



ORGANIC GARAGE REPORTS SECOND QUARTER RESULTS AND A 29% INCREASE IN SALES

September 29, 2020, Toronto, Canada: Organic Garage Ltd. ("Organic Garage" or the "Company") (TSX-V: OG), one of Canada's leading independent organic grocers, has released the Company's financial results for the second quarter ended July 31, 2020 and is pleased to announce a significant increase in sales and gross profit the quarter. The Company has a Fiscal Year End of January 31.

Q2 Financial Results (comparison to quarter ended July 31, 2019):

- Sales increased 29% to \$8.1 million from \$6.2 million
- Normalized gross profit¹ percentage increased to 29.0% from 23.9%
- Gross profit dollars increased 47% to \$2.2 million from \$1.5 million
- Net loss of \$0.01 per share compared to a net loss of \$0.03 per share
- EBITDA increased to earnings of \$0.4 million from a loss of \$-0.4 million

Cash balance: Increased to \$0.9 million as compared to \$0.2 million as of January 31, 2020.

Net Income: The Company had net loss of \$201,724 for the quarter ended July 31, 2020 compared to a net loss of \$1,102,033 for the quarter ended July 31, 2019. The increase was due to strong sales of \$8,063,735, gross margin of \$2,193,925 and total expenses of \$2,396,618. As a percentage of sales, total expenses decreased to 29.7% during the quarter ended July 31, 2020 from 41.1% in the quarter ended July 31, 2019.

"We are extremely pleased with our incredible results from Q2. Along with our 29% increase in sales, the Company has not only supported our loyal customer base, but also gained increasing market share in comparison to our peers. Additionally, we have achieved remarkable support from our strong on-line sales in order to cater to our customers' changing purchasing tastes. Management has ensured that our sales margins continue to improve as we focus on our purchasing efficiencies.

Several of our strategic initiatives have helped keep our costs contained and management is pleased to see tangible results from our hard work. The Company is also shifting from a centralized distribution model to a decentralized model and expects significant cost savings starting at the beginning of 2021."

¹ During the Q2 the Company recorded a decrease in inventory of \$148,923 related to inventory transferred to store locations from the warehouse that are not captured as an increase in inventory due to the Company's inventory management system. The Company's gross profit of \$2,193,925 has been adjusted to \$2,342,848 to normalize the gross profit percentage. Without the normalization, the Q2 gross profit percentage was 27.2%.

Q2 Operational Highlights:

Management has achieved significant change and seen positive results through its implementation of new strategies to contain and reduce corporate expenses and improve efficiency. During the quarter the Company made valuable progress on phasing out its current centralized distribution center in anticipation of moving to a fully decentralized model by the beginning of 2021.

The Company is maintaining significant growth in on-line sales through Cornershop. During the quarter ended July 31, 2020, on-line sales represented 6.0% of overall sales.

The Company also continues to strongly focus on and improve safety measures to ensure the safety and satisfaction of both its customers and employees in response to COVID-19.

“The Company, and specifically our staff, continue to prioritize and maintain safe shopping experiences for our valued customers in this dynamic environment,” continued Matt Lurie. “Subsequent to quarter end, the Company has continued to experience an increase in sales as consumers shift their purchasing trends and Organic Garage expands its customer base and gains new market share.”

The interim condensed unaudited consolidated financial statements for the Company including the operating company and all subsidiaries and related management's discussion and analysis for the period are available under the Company's profile on SEDAR at www.sedar.com. All amounts are expressed in Canadian dollars.

About Organic Garage Ltd.

Organic Garage (TSXV: OG) is one of Canada's leading independent organic grocers and is 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. 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 future growth and general business, economic, competitive, political and social uncertainties. 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.