



ORGANIC GARAGE ANNOUNCES COMPLETION OF NON-BROKERED PRIVATE PLACEMENT OFFERING OF CONVERTIBLE DEBENTURES

October 25, 2019, Toronto, Canada: Organic Garage Ltd. ("**Organic Garage**" or the "**Company**") (TSX-V:OG) is pleased to announce the completion of a non-brokered private placement offering (the "**Offering**") of an aggregate principal amount of CAD \$3,000,000 (the "**Principal**") in unsecured convertible debentures (the "**Debentures**") for an aggregate purchase price of CAD \$2,925,000 (the "**Subscription Price**") (representing and including an original issue discount equal to 2.5% of the purchase price). The net proceeds of the Offering will be used to repay in full a secured loan held by BDC Capital Inc. as well as for general working capital.

Matt Lurie, CEO of Organic Garage commented, "I am delighted to complete this convertible debenture which will be used to repay in full the debt amount outstanding from the BDC. This is something we have been working very diligently on and I am pleased with what we have accomplished. This convertible debenture helps improve the flexibility and the cash flow of the company by removing the cash interest payments that were being paid to the BDC which were negatively impacting our Profit and Loss statement. I look forward to building on this accomplishment and will now focus on the next steps in our growth plan."

The Debentures will mature 36 months from October 25, 2019 (the "**Maturity Date**") and bear interest at a rate of 9.5% per annum (the "**Interest**"). The portion of the Debentures equal to the Subscription Price (\$2,925,000) will become convertible at the option of the holders into units (the "**Conversion Units**") on the Maturity Date at a conversion price of \$0.11 per Conversion Unit (the "**Conversion Price**"), each Conversion Unit consisting of one common share of the Company (the each a "**Common Share**", collectively the "**Common Shares**") and one-half of one share purchase warrant, each whole warrant (each a "**Warrant**", collectively the "**Warrants**") entitling the holder to acquire one Common Share at an exercise price of \$0.18 per Common Share for a period of 36 months. Subject to the prior approval of the Exchange, the difference between the Principal and the Subscription Price will be converted into Common Shares at the Market Price on the date before the date of conversion.

Interest will be paid within 30 days of each fiscal quarter while the Debentures remain outstanding. Subject to the approval of the TSX-V in each instance and unless otherwise agreed by the Company and the holders of Debentures, accrued and unpaid Interest will be converted into Common Shares at a conversion price equal to the Market Price (as defined in the polices of the TSX-V) at the time of conversion. Otherwise, any or all interest payments will be made in cash.

The Company may repay the then outstanding principal amount of the Debentures at any time together with an amount equal to five percent (5%) of the then outstanding principal of the Debentures (the “**Early Repayment**”), to be paid in cash unless otherwise agreed and subject to the prior approval of the TSX-V. Further, in the event of a change of control event, the Company may repurchase the Debentures at a price equal to: a) 125% of the principal amount of the Debentures in the first 12 month period following the Closing Date; b) 150% of the principal amount of the Debentures in the second 12 month period following the Closing Date; or c) 175% of the principal amount of the Debentures in the third 12 month period from the Closing Date, together with any accrued and unpaid Interest (the “**Change of Control Redemption**”). Notwithstanding the foregoing, if a change of control event occurs within 6 months of an Early Repayment, the Early Repayment will be deemed to be a Change of Control Redemption, entitling holders whose Debentures were repaid to receive a top-up payment equivalent to the difference between the Early Repayment amount and the Change of Control Redemption amount.

The Offering was conditionally approved by the TSX-V prior to closing. No fees or commissions were paid with respect to the offering. All of the Debentures issued, and any securities into which they may be exchanged or converted, are subject to resale restrictions imposed by applicable laws or regulation, a statutory hold period expiring on February 26, 2020.

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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THE TSX VENTURE EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THE CONTENT OF THIS NEWS RELEASE.

Cautionary Note Regarding Forward-looking Statements

This news release contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "achieve", "could", "believe", "plan", "intend", "objective", "continuous", "ongoing",

"estimate", "outlook", "expect", "may", "will", "project", "should" or similar words, including negatives thereof, suggesting future outcomes.

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.