three tranches structured as a secured convertible loan. The Company advanced Phylos an initial US$3.25 million ($4,429) on the closing date of the first tranche of the secured convertible loan and is committed to fund up to an additional US$4.75 million over two tranches within 12 and 24 months from the initial closing date, subject to the completion of certain milestones. The secured convertible loan will accrue paid-in-kind interest ("PIK") at a rate of the U.S. Prime Rate + 3.5% (with an overall cap of 11%) subject to certain conditions. The maturity date of the secured convertible loan will be on the fifth anniversary of the initial closing date subject to one-year extensions at the Company's discretion and certain other conditions stipulated in the Secured Convertible Loan Agreement. The secured convertible loan (principal and PIK outstanding) is convertible into common share equity of Phylos under certain circumstances.

In November 2023 and May 2024, Phylos met the first and second milestone, respectively, under the Secured Convertible Loan Agreement and the Company funded the second tranche of US$2.75 million ($3,746) and partial third tranche of

US$1 million ($1,357). The initial recognition of these tranches were adjusted against the value of the derivative liability that was already recognized as part of the overall transaction at the time of initial recognition of the first tranche of the secured convertible loan. Refer to Note 11 (iii) for further information.

As at September 30, 2024, the secured convertible loan had a total fair value of $9,285 (September 30, 2023 – $3,092). During the year ended September 30, 2024, the Company recognized an increase in fair value of $3,227 (September 30, 2023 – $52) in the consolidated statements of operations and comprehensive loss.

iii. Steady State LLC (d/b/a Open Book Extracts)

In March 2024, the Company made its first investment from the Jupiter Pool (as defined in Note 13) and invested US$2 million ($2,717) in Open Book Extracts ("OBX") in the form of a convertible promissory note. U.S. based OBX specializes in legal cannabinoid ingredient production and serves as a one-stop formulation and finished goods manufacturer, simplifying its clients' supply chains. This convertible promissory note accrues simple interest at the Bank of England base rate plus 8%, capped to a maximum of 15%. All accrued interest is due and payable in full upon maturity, conversion, or prepayment of the convertible promissory note. Unless converted earlier, the principal amount and all accrued interest will be due and payable on October 16, 2026 (the "Maturity Date"). Upon maturity of the convertible promissory note, the principal amount and unpaid accrued interest may be converted, at the Company's option, into shares of OBX. The Company incurred transaction costs of $286 this was recognized as an expense in the consolidated statements of operations and comprehensive loss

As at September 30, 2024, the convertible promissory note had a total fair value of $2,881. During the year ended September 30, 2024, the Company recognized an increase in fair value of $164 in the consolidated statements of operations and comprehensive loss.

iv. Sanity Group GmbH

In June 2024, the Company entered into an arrangement with Sanity Group GmbH ("Sanity Group"), a cannabis company based in Berlin, Germany. As per the arrangement, the Company agreed to acquire a minority stake in Sanity Group by purchasing equity interests from existing Sanity Group founders and shareholders for €2.5 million, and to advance €11.5 million to Sanity Group by way of an unsecured convertible note ("Convertible Note") for a total initial investment of €14 million (C$21 million).

On June 27, 2024, the Company advanced a first tranche of the Convertible Note of €11.5 million ($16,900), with an option to advance a further €3 million in the future subject to the satisfaction of certain conditions. This Convertible Note accrues simple interest of 10% per annum and has a fixed term of 36 months from the closing date of first tranche of June 27, 2024, being the maturity date. On the maturity date, unless converted earlier due to certain events, the Company will have three options (i) repay the principal amount and all accrued interest; (ii) extend the maturity date by 12 months; or (iii) convert the note into the most senior class of shares. As at September 30, 2024, the Convertible Note had a total fair value of $19,153. During the year ended September 30, 2024, the Company recognized an increase in fair value of $2,253 in the consolidated statements of operations and comprehensive loss.

On July 4, 2024, the Company completed the purchase of equity interests for €2.5 million ($3,720). As at September 30, 2024, the company revalued its equity interests in Sanity Group and recognized an increase in fair value of $247 in the consolidated statements of operations and comprehensive loss. The Company incurred transaction costs of $243 and this was recognized as an expense in the consolidated statements of operations and comprehensive loss

The Company made the aforementioned investments in Sanity Group from the Jupiter Pool (as hereinafter defined).

10. OTHER LIABILITIES

The Company's other liabilities include the following balances as of September 30, 2024 and September 30, 2023:

	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023
Contingent share consideration (Note 25)	—	49
Current portion lease liability (Note 14)	1,026	1,013
Provisions	—	90
Current portion of long-term debt	60	76
	$ 1,086	$ 1,228

11. DERIVATIVE LIABILITIES

i. Warrants

Unit offering 2024

On April 2, 2024, the Company closed the unit offering (the "Offering") for gross proceeds of $28.8 million. The Company sold 8,901,000 units (each a "Unit") at a price of $3.23 per Unit, which included 1,161,000 Units sold pursuant to the exercise in full of the underwriters' over-allotment option. Each Unit is comprised of one Common Share of the Company and one-half of one

Warrant. Each Warrant is exercisable to acquire one Warrant Share for a period of four years following the closing date of the Offering at an exercise price of $3.65 per Warrant Share, subject to adjustment in certain events. The holders of the Warrants issued pursuant to the Offering may elect, if the Company does not have an effective registration statement under the United States Securities Act of 1933, as amended, or the prospectus contained therein is not available for the offer and sale of the Common Shares to the Warrant holder, in lieu of exercising the Warrants for cash, a cashless exercise option to receive Common Shares equal to the fair value of the gain implied by the Warrants at the time of exercise. The fair value is determined by multiplying the number of Warrants to be exercised by the weighted average market price less the exercise price with the difference being divided by the weighted average market price. If a Warrant holder exercises this option, there will be variability in the number of shares issued per Warrant.

In accordance with IAS 32 *Financial Instruments: Presentation*, a contract to issue a variable number of shares fails to meet the definition of equity and must instead be classified as a derivative liability and measured at fair value with changes in fair value recognized in the statement of operations and comprehensive loss at each reporting period. The derivative warrant liabilities are expected to ultimately be converted into the Company's equity (Common Shares) when the Warrants are exercised or will be extinguished on the expiry of the outstanding Warrants and will not result in the outlay of any cash by the Company.

At initial recognition on April 2, 2024, the Company recorded derivative liabilities of $7,798 based on the estimated fair value of the Warrants at that date using the Black-Scholes option pricing model. Share issuance costs of $668 were recognized as costs allocated to derivative liabilities based on a pro-rata allocation of total issuance costs based on the relative fair value of the Warrants and the Common Shares issued as part of the Offering.

As at September 30, 2024, the Company revalued the remaining derivative liabilities to an estimated fair value of $7,772. The Company recorded a decrease in the estimated fair value change of the derivative liabilities for the year ended September 30, 2024 of $26.

The following inputs were used to estimate the fair value of the Warrants at September 30, 2024:

	SEPTEMBER 30, 2024
Risk free interest rate	2.70 %
Life of Warrants (years)	3.51
Market price of Common Shares	$ 2.45
Expected future volatility of Common Shares	123.00 %
Fair value per Warrant	$ 1.75

Unit offering 2020
No warrants were exercised during the year ended September 30, 2024 (September 30, 2023 - Nil warrants). The warrants expired on November 12, 2023 and as at September 30, 2024 there were no warrants outstanding.

ii. Top-up Rights

On March 10, 2021, through the strategic investment from a wholly-owned subsidiary of British American Tobacco P.L.C. (together "BAT"), the Company issued 14,584,098 Common Shares, resulting in BAT's beneficial ownership in the Company of approximately 19.9%.

Pursuant to the Investor Rights Agreement (the "IRA") between the Company and BAT, the Company granted BAT certain rights, including pre-emptive rights, to participate in distributions of Common Shares to maintain its proportionate ownership in certain circumstances, as well as other rights ("Top-up Rights") to subscribe for additional Common Shares in specified circumstances where the pre-emptive rights are not applicable (referred to in the Amended IRA as "Exempt Distributions") and in specified circumstances where pre-emptive rights were not exercised (referred to in the IRA as "bought deal Distributions").

The price per Common Share to be paid by BAT pursuant to the exercise of its Top-up Rights will equal the price paid by other participants in the Exempt Distribution or bought deal Distribution, subject to certain restrictions (including, if such price is not permitted pursuant to applicable securities laws, at the lowest price permitted thereunder).

The Company has classified the Top-up Rights as a derivative liability, and pursuant to the exercise of stock options, restricted share units, performance share units and warrants that were outstanding at initial recognition on March 10, 2021 (the date of the IRA), the Company recorded a derivative liability of $2,740 based on the estimated fair value of the Top-up Rights at this date using a Monte Carlo pricing model.

In connection with the closing of the first tranche of the Follow-on BAT Investment (as hereinafter defined), the Company and BAT entered into an amended and restated investor rights agreement (the "Amended and Restated IRA") that has superseded the earlier investor rights agreement. Refer to Note 13 for further information.

As at September 30, 2024, the Company revalued the Top-up Rights of BAT pursuant to the Amended IRA to an estimated fair value of $6,338 (September 30, 2023 – $130). The Company recorded an increase in the estimated fair value of the Top-up Rights for the year ended September 30, 2024 of $6,208 (September 30, 2023 - $605).

The following inputs were used to estimate the fair value of the Top-up Rights as at September 30, 2024, and September 30, 2023:

	SEPTEMBER 30, 2024				
	STOCK OPTIONS	WARRANTS	PSUs	RSUs	TOP-UP OPTIONS
Average exercise price[1]	$1.20 - $45.08	$2.50	$—	$—	$1.20 - $2.23
Risk free interest rate	2.78% - 2.89%	2.79%	2.83%	2.87%	3.10%
Expected future volatility of Common Shares	75.00% - 85.00%	75.00%	75.00%	75.00%	60.00%
Expected life[1]	2.14 - 4.40	0.12	5.92	5.18	1.41
Forfeiture rate	10%	—%	25%	6%	—%

	SEPTEMBER 30, 2023			
	STOCK OPTIONS	WARRANTS	PSUs	RSUs
Average exercise price[1]	$1.20 - $45.08	$2.50	$—	$—
Risk free interest rate	4.11% - 4.54%	3.59%	3.65%	3.78%
Expected future volatility of Common Shares	70.00% - 90.00%	90.00%	85.00%	85.00%
Expected life[1]	1.34 - 5.12	0.12	5.92	5.18
Forfeiture rate	10%	—%	25%	6%

[1]Exercise price and expected life for stock options were determined using the range of exercise prices disclosed in Note 13(iv).

iii. Secured Convertible Loan Agreement

On May 25, 2023, the Company entered into the Secured Convertible Loan Agreement with Phylos. Under the terms of this agreement, upon the completion of certain milestones the Company has a commitment to fund US $4.75 million over two tranches within 12 and 24 months from the initial closing date. This commitment meets the definition of a derivative and the value of such derivative was considered as part of the overall transaction price in the initial recognition of the secured convertible loan and intangible assets. At initial recognition, the Company recorded a derivative liability of $1,424 based on the estimated fair value of the secured convertible loan.

In November, 2023, the Company funded the second tranche of US$2.75 million and a derivative liability of $1,385 was derecognized. Thereafter, in July 2024, the company also funded US$1 million for the third tranche and a derivative liability of $752 was derecognized. As at September 30, 2024, the Company revalued the commitment to fund remaining third tranche at an estimated fair value of $368 (September 30, 2023 – $1,743) and recorded a change in fair value of $762 (September 30, 2023 – $319) for the year ended September 30, 2024. The derivative liability is included in the current derivative liabilities on the consolidated statements of financial position.

iv. Non-voting Class A convertible preferred shares

In relation to the Follow-on BAT Investment, the Company is required to issue non-voting Class A convertible preferred shares ("Preferred Shares"). The Preferred Shares to be issued as part of future tranches represent an obligation for the Company to deliver a variable number of its own Common Shares and hence meet the definition of an instrument classified as a derivative financial instrument as per IAS 32 *Financial Instruments: Presentation*. The Company measured the derivative at fair value on initial recognition. The derivative financial instrument is classified as a derivative asset or a derivative liability depending partly on whether the fair value of the Company's Preferred Shares is above or below the $3.2203 subscription price. At initial recognition, the derivative financial instrument was recognized as a derivative financial liability with a fair value of $1,921. Refer to Note 12 and 13 (iii) for further information regarding the Follow-on BAT Investment.

In August 2024, the Company closed the second tranche of the Follow-on BAT Investment and issued 8,463,435 Preferred Shares. The fair value of the derivative liability that was derecognized on closing of the second tranche was $4,339. As at September 30, 2024, the Company revalued the derivative liability for the third tranche to an estimated fair value of $4,771. Accordingly, the Company recognized a total fair value loss of $7,189 in the consolidated statements of operations and comprehensive loss. The derivative liability is included in the current derivative liabilities on the consolidated statements of financial position.

12. PREFERRED SHARES

On August 30, 2024, in relation to the Follow-on BAT Investment (as hereinafter defined), the Company issued 8,463,435 Preferred Shares of the Company. The Preferred Shares are eligible for conversion into Common Shares at BAT's option, provided that such conversion would not result in BAT's voting interest in the Company exceeding 30%. Each Preferred Share shall be economically equivalent to a Common Share and will be convertible into Common Shares without payment of any additional consideration. The conversion ratio shall initially be one-for-one, and post-issuance shall increase at a rate of 7.5%

per annum, compounded annually, until such time as the Preferred Shares are converted into Common Shares or the aggregate equity interest of BAT in the Company (inclusive of both the Common Shares and Preferred Shares as if converted into Common Shares) reaches 49%. The Preferred Shares are not entitled to vote until they are converted into Common Shares. BAT shall be periodically required to convert Preferred Shares to the extent that it holds less than 30% of the Common Shares outstanding. Refer to Note 13 (iii) for further information regarding Follow-on BAT Investment.

The number of shares that will be issued on conversion is not fixed and therefore, Preferred Shares are classified as liabilities. These liabilities are measured at FVTPL. The conversion feature is considered to be an embedded derivative that qualifies for bifurcation. However, the Company has elected to account for the entire instrument as FVTPL after determining under IFRS 9 that the Preferred Shares qualify to be accounted for under such FVTPL method.

On initial recognition, the Preferred Shares were measured at a fair value of $31,594. At the time of closing of the first tranche Follow-on BAT Investment, the Company incurred transaction cost of $1,259 and $410 was recognized as prepaid expenses and deposits for the closing of second tranche. Out of total of $410, $269 was allocated to Preferred Shares and was recognized as an expense in the consolidated statements of operations and comprehensive loss. Refer to Note 13 (iii) for further details.

As at September 30, 2024, the Preferred Shares had an estimated fair value of $31,070, resulting in a fair value gain of $524 which was recognized in the consolidated statements of operations and comprehensive loss.

13. SHARE CAPITAL

i. Authorized share capital

The authorized share capital of the Company is an unlimited number of Common Shares without par value and an unlimited number of preferred shares without par value.

ii. Issued share capital

As at September 30, 2024, the Company's issued and outstanding share capital consisted of 108,585,492 (September 30, 2023 – 81,161,630) Common Shares with a carrying value of $852,891 (September 30, 2023 - $776,906).

iii. Issuances of share capital

Private Placement

In November 2023, the Company entered into a subscription agreement (the "Subscription Agreement") with BAT for a $124.6 million follow-on investment (the "Follow-on BAT Investment"), whereby BAT, acting through its wholly owned subsidiary BT DE Investments Inc., agreed to subscribe for a total of 38,679,525 shares at a price of $3.2203 per share through three tranches, subject to the receipt of shareholder approval, certain regulatory approvals and other conditions. At each tranche closing, BAT will be issued Common Shares in the Company insofar as the aggregate number of Common Shares owned or controlled by BAT does not exceed 30% of the aggregate number of the Company's Common Shares issued and outstanding. To the extent that BAT would otherwise acquire in excess of 30% of the issued and outstanding Common Shares, it will be issued Preferred Shares.

In January 2024, the Company obtained shareholder and other regulatory approvals and closed the first of three tranches of the Follow-on BAT Investment. Pursuant to the first tranche closing, BAT acquired 12,893,175 Common Shares of the Company at a price of $3.2203 per share for gross proceeds of $41,520. Considering at the time of closing of first tranche, it was estimated that the Company will be issuing the Preferred Shares as part of future tranches, which represented an obligation for the Company to deliver a variable number of its own Common Shares and hence met the definition of an instrument classified as a derivative financial instrument as per IAS 32 *Financial Instruments: Presentation.* IFRS 9 requires the value of such derivative to be recognized as part of closing of the first tranche and therefore, the carrying amount of the Common Shares issued in the first tranche on initial recognition was measured at the gross proceeds of $41,520 received from BAT for the first tranche minus transaction costs of $420 and the fair value of the derivative of $1,921. Refer to Note 11 (iv) for further details.

At the time of closing of the first tranche, the Company incurred total transaction cost of $1,259 in the form of listing fees, regulatory fees, and legal and professional fees. Out of this total cost, $420 was allocated to the Common Shares that were issued on closing of the first tranche of the Follow-on BAT Investment. Of the remaining costs, $19 were allocated to the derivative liability and recognized as an expense in the consolidated statements of operations and comprehensive loss and $820 was recognized as prepaid expenses and deposits related to a future issuance of shares through the second and third tranche.

On August 30, 2024, the Company closed the second of three tranches and issued 4,429,740 Common Shares and 8,463,435 Preferred Shares of the Company at a price of $3.2203 per share for gross proceeds of $41,582. On initial recognition, the Company recognized the total consideration for the second tranche, which consisted of the recognition of gross proceeds of $41,582 and derecognized the derivative financial liability of $4,339 for the second tranche. The carrying amount of the Common Shares issued in the second tranche was measured as the residual of the total consideration for the second tranche and the fair value of the Preferred Shares of $31,594. In addition, transaction costs of $141 in relation to the issuance of the

Common Shares were deducted from the carrying amount of the Common Shares and the remaining second tranche transaction cost of $269 was allocated to Preferred Shares and was recognized as an expense in the consolidated statements of operations and comprehensive loss. Refer to Note 11 (iv) for further details.

The remaining 12,893,175 shares are due to be subscribed in the third and final tranche on or around February 28, 2025, subject to certain customary conditions.

Pursuant to the Subscription Agreement, one-half of each of the first tranche subscription proceeds and the second tranche subscription proceeds, and all of the third tranche subscription proceeds, is required to be segregated from the Company's regular cash in order to fund a strategic investment pool (the "Jupiter Pool") that is designed to expand the Company's geographic footprint and capitalize on emerging growth opportunities. In accordance with the requirement of the Subscription Agreement, one-half of the first and second tranche gross proceeds of $83,102 was segregated from the Company's regular cash and was classified as restricted cash on the consolidated statements of financial position.

In connection with the closing of the first tranche, the Company and BAT also entered the Amended and Restated IRA, pursuant to which BAT is eligible to appoint up to 30% of the Board of Directors. Furthermore, the Amended and Restated IRA extends the period within which BAT is eligible to exercise certain Top-Up Rights to 12 months after the closing date of the final tranche of the Follow-on BAT Investment.

Unit offering
On April 2, 2024, the Company closed the Offering for gross proceeds of $28.8 million. The Company sold 8,901,000 units (each a "Unit") at a price of $3.23 per Unit, which included 1,161,000 Units sold pursuant to the exercise in full of the underwriters' over-allotment option. Each Unit is comprised of one Common Share of the Company and one-half of one Warrant. Each Warrant is exercisable to acquire one Warrant Share for a period of four years following the closing date of the Offering at an exercise price of $3.65 per Warrant Share, subject to adjustment in certain events. As described in Note 9, $7,798 of the gross proceeds was allocated to derivative liabilities with the residual, $20,953, which represents the value allocated to the Common Shares, being recorded in share capital. Share issuance costs were $2,464 which included a 4.7% cash commission of $1,366 paid to placement agents with the balance related to filing, legal, and other professional fees directly related to the Offering. Of the total, $668 of the share issuance costs were allocated to the derivative liabilities and expensed in the consolidated statements of operations and comprehensive loss and the balance of $1,796 was allocated to the Common Shares recorded in share capital.

The Edibles and Infusions Corporation acquisition
During the year ended September 30, 2023, the Company issued 2,621,370 Common Shares on EIC's achievement of the second milestone earnout set in the EIC share purchase agreement for share consideration of $6,500, less share issuance costs of $19 (Note 25).

Exercise of stock options
During the year ended September 30, 2024, 3,942 (September 30, 2023 – 26,300) share options were exercised at an average exercise price of $1.49 (September 30, 2023 - $1.47) for cash proceeds of $39 (September 30, 2023 - $74) and an increase of $11 (September 30, 2023 - $69) to share capital and a decrease to equity reserves of $5 (September 30, 2023 - $30).

Exercise of RSU
During the year ended September 30, 2024, 1,193,789 (September 30, 2023 – 59,138) RSUs were exercised for an increase of $3,430 (September 30, 2023 - $621) to share capital and a decrease to equity reserves of $3,430 (September 30, 2023 - $621).

Exercise of PSU
During the year ended September 30, 2024, 2,216 (September 30, 2023 – 948) PSUs were exercised for an increase of $22 (September 30, 2023 - $10) to share capital and a decrease to equity reserves of $22 (September 30, 2023 - $10).

Exercise of warrants
During the year ended September 30, 2024, Nil (September 30, 2023- Nil) warrants were exercised.

iv. Share-based compensation
During the year ended September 30, 2024, the Company recognized total share-based compensation charges, including those related to production employees that are charged to biological assets and inventory, of $7,182 (September 30, 2023 – $5,727).

Stock options
The following table summarizes changes in the Company's outstanding stock options for the year ended September 30, 2024:

	NUMBER	WEIGHTED AVERAGE EXERCISE PRICE
Balance - September 30, 2023	2,829,676	$ 9.94
Granted	62,000	$ 5.60
Exercised	(3,942)	$ 1.49
Cancelled / Forfeited	(70,813)	$ 10.26
Expired	(125,585)	$ 9.02
Balance - September 30, 2024	2,691,336	$ 9.89

The following is a summary of the outstanding stock options as at September 30, 2024:

OPTIONS OUTSTANDING			OPTIONS EXERCISABLE
Range of Exercise Prices	Quantity Outstanding	Weighted Average Remaining Contractual Life (years)	Quantity Exercisable
$1.20 - $3.00	71,865	4.0	61,665
$3.01 - $5.00	217,087	7.5	213,687
$5.01 - $10.00	1,539,917	7.4	1,514,150
$10.01 - $20.00	650,642	4.9	650,642
$20.01 - $30.00	96,825	4.1	96,825
$30.01 - $45.08	115,000	4.4	115,000
	2,691,336	7.3	2,651,969

Total share-based compensation expenses, including those related to production employees that are charged to biological assets and inventory for the year ended September 30, 2024 were $974 (September 30, 2023 – $3,376) related to the Company's stock option plan. The fair value of options granted during the year ended September 30, 2024 was $123 (September 30, 2023 - $1,075). These options are measured at fair value at the date of grant and are expensed over the option's vesting period, which is typically a three year term with options vesting in annual tranches evenly over this time period. The Company used the Black-Scholes option pricing model to estimate the fair value of options granted.

The following inputs were used to fair value the options that were granted during the year ended September 30, 2024 and the thirteen months ended September 30, 2023:

	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023
Risk free interest rate	3.57% - 3.60%	3.03% - 3.47%
Expected life of options	5.0 - 5.7 years	5.0 - 6.0 years
Expected annualized volatility	87.72% - 89.09%	83.68% - 87.51%
Expected dividend yield	—	—
Forfeiture rate	10.4%	11.3% - 11.7%

Expected volatility was estimated by using the weighted average historical volatility of the Company. The expected life in years represents the period of time that options granted are expected to be outstanding. The risk free rate is based on Government of Canada bonds with a remaining term equal to the expected life of the options. The forfeiture rate is calculated based on historical experience.

Equity Incentive Plan
During the year ended September 30, 2024, the Company has granted both RSUs and PSUs under the 2017 Equity Incentive Plan and under the 2020 New Equity Incentive Plan. The grant price of any RSU or PSU was determined based on the market price calculated in accordance with TSX rules at the time of grant and with respect to PSUs, adjusted for any non-market and market performance vesting conditions in accordance with IFRS 2 *Share-based Payment*.

The following table summarizes the movements in the Company's outstanding RSUs:

	NUMBER
Balance - September 30, 2023	881,149
Granted	3,440,578
Exercised	(1,193,789)
Cancelled / Forfeited	(154,295)
Balance - September 30, 2024	2,973,643

The estimated fair value of the equity settled RSUs granted during the year ended September 30, 2024 was $6,869 (September 30, 2023 - $1,828), which was based on the Company's share price at the grant date and will be recognized as an expense over the vesting period of the RSUs, which is over a period of three years for most grants. For the year ended September 30, 2024, $5,676 (September 30, 2023 - $2,192) has been recognized as share-based compensation expense.

The following table summarizes the movements in the Company's outstanding PSUs:

	NUMBER
Balance - September 30, 2023	260,713
Granted	911,213
Exercised	(2,216)
Cancelled / Forfeited	(52,492)
Balance - September 30, 2024	1,117,218

The estimated fair value of the equity settled PSUs granted during the year ended September 30, 2024 was $846 (September 30, 2023 - $1,042), which was based on the Company's share price at the grant date, adjusted for an estimate of likelihood of forfeiture, and will be recognized as an expense over the vesting period of the PSUs, which is three years for most grants. For the year ended September 30, 2024, $532 (September 30, 2023 - $159) has been recognized as share-based compensation expense.

v. Loss per share

Basic and diluted loss per share represents net loss attributable to common shareholders divided by the weighted average number of Common Shares outstanding during the year.

The weighted average number of Common Shares, used in the calculation of basic and diluted loss per share for the year ended September 30, 2024 was 95,293,899 (September 30, 2023 - 81,292,869).

14. LEASE LIABILITIES

The Company records its leases in accordance with IFRS 16, and as a result recognizes the right-of-use ("ROU") assets and corresponding lease liabilities. ROU assets are recorded under property, plant, and equipment (Note 7) with current and long-term portion of lease liabilities recorded under other liabilities.

The changes in the carrying value of current and non-current lease liabilities are as follows:

	SEPTEMBER 30, 2024
Balance, September 30, 2023	$ 4,564
Lease additions	1,384
Lease payments	(1,240)
Lease disposal	(590)
Interest expense on lease liabilities	252
Balance, September 30, 2024	4,370
Current portion (included in other liabilities)	(1,026)
Long-term portion	$ 3,344

The undiscounted contractual payments relating to the current and future lease liabilities is:

	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023
Less than 1 year	$ 1,266	$ 1,251
1 to 2 years	691	1,081
2 to 3 years	648	503
3 to 4 years	661	459
4 to 5 years	618	461
Thereafter	1,531	1,944
Total	$ 5,415	$ 5,699

15. INVESTMENTS IN ASSOCIATES

The carrying value of investments in associates consists of:

	ALPHA-CANNABIS PHARMA GMBH [3]	EVIANA HEALTH CORPORATION [4]	HYASYNTH BIOLOGICALS INC.	TOTAL
Participating share [1]	25.0 %	19.9 %	48.3 %	
Balance, September 30, 2023	$ —	$ —	$ 5,284	$ 5,284
Share of net loss [2]	—	—	(511)	(511)
Impairment loss	—	—	(4,773)	(4,773)
Balance, September 30, 2024	$ —	$ —	$ —	$ —

[1] % Interest includes the potential ownership interest that could result from the conversion of debentures and exercise of warrants.
[2] The Company utilizes the most recently issued financial statements of its associates in its results with a two-month lag since the Company does not have the same reporting date as its associates (for the year ended September 30, 2024, the Company utilized its associates' results for the year ended July 31, 2024).
[3] During the year ended August 31, 2021, the Company identified indicators of impairment with respect to its investment in ALPHA-CANNABIS PHARMA GMBH, resulting in impairment which reduced the carrying value of the investment to $nil.
[4] During the year ended August 31, 2020, the Company identified indicators of impairment with respect to its investment in Eviana Health Corporation, resulting in impairment which reduced the carrying value of the investment to $nil.

a. Hyasynth Biologicals Inc.

On September 12, 2018, the Company invested in Hyasynth Biologicals Inc. ("Hyasynth") by way of convertible secured debentures, to be purchased in three tranches and valued in the aggregate amount of $10,000. The first tranche ("Tranche 1") was issued on September 12, 2018, the second tranche ("Tranche 2") was issued on October 23, 2020 (as described below), and the third tranche ("Tranche 3") was issued on December 22, 2021 (as described below).

Hyasynth is a privately held biotechnology company based in Montreal, Quebec, specializing in cannabinoid science and biosynthesis. The Company's investment is in the form of convertible debentures, which provide a potential ownership interest of up to 49.9% based on the cumulative investment from Tranche 1, Tranche 2 and Tranche 3.

Concurrent with the Company's investment in Hyasynth, the parties entered into a CBD supply agreement, whereby the Company has the ability to purchase up to 100% of Hyasynth's annual cannabinoid or cannabinoid-related production at a 10% discount to the agreed upon wholesale market price for a period of 10 years from the date Hyasynth commences commercial production.

Tranche 1 of the convertible debentures has a face value of $5,000, bears interest at 8.0% per annum, is secured, and matures on the earlier of August 31, 2023 or the closing date of a qualified sale transaction, unless an automatic or optional conversion has occurred. Tranche 1 of the convertible debentures is convertible at the option of the holder at any time at a price of $40 per share, or into 125,000 common shares. Conversion of the debentures may be automatically triggered based on the completion of a qualified transaction or Hyasynth's facility reaching a pre-defined production capacity.

On October 23, 2020, the Company advanced an additional $2,500 to Hyasynth by way of convertible debentures as a result of Hyasynth's achievement of the contractual production-related milestone for Tranche 2 of the convertible debentures.

On December 22, 2021, the previously issued debenture agreement was amended to waive the milestone requirement for the Tranche 3 convertible debenture. Subsequently, the Company advanced an additional $2,500 (plus transaction costs of $124) to Hyasynth for the Tranche 3 convertible debentures bringing the Company's total investment in Hyasynth to $10,000, which provides the Company with a potential ownership interest of up to 49.9% on a fully diluted basis.

In addition to the ownership interest, the Company also considered various qualitative factors to conclude that significant influence exists, including representation on Hyasynth's board of directors. Based on this assessment, the Company concluded that the equity method of accounting is appropriate. The Company has appointed two directors to the board of Hyasynth.

Following the original maturity date of the debentures, the Company entered into two amendments which amended the maturity date initially to March 15, 2024 and then, subsequently to June 30, 2025. On the amended maturity date, the Company has the right to give Hyasynth 30 days prior written notice to convert the debentures to common equity or demand repayment of the outstanding balance of the debentures. As at September 30, 2024, the Company's potential ownership interest was reduced to 48.3% on a fully diluted basis.

As at September 30, 2024, the Company determined that there are indicators of impairment related to its investment in Hyasynth. The Company determined the recoverable amount to be approximately $Nil. An impairment loss of $4,773 was recognized in the consolidated statement of operations and comprehensive loss for the year ended September 30, 2024.

16. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling activities of the Company, directly or indirectly. The key management personnel of the Company are the members of the Company's executive management team and Board of Directors.

Management and Board compensation

For the year ended September 30, 2024 and the thirteen months ended September 30, 2023, the Company's expenses included the following management and Board of Directors compensation:

	YEAR ENDED SEPTEMBER 30, 2024	THIRTEEN MONTHS ENDED SEPTEMBER 30, 2023
Salaries, bonus and consulting fees	$ 7,155	$ 4,737
Share-based compensation	4,620	3,525
Total key management compensation	$ 11,775	$ 8,262

During the year ended September 30, 2024, 62,000 stock options (September 30, 2023 – 206,250) were granted to key management personnel with an aggregate fair value of $123 (September 30, 2023 – $665). In addition, during the year ended September 30, 2024, 2,175,879 RSUs (September 30, 2023 – 285,191), were granted to key management personnel with an aggregate fair value of $4,373 (September 30, 2023 – $1,325). For the year ended September 30, 2024, 678,717 PSUs, (September 30, 2023 – 136,920) were issued to key management personnel with an aggregate fair value of $543 (September 30, 2023 – $305).

Significant Transactions with Associates and Joint Operations

The Company has transactions with related parties, as defined in IAS 24 *Related Party Disclosures*, all of which are undertaken in the normal course of business.

For the year ended September 30, 2024, under the Product Development Collaboration Agreement between the Company and BAT dated March 10, 2021, BAT incurred $3,708 (September 30, 2023 – $3,134) of direct expenses and the Company incurred $9,623 (September 30, 2023 – $10,638) of direct expenses and capital expenditures of $96 (September 30, 2023 – $1,768) related to the Center of Excellence ("CoE"). The Company recorded, in the year ended September 30, 2024, $6,666 (September 30, 2023 – $6,886) of these expenditures within research and development expense in the consolidated statement of operations and comprehensive loss. For the year ended September 30, 2024, the Company recorded $49 (September 30, 2023 – $884) of capital expenditures which are included in the consolidated statement of financial position.

During the year ended September 30, 2024, BAT exercised nil (September 30, 2023 – nil) Top-up Rights. As at September 30, 2024, there is a balance receivable from BAT of $3,169 (September 30, 2023 – $167).

In November 2023, the Company entered into a subscription agreement with BAT in relation to the Follow-on BAT Investment. Refer to Note 13 (iii) for further information.

17. CAPITAL MANAGEMENT

The Company's capital consists of long-term debt (including current portion), derivative liabilities, share capital, equity reserves, accumulated other comprehensive loss, and accumulated deficit, which as at September 30, 2024 is $325,263 (September 30, 2023 - $273,651). Equity reserves is comprised of any amounts recorded with respect to the recognition of share-based compensation expense (options, RSUs, or PSUs) or the fair value of warrants issued. Accumulated other comprehensive loss is entirely comprised of fair value changes recorded on the Company's investment in WHC.

The Company manages its capital structure and adjusts it based on funds available to the Company, in order to fund its growth. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative stage of the Company, is reasonable. There were no changes to the Company's approach to capital management during the year.

18. FAIR VALUE OF FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

i. Fair value of financial instruments

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques. A level is assigned to each fair value measurement based on the lowest-level input significant to the fair value measurement in its entirety.

The three levels of the fair value hierarchy are described as follows:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The fair values of cash, short-term investments, accounts and other receivables, accounts payable and accrued liabilities and restricted cash approximate their carrying amounts due to their short-term nature. The fair value of long-term debt approximates $25 (September 30, 2023 – $155), which is its carrying value.

The fair value of the investment in WHC is primarily based on Level 3 unobservable inputs and is determined using a market-based approach, based on revenue multiples for comparable companies.

In determining the impairment loss, the FVLCD of property, plant and equipment was determined based on a third-party appraisal using market and replacement cost approaches. Consideration is given to information from historical data and industry standards which constitute both observable and unobservable inputs (level 2 and level 3).

The fair value of the convertible promissory note issued to OBX was determined using the binomial lattice model. The key assumptions used in the model are OBX stock price, dividend yield, expected future volatility of OBX stock, credit risk-adjusted discounting rate, risk-free rate, and probability and timing of certain qualified events. The credit risk-adjusted discounting rate and the expected equity volatility are based on unobservable inputs and are categorized as Level 3 in the fair value hierarchy.

The fair value of the Secured Convertible Loan advanced to Phylos was determined using the binomial lattice model and has been classified as level 3 in the fair value hierarchy. The fair value of the Secured Convertible Loan was based on certain assumptions, including likelihood, and timing of the federal legalization or decriminalization of cannabis in the United States. Similarly, the fair value of the commitment to fund an additional US $1 million was based on certain assumptions, including the probability of Phylos meeting certain required milestones.

The fair value of the Laurentian contingent share consideration is primarily based on Level 3 unobservable inputs in a Monte Carlo pricing model. The determination of the fair value of this liability is primarily driven by the Company's expectations of Laurentian achieving its business objectives. The key assumptions used in the model are the expected future sales volumes and selling prices used in determining Laurentian's future adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") and WACC.

The fair value of the Convertible Note advanced to Sanity Group was determined using the binomial lattice model. The key assumptions used in the Model for are Sanity Group stock price, dividend yield, expected future volatility of Sanity Group stock, credit risk-adjusted discounting rate, risk-free rate, and probability and timing of certain qualified and non-qualified events. The credit risk-adjusted discounting rate and the expected equity volatility are based on unobservable inputs and are categorized as Level 3 in the fair value hierarchy.

The fair value of equity interest in the Sanity Group was determined using the option pricing model wherein the current value of the Sanity Group was allocated to the various types of shares based on their rights and preferences. The current value of the Sanity Group was determined using the backsolve approach which benchmarks the original issue price of the Sanity Group's latest funding transaction.

The fair value of derivative warrant liabilities is based on Level 1 and 2 inputs utilized in a Black-Scholes option pricing model to estimate the fair value of such Warrants. The key assumption used in the model is the expected future volatility in the price of the Company's Common Shares. If the expected future volatility in the common share price of the Company increased by 10%, the estimated fair value of the derivative warrant liability and net loss would increase by $456, or if it decreased by 10%, the estimated fair value of the derivative warrant liability and net loss would decrease by $508.

The fair value of the Top-up Rights is based on Level 3 inputs utilized in a Monte Carlo pricing model to estimate the fair value of such Top-up Rights. The key assumptions used in the model are the expected future price of the Company's Common Shares, the weighted average expected life of the instruments and the expected future volatility in the price of Common Shares. A sensitivity analysis for changes in key inputs was not presented as it was deemed that the impact of reasonable changes in key inputs would not be significant.

The fair value of the contractual commitment to issue Preferred Shares in the future is based on level 1, level 2 and level 3 inputs and is determined based on estimated fair value of the Preferred Shares and the present value of the share price agreed with BAT. The fair value of the Preferred Shares was estimated using certain assumptions, including tenure of BAT's common shares and potential shareholding meeting 30% and 49% thresholds, respectively, market price and volatility of the Company's Common Shares, risk free rate and discount for lack of marketability.

The fair value of Preferred Shares is based on level 1, level 2 and level 3 inputs and is determined based on market price and volatility of the Company's Common Shares, risk free rate and discount for lack of marketability.

During the year, there were no transfers of amounts between Levels 1, 2 and 3.

ii. Financial risk factors

The Company is exposed to various risks through its financial instruments, as follows:

(a) Credit risk arises from deposits with banks, short-term investments, outstanding trade and other receivables, restricted cash and other financial assets. For trade receivables, the Company does not hold any collateral as security but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance, except potentially from outstanding receivable from one of our international customers. For certain trade and other receivables, management generally obtains guarantees or general security agreements, where applicable. The maximum exposure to credit risk of cash, short-term investments, restricted cash, other financial assets and accounts receivable and other receivables on the consolidated statements of financial position as at September 30, 2024 approximates $211,306 (September 30, 2023 - $90,351).

As of September 30, 2024 and September 30, 2023, the Company's aging of trade receivables was as follows:

	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023
0-60 days	$ 32,349	$ 22,946
61-120 days	5,502	5,845
Gross trade receivables	$ 37,851	$ 28,791
Less: Expected credit losses and reserve for product returns and price adjustments	(5,196)	(1,334)
	$ 32,655	$ 27,457

(b) Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by reviewing on an ongoing basis its capital requirements. As at September 30, 2024, the Company had $106,745 (September 30, 2023 – $33,864) of cash and working capital of $208,897 (September 30, 2023 - $133,545). Further, the Company may potentially access equity capital through the capital markets if required.

The Company is obligated to the following contractual maturities relating to their undiscounted cash flows as at September 30, 2024:

	Carrying Amount	Contractual Cash Flows	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Accounts payable and accrued liabilities	$ 47,097	$ 47,097	$ 47,097	$ —	$ —	$ —
Long-term debt	25	85	60	25	—	—
	$ 47,122	$ 47,182	$ 47,157	$ 25	$ —	$ —

The contractual maturities noted above are based on contractual due dates of the respective financial liabilities.

In connection with the Company's facilities, the Company is contractually committed to approximately $1,676 of capital expenditures.

(c) Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the Company is comprised of:

(d) Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with a floating interest rate. The Company has determined that a 1% change in rates would not have a material impact on the consolidated financial statements.

19. REVENUE

Net revenue for the Company is defined as gross revenue, which is net of any customer discounts, rebates, and sales returns and recoveries, less excise taxes.

Revenue for the year ended September 30, 2024 and thirteen months ended September 30, 2023 is disaggregated as follows:

	YEAR ENDED SEPTEMBER 30, 2024	THIRTEEN MONTHS ENDED SEPTEMBER 30, 2023
Recreational wholesale revenue (Canadian)	$ 230,387	$ 209,001
Direct to patient medical and medical wholesale revenue (Canadian)	1,732	3,584
International wholesale (business to business)	9,651	18,874
Wholesale to licensed producers (Canadian)	5,310	2,129
Other revenue	97	59
Gross revenue	$ 247,177	$ 233,647
Excise taxes	(87,336)	(72,008)
Net revenue	$ 159,841	$ 161,639

Recreational revenue is primarily comprised of provincial government bodies and large retailers that sell cannabis through their respective distribution models, whereas international and domestic wholesale revenue is comprised of wholesale shipments to other cannabis companies, including licensed producers, for further processing and sales onto their end customers.

During the year ended September 30, 2024, the Company had four customers (September 30, 2023 – three customers), that individually represented more than 10% of the Company's net revenue.

20. COST OF SALES

Cost of sales is comprised of the cost of inventories sold during the year, shipping expenses, the production cost of late-stage biological assets that are disposed of, provisions for inventory that do not pass the Company's quality assurance standards and obsolete products and packaging, and other production overhead.

During the year ended September 30, 2024, the Company recorded provisions in relation to excess and unsaleable inventories and biological assets as well as adjustments to net realizable value totaling $5,483 (September 30, 2023 - $15,012), which are detailed in Note 6.

During the year ended September 30, 2024, the Company recorded $nil (September 30, 2023 - $nil) in charges for unabsorbed fixed overhead related to reduced production volumes.

21. CONTINGENCIES

The Company recognizes loss contingency provisions for probable losses when management can reasonably estimate the loss. When the estimated loss lies within a range, the Company records a loss contingency provision based on its best estimate of the probable loss. If no particular amount within that range is a better estimate than any other amount, the mid-point of the range is used. As information becomes known a loss contingency provision is recorded when a reasonable estimate can be made. The estimates are reviewed at each reporting date and the estimates are changed when expectations are revised. An outcome that deviates from the Company's estimate may result in an additional expense or release in a future accounting period.

22. GENERAL AND ADMINISTRATIVE EXPENSES BY NATURE

	YEAR ENDED SEPTEMBER 30, 2024	THIRTEEN MONTHS ENDED SEPTEMBER 30, 2023
Office and general	$ 19,109	$ 18,355
Wages and benefits	15,414	14,379
Professional fees	6,287	13,271
Depreciation and amortization	3,851	5,639
Travel and accommodation	628	788
Utilities	581	598
Total general and administrative expenses	$ 45,870	$ 53,030

During the year ended September 30, 2024, the Company recognized a provision for expected credit losses of $4,222, included in the office and general category above.

23. INCOME TAXES

Components of income tax recovery are as follows:

	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023
Current tax		
Current expense	$ —	$ 30
Prior year adjustments	—	(225)
	$ —	$ (195)
Deferred tax		
Origination and reversal of temporary differences	$ (7,052)	(57,438)
Change in unrecognized temporary differences	4,666	48,344
Prior year adjustments	2,386	5,477
	$ —	$ (3,617)
Total income tax recovery	$ —	$ (3,812)

A reconciliation of income tax recovery at the statutory rate to amounts recorded in the consolidated financial statements is provided below:

	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023
Loss before income taxes	$ (45,440)	$ (252,413)
Statutory income tax rate	29.0 %	29.0 %
Tax calculated at statutory rate	(13,178)	(73,200)
Non-deductible (non-taxable) items	5,614	11,489
Change in unrecognized temporary differences	4,666	48,495
Tax rate differences and tax rate changes	512	4,152
Prior year tax adjustments	2,386	5,252
Income tax recovery	$ —	$ (3,812)

Recognized deferred tax assets and liabilities consist of the following:

	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023
Deferred tax assets are attributable to the following:		
Non-capital losses	$ 10,485	$ 12,136
Property, plant and equipment	—	475
Other	—	114
Lease liabilities	985	1,041
Deferred tax assets	11,470	13,766
Set-off of tax	(11,470)	(13,766)
Net deferred tax asset	$ —	$ —
Deferred tax liabilities are attributable to the following:		
Property, plant and equipment	$ (375)	$ (1,300)
Intangible assets	(1,773)	(2,137)
Biological assets	(2,499)	(2,832)
Inventories	(5,859)	(6,422)
Right-of-use assets	(927)	(731)
Net investment in sublease	(13)	(316)
Other	(24)	(27)
Deferred tax liabilities	(11,470)	(13,765)
Set-off of tax	11,470	13,765
Net deferred tax liability	$ —	$ —

The changes in temporary differences during the year ended and thirteen months ended September 30, 2024 and September 30, 2023, respectively, were as follows:

	NET BALANCE AT SEPTEMBER 30, 2023	RECOGNIZED IN PROFIT OR LOSS	NET BALANCE AT SEPTEMBER 30, 2024
Non-capital losses	$ 12,136	$ 10,485	$ 22,621
Property, plant and equipment	(1,557)	(1,302)	(2,859)
Intangible assets	(2,117)	(1,773)	(3,890)
Biological assets	(2,832)	(2,499)	(5,331)
Inventories	(6,328)	(5,859)	(12,187)
Lease liabilities	1,041	985	2,026
Net investment in sublease	(316)	(13)	(329)
Other	(27)	(24)	(51)
Net tax liabilities	$ —	$ —	$ —

	NET BALANCE AT AUGUST 31, 2022	RECOGNIZED IN PROFIT OR LOSS	RECOGNIZED DIRECTLY IN EQUITY & OCI	NET BALANCE AT SEPTEMBER 30, 2023
Non-capital losses	$ 6,479	$ 5,657	$ —	$ 12,136
Property, plant and equipment	(1,131)	(426)	—	(1,557)
Intangibles	(3,719)	1,602	—	(2,117)
Biological assets	(2,628)	(204)	—	(2,832)
Inventories	(3,165)	(3,163)	—	(6,328)
Lease liabilities	862	179	—	1,041
Net investment in sublease	(315)	(1)	—	(316)
Other	—	(27)	—	(27)
Net tax (liabilities) assets	$ (3,617)	$ 3,617	$ —	$ —

As at September 30, 2024, the Company has $397,826 (September 30, 2023 - $313,727) non-capital loss carryforwards available to offset future taxable income in Canada, which begin to expire in 2035.

The Company recognizes tax benefits on losses or other deductible amounts where the probable criteria for the recognition of deferred tax assets has been met. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	SEPTEMBER 30, 2024	SEPTEMBER 30, 2023
Deductible temporary differences	$ 93,950	$ 166,739
Tax losses	362,311	273,774
	$ 456,261	$ 440,513

24. PRODUCT DEVELOPMENT COLLABORATION

On March 10, 2021, in conjunction with the strategic investment received as described herein, the Company and BAT entered into a PDC Agreement pursuant to which the CoE was established to focus on developing the next generation of cannabis products with an initial focus on CBD. The CoE is located at the Company's Moncton Campus, which holds the Health Canada licenses required to conduct research and development ("R&D") activities with cannabis products. Both companies are contributing scientists, researchers, and product developers to the CoE and it is supervised by a steering committee consisting of an equal number of senior members from both companies. Under the terms of the PDC Agreement, both the Company and BAT have access to certain of each other's intellectual property ("IP") and, subject to certain limitations, have the right to independently, globally commercialize the products, technologies and IP created by the CoE pursuant to the PDC Agreement.

Pursuant to the terms of the PDC Agreement, $31,109 of the investment proceeds were reserved as restricted cash in order to satisfy certain of the Company's future obligations under the PDC Agreement, including the Company's portion of its funding obligations under a mutually agreed initial budget for the CoE. Costs relating to the CoE are funded equally by the Company and BAT. Balances are transferred from restricted cash to the Company's general operating account as CoE related expenditures are periodically reconciled and approved. The balance in restricted cash as at September 30, 2024 is $8,175 (September 30, 2023 - $17,893).

The CoE is accounted for as a joint operation, with the Company and BAT each paying 50% of the costs incurred by the CoE. The Company recognized its share of the expenses incurred by the CoE in the statements of operations and comprehensive loss under Research and development. For the year ended September 30, 2024, $6,666 (September 30, 2023 - $6,886) of expenses have been recorded in the statements of operations and comprehensive loss.

25. ACQUISITION OF SUBSIDIARIES

i. Laurentian Organic Inc.

On December 21, 2021, the Company acquired 100% of the shares and voting interests of the non-listed Laurentian for $36,000, consisting of $10,000 in cash consideration, $7,000 on closing and $3,000 held back, with the remaining $26,000 in share consideration at the acquisition date. The Company agreed to provide the seller additional share consideration based on Laurentian's future adjusted EBITDA over a period of two years, which were as follows (all capitalized terms used below not otherwise defined herein have the respective meanings described to them in the Company's agreement to acquire Laurentian):

a) First Year Earnout calculated for the period January 1, 2022 to December 31, 2022, as the greater of (i) zero and (ii) the difference obtained when the sum of $2,000 and 50% of the agreed capital expenditures is subtracted from 30% of the First Year adjusted EBITDA Multiple, payable in Common Shares, provided that, the sum of the Initial Consideration and the First Year Earnout Amount shall not exceed the First Year adjusted EBITDA Multiple; and

b) Second Year Earnout calculated for the period January 1, 2023 to December 31, 2023, as 19% of the Second Year adjusted EBITDA Multiple less the remaining balance of the agreed capital expenditures, payable in Common Shares, provided that, the sum of the Initial Consideration, the First Year Earnout Amount and the Second Year Earnout Amount shall not exceed the Second Year EBITDA Multiple.

Earnout payments paid in Common Shares were to be priced based on the five-day volume-weighted average price of the Company's Common Shares on the TSX as of the day prior to settlement. As at the acquisition date, the fair value of the contingent consideration was estimated to be $6,996 and subsequently as at August 31, 2022 adjusted to $2,913, to reflect changes in estimates.

The first year earnout milestone was not met and during the thirteen months ended September 30, 2023, the Company recognized a fair valuation gain of $2,864 in the statements of operations and comprehensive loss.

The second year earnout milestone was also not met and during the year ended September 30, 2024, the Company recognized a fair valuation gain of $50 in the statements of operations and comprehensive loss.

In July 2024, the Company received a dispute notice from the Laurentian vendors purporting to cover the first year and second year earnout. The Company and the Laurentian vendors have entered into an engagement letter appointing BDO Canada LLP as neutral accountant to review the items in the dispute notice in accordance with the share purchase agreement dated December 21, 2021.

ii. The Edibles and Infusions Corporation

On April 6, 2021, the Company acquired 100% of the shares and voting interests of the non-listed EIC, including SUHM Investments Inc. and Quality Confections Corporation who collectively owned 100% of EIC for $22,000 of share consideration at the acquisition date. The Company has agreed to provide the seller additional share consideration of $13,000 should EIC achieve its milestones.

Contingent share consideration
The acquisition included contingent share consideration based on various milestones as follows:

i) $3,500 to be paid in Common Shares upon the first listing of EIC or Organigram-branded product, manufactured at the EIC facility, in the Ontario or Alberta recreational markets prior to December 31, 2021. This was achieved in the year ended August 31, 2021 and subsequently settled on September 8, 2021;

ii) $7,000 to be paid in Common Shares on the generation of $15 million in net revenue during the 12 months ended December 31, 2022. This was achieved during the thirteen months ended September 30, 2023 and the Company issued 2,621,370 Common Shares as consideration to the former shareholders of EIC, for a total value of $6,500. The remaining $500 has been irrevocably disclaimed and waived as part of a negotiated settlement and the Company recorded it as a change in fair value of contingent share consideration during the thirteen months ended September 30, 2023; and

iii) $2,500 to be paid in Common Shares on the generation of $7 million in adjusted EBITDA for the 12 months ended December 31, 2022. The third milestone, calculated based on the adjusted EBITDA for the 12 months ended December 31, 2022, was not met.

26. OPERATING SEGMENTS

An operating segment is a component of the Company for which discrete financial information is available and whose operating results are regularly reviewed by the Company's chief operating decision maker, to make decisions about resources to be allocated to the segment and assess its performance, and that engages in business activities from which it may earn revenue and incur expenses. The Company only has one operating segment.

27. SUBSEQUENT EVENTS

On December 6, 2024, the Company acquired 100% of the issued and outstanding shares of Motif Labs Ltd. (“Motif”), a Canadian leader in the vape and infused pre-roll categories backed by a portfolio of strong owned brands, for upfront consideration of $90 million, consisting of $50 million in cash and $40 million of the Company's common shares priced based on the 30 day trading volume-weighted average price ("VWAP") of $2.3210. In addition, Motif shareholders are entitled to receive an additional contingent consideration of $10 million payable in Company's common shares (“Contingent Consideration”), conditional on the Company achieving a price per share exceeding $3.2203 per share, based on the rolling 30-trading day VWAP on the Toronto Stock Exchange, within 12 months of the date of the transaction. The Contingent Consideration shall be priced at $3.22031 per share. The Company believes that this acquisition will bring economies of scale and by leveraging the combined competitive advantages and respective market positions, the Company will continue to grow in Canada and internationally.


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