



ORGANIC GARAGE PROVIDES CORPORATE UPDATE

October 28, 2019, Toronto, Canada: Organic Garage Ltd. ("**Organic Garage**" or the "**Company**") (**TSX-V:OG**) is pleased to provide the following corporate update and further details pertaining to the closing of its recent non-brokered private placement.

"We are delighted to have completed this financing," said Matt Lurie, CEO of Organic Garage. "It has taken a number of months to structure a favourable and flexible financing solution that would satisfy many of the requirements that we felt were important to our Company and our investors. Key considerations were having a fixed term of a suitable length and reduced interest rate to alleviate some capital constraints on the Company as we continue to grow; interest paid in stock to preserve capital; and finding patient, strategic partners who will be invested in the Company's long-term future. We feel that this agreement satisfies all of our requirements and now allows us to redirect our focus to improving profitability and growth."

Convertible Debenture:

The offering of an aggregate principal amount of CAD 3,000,000 in unsecured convertible debentures was announced on October 25, 2019, and will be used to repay in full a secured loan held by BDC Capital Inc.

As part of a larger mandate for achieving profitability, reducing interest costs was a stated goal for Organic Garage. The Company has now done so with the closing of this Offering, replacing the BDC loan's 14.5% interest rate with a favourable 9.5% per annum rate and cutting its debt-servicing payments by over 34%. While the BDC Capital loan offered the best available solution to the Company through its initial expansion phase, this debenture financing brings to the table strategic investors who are aligned with the Company's long-term growth objectives, as evidenced by the agreement's 3-year term and their willingness to accept interest payments in common shares, thereby preserving valuable growth capital.

The unsecured convertible debentures (each, a "**Debenture**") will mature 36 months from October 25, 2019 (the "**Maturity Date**") and will bear interest at a rate of 9.5% per annum. At the Maturity Date, the Debentures are convertible into units of the Company at a conversion price of CAD 0.11 and one-half of one share purchase warrant, each whole warrant entitling the holder to acquire one common share at an exercise price of CAD 0.18 for a period of 36 months.

The Company anticipates that the closing of this financing will remove any uncertainty regarding its solvency and will continue to focus on reducing costs, executing its growth initiatives and ultimately achieving profitability.

Growth Initiatives:

The Company continues to adhere to its mandate of expanding its store footprint into high population density locations in both established and growing markets within the Greater Toronto Area. Within this mandate, the Company can continue to efficiently leverage its existing centralized distribution facility without incurring significant capital expenditures. The Company's long-awaited 5th store, the Leaside location, is expected to start construction in the second quarter of 2020. Due to the delay in construction of the project in which the store is to be situated, Organic Garage has been able to obtain significant concessions from the developer as compensation. Upon further strategic review of the timelines involved, the company decided not to proceed with the development of a previously announced store, planned for Toronto's new waterfront development. Instead, the Company will focus on other promising opportunities that it has identified and looks forward to further announcements in the future.

Focus on Positive Cash Flow & Operational Improvements:

Organic Garage is dedicated to reviewing all aspects of its operations in an effort to continuously apply a value principle to its entire business model. The Company will continue to leverage its infrastructure and increasing scalability to better access discounts and realize operational efficiencies. Some key operational initiatives underway for the Company's fiscal 2020 year are:

- Technological improvements, such as the addition of an automated replenishment system, are expected to improve productivity and further increase sales.
- Following the success of the Liberty Village store's Handpicked Partner Program, Organic Garage is working to implement the initiative across all of its locations. The response to the program from both vendors and shoppers alike has been very positive and the Company will continue to look for ways that it can enhance the retail experience while adding revenue.
- Alternative partnerships and sales channels as a means of generating additional revenue are also being carefully considered, including online sales and small format stores.
- Improving margin is of paramount importance to the company, and it plans to work toward the implementation of a preferred vendor agreement (PVA) program which will help outline terms and conditions that will be beneficial to both the Company and its partners.

Organic Garage will remain focused on expansion and on building its brand by providing high-quality products at affordable prices and generating long-term relationships with customers based on a transparent and honest approach. This approach, along with the opening of its new stores and an adherence to a value proposition that applies fiscal prudence throughout the Company's complete business process, should see that goal achieved.

About Organic Garage Ltd.

Organic Garage (TSX-V: OG) is one of Canada's leading independent organic grocers committed to offering its customers a wide selection of healthy and natural products at everyday affordable prices. The company's stores are in prime retail locations designed to give customers an inclusive, unique and value-focused grocery shopping experience. Founded in 2005 by a fourth generation grocer, Organic Garage is headquartered in Toronto and operates a highly efficient supply chain through its centralized distribution centre. The company is focused on continuing to expand its retail footprint within the Greater Toronto Area. For more information please visit the Organic Garage website at www.organicgarage.com.

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Forward looking statements are subject to both known and unknown risks, uncertainties and other factors, many of which are beyond the control of Organic Garage, that may cause the actual results, level of activity, performance or achievements of Organic Garage to be materially different from those expressed or implied by such forward looking statements, including but not limited to the Offering and its terms and the use of proceeds of the Offering. Although Organic Garage has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended.

Forward-looking statements are not a guarantee of future performance and involve a number of risks and uncertainties, some of which are described herein. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause Organic Garage's actual performance and results to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Any forward-looking statements are made as of the date hereof and, except as required by law, neither Organic Garage assumes no obligation to publicly update or revise such statements to reflect new information, subsequent or otherwise.