

## BT DE INVESTMENTS INC. TO INCREASE STAKE IN ORGANIGRAM HOLDINGS INC.

**November 6, 2023** – BT DE Investments Inc. (the “**Purchaser**”) announced today that it has entered into a subscription agreement (the “**Subscription Agreement**”) to acquire common shares (the “**Common Shares**”) and Class A preferred shares to be newly created and issued (“**Preferred Shares**”, and together with the Common Shares, “**Shares**”) of Organigram Holdings Inc. (the “**Issuer**”) on a private placement basis (the “**Private Placement**”), increasing the Purchaser’s strategic investment in the Issuer completed on March 11, 2021. The Purchaser is a wholly owned indirect subsidiary of British American Tobacco p.l.c.

The Private Placement will be undertaken in three (3) tranches, each subject to the satisfaction of certain conditions. Under the first tranche (the “**First Tranche**”), which will close three (3) business days after the date on which the requisite conditions in the Subscription Agreement are met (provided that such date shall be no later than April 30, 2024 unless the Purchaser and the Issuer mutually so agree), 12,893,175 Shares will be issued to the Purchaser at a price of \$3.2203 per Share (the “**Tranche Share Price**”). The allocation of Common Shares and Preferred Shares issued as part of each tranche will be subject to a threshold on issuance of Common Shares to the Purchaser of 30% of the aggregate number of Common Shares issued and outstanding, as described below.

Under the second tranche of the Private Placement (the “**Second Tranche**”), which will close on August 30, 2024 (or such earlier date as the Purchaser and Issuer may mutually agree), 12,893,175 Shares will be issued to the Purchaser at the Tranche Share Price. Under the third tranche of the Private Placement (the “**Third Tranche**”), which will close on February 28, 2025 (or such earlier date as the Purchaser and Issuer may mutually agree, provided such date is not earlier than closing of the Second Tranche), 12,893,175 Shares will be issued to the Purchaser at the Tranche Share Price.

As of the entering into of the Subscription Agreement, the Purchaser beneficially owned 15,249,027 Common Shares, representing approximately 18.8% of the issued and outstanding Common Shares on a non-diluted basis. If the First Tranche were completed on the date hereof, the Purchaser’s beneficial ownership would increase to 28,142,202 Common Shares, which would represent approximately 29.9% of the issued and outstanding Common Shares on a non-diluted basis. If the Second Tranche and the Third Tranche were completed on the date hereof, the Purchaser would beneficially own 28,248,258 Common Shares and 25,680,294 Preferred Shares, which would represent 30% of the issued and outstanding Common Shares and 100% of the issued and outstanding Preferred Shares, in each case on a non-diluted basis. The final combination of Common Shares and Preferred Shares issued on closing of the First Tranche, Second Tranche, and Third Tranche, as applicable, will be such higher / lower numbers as may be permitted by the 30% Threshold (as defined and described below). The foregoing figures are based on 81,161,630 Common Shares issued and outstanding as of the date of the Subscription Agreement.

The closing of the First Tranche, the Second Tranche and the Third Tranche are conditional on, among other things, *Competition Act* approval, applicable stock exchange approval, and approval of the Issuer’s shareholders.

The aggregate subscription price for the acquisition of Common Shares and Preferred Shares of the Issuer under the Subscription Agreement is \$124,559,674.36.

In connection with the Private Placement and subject to approval by the Issuer's shareholders, the Issuer will file articles of amendment to create the new class of Preferred Shares to be issued in the Private Placement. Pursuant to the terms of the Subscription Agreement, Shares issued in the First Tranche, Second Tranche, and Third Tranche will be allocated between Common Shares and Preferred Shares such that if the number of Common Shares owned by the Purchaser or its affiliates, associates, related parties and any joint actors would exceed 30% of the aggregate number of Common Shares issued and outstanding (the "**30% Threshold**") after the closing of the applicable tranche, the Issuer will issue to the Purchaser the greatest number of Common Shares issuable pursuant to such closing without exceeding the 30% Threshold, with the remainder of the Shares issuable as Preferred Shares (all as more specifically set forth in the Subscription Agreement).

The Preferred Shares will be non-voting convertible preferred shares of the Issuer convertible at the option of the Purchaser without payment of any additional consideration (subject to the 30% Threshold). The Preferred Shares will be convertible initially on a one-for-one basis, provided however that the conversion rate will increase at a rate of 7.5% per annum commencing from the initial date on which Preferred Shares are issued, until such time as the holders of Preferred Shares would beneficially own, or exercise control or direction over, directly or indirectly, with their respective affiliates, associates, related parties and any joint actors, after giving effect to the conversion of the Preferred Shares, 49.0% of the aggregate number of Common Shares issued and outstanding.

Pursuant to the Subscription Agreement, unless otherwise consented to in writing by the Purchaser in advance, the Issuer is required to use one-half of the proceeds from each of the First Tranche and the Second Tranche for general corporate purposes, and one-half of the proceeds of each of the First Tranche and the Second Tranche, and all of the proceeds of the Third Tranche, to fund a segregated bank account (the "**Jupiter Pool**"), subject to adjustment in accordance with the terms of the Subscription Agreement. The Jupiter Pool is to be invested by the Company in accordance with the terms of reference provided for in the A&R Investor Rights Agreement (as defined and described below).

The Subscription Agreement contains customary voting support covenants of the Purchaser in connection with the approval of matters related to the Private Placement by the Issuer's shareholders. In addition, it contains a covenant of the Issuer not to issue or obligate itself to issue any securities, including Shares, during the term of the Subscription Agreement, except (1) (a) with the prior written consent of the Purchaser, (b) as permitted under Issuer's equity incentive plans, (c) as expressly contemplated by or pursuant to the Purchaser's top-up and pre-emptive rights under the A&R Investor Rights Agreement, or (d) at a price that is at or above the Tranche Share Price, and (2) initially up to 15,756,648 Shares (based on estimated pro forma shareholdings that would result in the Purchaser owning at least 40% of the Shares outstanding if the First Tranche, the Second Tranche, and the Third Tranche were completed) at any price, but subject to increase as agreed to by the Issuer and the Purchaser acting reasonably, if the number of Shares outstanding increases over time.

The Purchaser entered into the Subscription Agreement in furtherance of its strategic investment in the Issuer and intends to review its investment in the Issuer on a continuing basis. The Purchaser may, subject to the terms of an amended and restated investor rights agreement to be entered into between the Purchaser and the Issuer concurrently with the closing of the First Tranche (the "**A&R Investor Rights Agreement**"), and depending upon a number of factors, including market and other conditions,

increase or decrease its beneficial ownership, control, direction or economic exposure over securities of the Issuer.

Pursuant to the A&R Investor Rights Agreement, the Purchaser will have the right to nominate up to 30% of the board of directors of the Issuer (the “**Board**”), subject to the Purchaser maintaining certain share ownership thresholds. No additional nominees will be added in connection with execution of the Subscription Agreement or upon closing of the First Tranche. The Purchaser will be entitled, subject to the terms and conditions of its nomination rights, to replace its nominee directors from time to time. In addition, the Purchaser will be provided with certain governance rights, so long as it maintains certain share ownership thresholds, including pre-emptive rights, top-up rights and customary registration rights. The Purchaser will be permitted to engage with the Board regarding the Issuer’s business and prospects.

The Common Shares are listed on the Toronto Stock Exchange and the NASDAQ under the symbol “OGI”. The Issuer is a corporation existing under the laws of Canada with its head office at 145 King Street West, Suite 1400, Toronto, Ontario, Canada, M5H 1J8. The address of the Purchaser is 103 Foulk Road, Suite 111, Wilmington, Delaware, 19803.

An early warning report will be electronically filed with the applicable securities commission in each jurisdiction where the Issuer is reporting and will be available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). For further information or to obtain a copy of the Early Warning Report, please contact:

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