



ORGANIC GARAGE HIGHLIGHTS TRANSFORMATIONAL YEAR-END WITH RECORD SALES AND PROFIT

May 31, 2021, Toronto, Canada: Organic Garage Ltd. (“Organic Garage” or the “Company”) (TSXV: OG, OTCQX: OGGFF, FRA: 9CW1), one of Canada’s leading independent organic grocers, announced the Company’s audited financial results for the year ended January 31, 2021, reporting a significant increase in year-over-year sales, gross profit and the most profitable year in Company history. The Company has also reiterated its belief that significant catalysts remain on the horizon heading into Fiscal Year 2022.

Webcast and Conference Call Details

The Company will host a webcast and conference call to discuss the financial results, business outlook and updates on The Future of Cheese on Wednesday, June 2nd at 12:00 p.m. ET / 6:00 p.m. CEST.

Investors and interested parties can join the webcast by visiting the following link:

<https://meetingconnectsales.adobeconnect.com/a989745297/og2021/>

****See Conference Call Dial-In Numbers Below***

Q4 Financial Results (comparison to quarter ended January 31, 2020):

- **Sales** increased 32.7% to \$7.3 million from \$5.5 million
- **Gross profit dollars** increased 21.9% to \$2.2 million from \$1.8 million
- **Net loss** improved to \$0.1 million from a loss of \$3.0 million
- **Loss per share** of \$(0.00) compared to loss per share of \$(0.08)
- **Raised \$1.0 million** through non-brokered private placement offering
- **Working capital** of \$1.0 million from a working capital deficit of \$(1.0) million

Net Income: The Company had a net loss of \$133,200 for the quarter ended January 31, 2021 compared to a net loss of \$2,975,318 for the quarter ended January 31, 2020. The increase was due to strong sales of \$7,338,592, gross margin of \$2,199,100 and total expenses of \$2,323,808. As a percentage of sales, total expenses decreased to 31.8% during the quarter ended January 31, 2021 from 46.6% in the quarter ended January 31, 2020, excluding an impairment of goodwill of \$2,233,968 incurred in January 2020.

Year-end Financial Results (comparison to year ended January 31, 2020)

- **Sales** increased 25.3% to \$30.3 million from \$24.1 million

- **Gross profit dollars** increased 33.2% to \$8.9 million from \$6.7 million
- **Net loss** improved to \$(0.3) million from loss of \$(5.1) million
- **Loss per share** of \$(0.01) compared to loss per share of \$(0.14)
- **EBITDA** of \$2.8 million compared to \$(1.8) million loss
- **Cash flows from operating activities** of \$1.2 million compared to loss of \$(0.8) million
- **Cash position** strengthened to \$1.6 million from \$0.2 million

Net Income: The Company had net loss of \$263,322 for the year ended January 31, 2021 compared to a net loss of \$5,083,566 for the year ended January 31, 2020. The increase was due to strong sales of \$30,276,372, gross margin of \$8,928,134 and total expenses of \$9,194,583. As a percentage of sales, total expenses decreased to 30.3% during the year ended January 31, 2021 from 39.6% in the year ended January 31, 2020, excluding an impairment of goodwill of \$2,233,968 incurred in January 2020.

“I am extremely proud of what the Organic Garage family has accomplished in delivering a record setting year for our stakeholders,” commented Matt Lurie, CEO of Organic Garage. “This has been a transformational year for our Company, marked by notable growth and change across multiple fronts.

“Top line revenues increased significantly quarter-over-quarter in each quarter this year, while at the same time, operating expenses were reduced in spite of incremental COVID-19-related costs that we incurred to ensure the safety of our customers and staff. Our year-over-year working capital and cash positions have improved remarkably, setting us up for continued success in 2022 as we focus on growing our customer base and expediting the commercialization of our Future of Cheese product line.”

2022 Outlook

Organic Garage announced its acquisition of the plant-based cheese company, The Future of Cheese, on January 18, 2021, closing the transaction on March 4, 2021. Since then the Company has announced a partnership with one of Canada’s leading plant-based food manufacturers, the HACCP-certified Flamalgo Foods Ltd., and scaled up research efforts to develop a groundbreaking novel plant protein blend similar to casein, the protein found in dairy products. The Future of Cheese’s initial product line will consist of five SKUs.

The Company marked further change with its transition to a decentralized distribution model, announcing on April 27, 2021, that it had finalized the closing of its distribution and warehouse facility. Cost savings from the transition are anticipated to exceed \$1 million annually and will become evident over the course of the 2022 fiscal year. Additionally, the Company has stated that it will receive a premium above the required remaining rental payments in the sub-lease contract.

Since January 2020, the Company has seen online sales as a percentage of overall sales increase. The Company is confident that online ordering will enhance its relationship with existing customers and also open up access to customers that it could not previously reach. The Company will continue to evaluate different online platforms to ensure that it maximizes that reach and captures an increasingly larger market share of shoppers.

The Company will continue to look for growth opportunities in the market whether through acquisition

or further store expansion. The Company continues to eagerly await the completion of the landlord's construction for the development for its Leaside location so that it can complete its fit-out.

Lurie continued, "Looking forward, we have some very exciting and significant catalysts for our business. We announced our acquisition of The Future of Cheese at the end of our fiscal year and have diligently worked since then to get the Company ready for the launch of its first three products. I look forward to working with the highly capable team at Future of Cheese led by the co-founders Afrim Pristine and Craig Harding in getting their fabulous products out into the market very soon."

"Our record year-end results speak to the execution of the entire Organic Garage team," concluded Lurie. "In addition to growing our sales and profit we also continued to lower our expenses and we anticipate significant savings as a result of our recently announced transition from a centralized distribution model going forward. The future looks very bright and we will continue to capitalize on growth opportunities that fit our value mandate."

Additional Events Subsequent to Fiscal 2021 Year-End

- Recognized on February 25, 2021 as one of the TSX Venture Exchange's Top 50 Companies. The TSX Venture 50 is the exchange's flagship program, ranking the top 10 performing companies from five sectors.
- Announced the commencement of trading on the OTCQX market and DTC eligibility to increase liquidity and opportunity for U.S. based investors.
- Generated an additional \$305,880 of cash for the Company through the exercise of warrants and stock options.
- Expanded the Hand-Picked Partners roster to include Cheese Boutique and Tori's Bakeshop.

***Webcast and Conference Call Details**

Local – Toronto (+1) 416-764-8646

Toll Free – North America (+1) 888-396-8049

ITF – Germany 08007240293

Conference ID 23032246

Please call the conference telephone number 10 minutes prior to the start time. An operator will register your name and phone number.

A telephone replay of the conference call will be available after 2:30 p.m. ET on June 2nd until Monday, July 5th, 2021 at 12:00 p.m. EST.

Telephone Replay Numbers:

Toronto (+1) 416-764-8691 English

Montreal (+1) 438-798-3291 Français

Toll Free – North America (+1) 877-674-6060 English

Playback Passcode: 032246#

About Organic Garage Ltd.

Organic Garage (TSXV: OG, OTCQX: OGGFF, FRA: 9CW1) 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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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. 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, Organic Garage assumes no obligation to publicly update or revise such statements to reflect new information, subsequent or otherwise.