

First-Time Investment by Canadian Cultivation Partner Organigram

Sanity Group Secures Additional Growth Capital Amounting to a Total of 17 Million Euros

Berlin/Toronto, June 25, 2024 – Sanity Group GmbH, one of Germany's leading cannabis companies, announced the completion of an investment from the Jupiter Fund of Organigram Holdings Inc., a leading licensed cannabis producer based in Toronto, Canada, today. This marks Organigram's first investment in the European cannabis market. Using funds from the Jupiter Fund, the Canadian producer is investing 14 million euros in the form of a convertible loan into Sanity Group. Additionally, the company has the option to call for a second tranche of three million euros as part of the convertible loan. Simultaneously with the investment, Organigram and Sanity Group have agreed on a new supply agreement to deepen their partnership, which has been in place since 2023.

Since its founding in 2018, Sanity Group has quickly established itself in the European cannabis market and today maintains one of the strongest pharmacy distribution networks in the German medical cannabis market, with more than 2,000 pharmacies. Currently, the company holds an estimated market share of around ten percent with its medical brands Vayamed and avayay Medical. Notably, the avayay Medical brand has become one of the leading cannabis flower brands and has seen significant sales increases since the reclassification of cannabis in Germany in April this year. Sanity will use the additional capital to improve education and simplify access to medical cannabis therapy. Moreover, Sanity is currently the only German company participating in a scientifically supervised Swiss pilot project for the distribution of recreational cannabis through licensed specialty shops in the Canton of Basel-Landschaft. The project called Grashaus Projects could serve as a blueprint for further steps in cannabis legalization also in Germany.

Expanded Import Volumes Following EU-GMP Certification

The current investment extends the previously announced supply agreement between Organigram and Sanity Group. Once Organigram obtains EU-GMP certification for its indoor cultivation and production facility in Moncton, New Brunswick, Sanity will introduce more flowers and innovative dosage forms from Canada to Germany. Organigram expects to complete its final EU-GMP inspection by the end of the calendar year. "With a commitment to responsible research, innovation, and product development, we are confident that we have chosen a partner in Organigram who will support us in taking a leading position in rapidly developing legal European markets," says Dr. Konstantin Rutz, COO and Managing Director of Sanity Group.

"We are very pleased to complete this financing with our partners at Organigram, who have consistently proven themselves as leaders in the competitive and highly regulated Canadian cannabis market," adds Finn Haensel, co-founder and CEO of Sanity Group. With its entry, Organigram expands Sanity Group's investor community, which includes venture capital funds such as Redalpine, HV Capital, Cherry Ventures, Atlantic Foodlabs, Casa Verde Capital, and Navy Capital as well as well-known personalities like Will.i.am

(Black Eyed Peas), Scooter Braun, German TV presenter Klaas Heufer-Umlauf, model Stefanie Giesinger, soccer professionals Mario Goetze, André Schuerrle, and Dennis Aogo, and actress Alyssa Milano.

Strong Signal for the German and European Cannabis Market

"We believe that after Canada, Germany will emerge as one of the more promising markets under a nationally legal model," says Paolo De Luca, Chief Strategy Officer at Organigram. "With its evolving program for medical cannabis and recent limited legalization for recreational consumption, Germany may eventually adopt a full adult-use cannabis framework. This growth opportunity is magnified by positive regulatory developments in several neighbouring European jurisdictions where Sanity Group is expanding its presence."

Beena Goldenberg, CEO of Organigram: "Our investment in Sanity Group establishes a significant European footprint for us. Organigram benefits from Sanity's expertise and insights in the German and (in the future) other European cannabis markets. This has the potential to provide a pathway for us to launch our own brands and industry-leading IP through Sanity's extensive distribution network. This relationship also bolsters our European revenue generation through a significantly expanded commercial agreement."

Developments in Germany Potentially Shaping Europe

Following the legal reforms for recreational cannabis that came into effect on April 1, 2024, the German cannabis industry is experiencing an expansion: Recently estimated at an annual rate of 500 million euros, the German market is expected to grow to two billion euros by 2027. This remarkable growth is initially reflected in a 30 to 50 percent increase in medical cannabis prescriptions since the reclassification and removal of cannabis from the Narcotics Act. Similarly, the number of imports has increased significantly, reaching over 30,000 kilograms in 2023 – an increase of more than 26 percent compared to the previous year. The progress of the German cannabis industry could thus serve as a catalyst for a more unified and progressive approach to cannabis legalization and regulation across the continent.

About Sanity Group

Sanity Group aims to improve people's quality of life through the use of cannabinoids and the utilization of the endocannabinoid system. The focus is on cannabinoid-based pharmaceuticals and consumer goods. To harness the full potential of cannabis, Sanity Group invests in research of the cannabis plant and its active ingredients as well as in specific areas of application. Sanity Group, founded in Berlin in 2018 by Finn Age Haensel, includes Vayamed and vaay Medical (medical cannabis), Endosane Pharmaceuticals (finished pharmaceuticals), vaay (lifestyle) and Grashaus Projects (recreational cannabis Swiss pilot project). Near Frankfurt am Main, Sanity Group also operates a production facility for cannabis extracts. More information at sanitygroup.com/press.

About Organigram Holdings Inc.

Organigram Holdings Inc. is a NASDAQ Global Select Market and TSX listed company whose wholly owned subsidiary Organigram Inc. is a licensed producer of cannabis, cannabis-derived products and cannabis infused edibles in Canada. Organigram is focused on producing high-quality cannabis for adult recreational consumers, as well as developing international business partnerships to expand the Company's global footprint. Organigram has also developed and acquired a portfolio of adult-use recreational cannabis brands, including Edison, Holy Mountain, Big Bag O' Buds, SHRED, SHRED'ems, Monjour, Laurentian, Tremblant Cannabis and Trailblazer. Organigram operates production facilities in Moncton, New Brunswick and Lac-Supérieur, Quebec, with a dedicated edibles manufacturing facility in Winnipeg, Manitoba. The Company is regulated by Health Canada under the Cannabis Act and the Cannabis Regulations (Canada). <https://www.organigram.ca/press-releases>.