

ORGANIGRAM REPORTS POSTIVE CASH FLOW AND UPDATE ON RECENT EVENTS

Moncton, New Brunswick, January 24, 2017 – Organigram Holdings Inc. (TSX-V: OGI, OTCQB: OGRMF) (the “Company”) is pleased to report the financial results for the quarter ending November 30, 2016. The Company continues to generate positive cash flow and significant year over year growth in sales of both dried flower and cannabis oils. The company is also providing an update regarding its recent voluntary recall of cannabis products, the current quantified impact to the financial statements, and some of the immediate and voluntary corrective actions and operating policies that Organigram has implemented.

Selected highlights from the quarter include the following:

Q1 - 2017	Operating Metric	Q1-2016
260,291	Grams Sold (Dried Bud)	142,790
\$2,230,671	Net Sales	\$1,029,376
65%	Gross Margin % (excluding FV adjustment) ¹	55%
(\$755,547)	Net Profit	(\$201,211)
\$272,839	Adjusted EBITDA ² (excluding FV adjustment)	(\$62,072)
\$510,015	Cash Flow ³	\$25,844

1. Gross Margin % (excluding FV adjustment) is defined as net sales less costs of goods sold and indirect production costs, divided by net sales.
2. Adjusted EBITDA is a non-GAAP financial measure that does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. It is defined as net profit before interest, income tax, depreciation and amortization, and FV adjustment to bio-assets and inventory.
3. Cash flow is calculated net profit before income tax, depreciation and amortization, share-based compensation, and FV adjustment to biological assets and inventory.

The Company generated over \$2.23 million in sales for the quarter on 260,291 grams of dried bud and 77,200 ml of cannabis oil sold. After adjusting for the change in fair value of inventory and biological assets, gross margin for the quarter was more than 65% and the Company generated adjusted EBITDA of \$272,839 and cash flow of \$510,015.

In connection to the product recalls in December 2016 and January 2017, Organigram has communicated extensively with its customers, regulators, and licensed labs regarding the issue and origin of the ingredients. The Company has taken immediate and comprehensive corrective measures within its operating and quality assurance procedures to ensure such an event does not re-occur.

“Organigram, like many of the first movers in this emerging industry, has experienced incredible growth in our business, operating infrastructure, and within our team. We have also faced challenges and setbacks as the regulations that govern our industry and the market in which we operate continues to evolve. Thanks to the prompt action of our team, the understanding and loyalty of our patients and investors, the support of our licensed testing counterparties, and the collaboration and oversight of our industry’s regulators, the Company has been able to address these challenges and setbacks immediately and definitively,” says Denis Arseneault, Chief Executive Officer of Organigram.

Organigram is working closely with Health Canada to determine the origin of the non-permitted ingredients. Since the voluntary product recall, Organigram has successfully harvested and tested new batches of organic as well as non-organic medical cannabis and has maintained inventory in its online store to ensure Organigram patients do not go without medication.

As a result of the recall, the unrealized fair value adjustment of inventory includes a loss of \$499,857 for the three-month period ended November 30, 2016 and there may be further adjustments to the unrealized fair value of biological assets and inventory.

“This process, the required action and disclosure, combined with the necessity for each producer to track every product in the regulated cannabis market highlights that the Canadian cannabis regulatory system works, that Canadian consumers are being protected, and that the regulations governing the cannabis market in Canada provide a gold standard for the world to follow”, says Arsenault.

The Company has seen great progress with its onsite expansion initiatives, and is pleased to share additional details relating to the phase 3 expansion, which is now expected to be completed and operational by December. The expansion infrastructure, which will be built and operated in accordance with the Company’s recently supplemented quality assurance and operating procedures, is expected to increase the Company’s run-rate production capacity to 17,000 kg per year by the early 2018.

“Our onsite expansion project positions Organigram to have one of the highest production levels in the industry at a time when we anticipate a very significant increase in consumer demand associated with recreational legalization. There are no additional licenses required, there is no additional capital required for the expansion, and we don’t have additional locations to manage. Our business remains well capitalized, our expansion initiatives are ongoing, and our optimism about the future for Organigram remains absolute,” says Larry Rogers, Chief Operating Officer.

For more information, visit www.organigram.ca

For further information, please contact:

Organigram Holdings Inc.
Larry Rogers
Chief Operating Officer
(506) 801-3567

Organigram Holdings Inc.
Giselle Doiron
Director of Investor and Media Relations
(506) 801-8986

About Organigram Holdings Inc.

Organigram Holdings Inc. is a TSX Venture Exchange listed company whose wholly owned subsidiary, Organigram Inc., is a licensed producer of medical marijuana in Canada. Organigram is focused on producing the highest quality, condition specific medical marijuana for patients in Canada. Organigram's facility is located in Moncton, New Brunswick and the Company is regulated by the Access to Cannabis for Medical Purposes Regulations (“ACMPR”).

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This news release contains forward-looking information which involves known and unknown risks, uncertainties and other factors that may cause actual events to differ materially from current expectation. Important factors - including the availability of funds, the results of financing efforts, crop yields - that could cause actual results to differ materially from the Company's expectations are disclosed in the Company's documents filed from time to time on SEDAR (see www.sedar.com). Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press 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.