

**FORM 62-103F1  
REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS**

**Item 1 – Security and Reporting Issuer**

**1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

This report relates to the common shares (the “**Common Shares**”), and Class A preferred shares (the “**Preferred Shares**” and together with the Common Shares, “**Shares**”), of Organigram Holdings Inc. (the “**Issuer**”).

The Issuer’s address is:

145 King Street West, Suite 1400  
Toronto, Ontario, Canada  
M5H 1J8

**1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

The acquisition of Shares took place by way of a private placement.

**Item 2 – Identity of the Acquiror**

**2.1 State the name and address of the acquiror.**

The acquiror is BT DE Investments Inc. (the “**Purchaser**”), a wholly owned indirect subsidiary of British American Tobacco p.l.c. (“**BAT**”). The Purchaser is a company existing under the laws of the state of Delaware. BAT is a public limited company existing under the laws of the United Kingdom. The address of the Purchaser is:

103 Foulk Road,  
Suite 111  
Wilmington,  
Delaware 19803

The Purchaser’s principal business is to purchase and maintain investments and associated transactions.

**2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

This report relates to the closing of the second tranche (the “**Second Tranche**”) of a private placement (the “**Private Placement**”) pursuant to a subscription agreement (the “**Subscription Agreement**”) between the Purchaser and the Issuer dated November 5, 2023 (the “**Subscription Agreement**”).

Under the Second Tranche, which closed on August 30, 2024, 4,429,740 Common Shares and 8,463,435 Preferred Shares were issued to the Purchaser at a price of C\$3.2203 per Common Share (the “**Tranche Share Price**”), for gross proceeds of USD\$30,821,684.69 (equal to C\$41,519,891, as determined using the average daily exchange rate published by the Bank of Canada on August 28, 2024 for converting Canadian dollars into US dollars).

The Private Placement is being undertaken in three (3) tranches, each subject to the satisfaction of certain conditions. Under the first tranche (the “**First Tranche**”), which closed on January 23, 2024, 12,893,175 Common Shares were 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, 12,893,175 Shares will be issued to the Purchaser at the Tranche Share Price. Approval by the Issuer’s shareholders, clearance under the *Competition Act* (Canada), applicable stock exchange approval and certain other conditions to closing of each of the First Tranche, the Second Tranche and the Third Tranche were satisfied in connection with the closing of the First Tranche, and accordingly closing of the Third Tranche is subject to customary closing conditions for a private placement of this nature. The aggregate subscription price of the Shares acquired by the Purchaser as part of the First Tranche, the Second Tranche, and the Third Tranche will be C\$124,559,674.36.

Pursuant to the terms of the Subscription Agreement, Shares issued in the First Tranche, Second Tranche, and Third Tranche are 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 are 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 are 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.

### **2.3 State the names of any joint actors.**

See Item 2.1.

## **Item 3 – Interest in Securities of the Reporting Issuer**

### **3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror’s securityholding percentage in the class of securities.**

Immediately following the closing of the Second Tranche (the “**Second Tranche Closing**”), the Purchaser beneficially owned 32,571,942 Common Shares and 8,463,435 Preferred Shares, representing 30% of the issued and outstanding Common Shares and 100% of the Preferred Shares, in each case on a non-diluted basis. If the Third Tranche were completed on the date hereof, the Purchaser would beneficially own 32,571,942 Common Shares and 21,503,203 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 Third Tranche will be such higher / lower numbers as may be permitted by the 30% Threshold. The foregoing figures are based on 108,573,141 Common Shares issued and outstanding immediately following the Second Tranche Closing.

**3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.**

See Item 3.1.

**3.3 If the transaction involved a securities lending arrangement, state that fact.**

Not applicable.

**3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.**

See Item 3.1.

**3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which**

**(a) the acquiror, either alone or together with any joint actors, has ownership and control,**

See Item 3.4.

**(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

Not applicable.

**(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

**3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

Not applicable.

**3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

Not applicable.

**State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.**

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

#### **Item 4 – Consideration Paid**

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

See Item 2.2.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

See Item 2.2.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Not applicable.

#### **Item 5 – Purpose of the Transaction**

**State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:**

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;
- (f) a material change in the reporting issuer's business or corporate structure;
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;

- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

The Purchaser entered into the Subscription Agreement in furtherance of its strategic investment in the Issuer. The completion of the Third Tranche in accordance with the terms of the Subscription Agreement will increase the Purchaser's security ownership in the Issuer, as described under Item 3.1.

The Purchaser intends to review its investment in the Issuer on a continuing basis and may, subject to the terms of the A&R Investor Rights Agreement (as defined below), 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, through market transactions, private agreements, treasury issuances, exercise of options, convertible securities, derivatives, swaps or otherwise.

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 Issuer in accordance with the terms of reference provided for in the A&R Investor Rights Agreement.

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, which approval was obtained at the Issuer's annual and special meeting of shareholders held on January 18, 2024. 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.

Pursuant to the amended and restated investor rights agreement entered into between the Purchaser and the Issuer concurrently with the closing of the First Tranche (the "**A&R Investor Rights Agreement**"), the Purchaser has 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. The Purchaser is entitled, subject to the terms and conditions of its nomination rights, to replace its nominee directors from time to time. In addition, the Purchaser has 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 is permitted to engage with the Board regarding the Issuer's business and prospects.

The foregoing is a summary only and is qualified in its entirety by reference to the full text of the Subscription Agreement and the A&R Investor Rights Agreement, which are filed under the Issuer's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

**Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

**Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.**

Pursuant to the A&R Investor Rights Agreement, in addition to the voting support covenants noted under Item 5, the Purchaser has the right to nominate up to 30% of the Board, subject to the Purchaser maintaining certain share ownership thresholds. The Purchaser also has the right, so long as it maintains certain share ownership thresholds, to participate in future equity offerings of the Issuer subject to the terms and conditions contained in the A&R Investor Rights Agreement.

**Item 7 – Change in material fact**

**If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.**

See Item 2.2.

**Item 8 – Exemption**

**If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.**

Not applicable.

**[Signature Page Follows]**

## **Item 9 – Certification**

### **Certificate**

I, as the acquiror, certify, or I, as the agent filing the report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

DATED September 3, 2024

**BT DE INVESTMENTS INC.**

By: "*Chris Voelker*"

**Chris Voelker**  
**General Counsel**