



ORGANIC GARAGE REPORTS HIGHEST YEAR-END SALES SINCE COMPANY'S INCEPTION AND A 33% INCREASE IN Q4 SALES

May 28, 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, is pleased to announce the Company's audited financial results for the year ended January 31, 2021 and the quarter ended January 31, 2021 ("Q4"), reporting a significant increase in sales and gross profit for the quarter, resulting in the Company's highest grossing and most profitable year in Company history. The Company has a Fiscal Year End of January 31.

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.

Matt Lurie, CEO of Organic Garage, commented, "With our fiscal year coming to an end, we are extremely proud to convey our results on what has been a transformational year for our Company. Our fourth quarter marked another period with very positive results and our 33% increase in Q4 sales highlights the strengthening relationship we have with our existing customers and growing customer base.

"Not only did we significantly grow our top line revenues each quarter this year, but we also managed to successfully contain and reduce our operating expenses even with additional incremental expenses related to COVID-19 that we incurred to ensure the safety of our customers and staff.

"We concluded the fourth quarter with a remarkable improvement to our working capital and cash position in comparison to a year ago, setting us up for continued success into the next fiscal year and allowing the Company to continue to focus on delivering value for our shareholders. "

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)
- **EBIDTA** 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.

Lurie stated, "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."

The Company announced in Q2 FY 2021 its intent to shift to a decentralized distribution model, completing the transition in April 2021 and successfully entering into an agreement to sub-lease the facility located at 50 Akron Road for the remainder of the lease term. The Company will realize significant operational savings from this change, and in addition to covering the remaining rental cash payments on the facility of approximately \$1.0 million, the Company has negotiated a premium on top of the required remaining payments in the sub-lease contract.

"Our record year-end results speak to the execution of the entire Organic Garage team," continued 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."

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.

- Completed the transition from a centralized distribution model to a decentralized distribution model in April 2021. The Company is expecting cost savings of approximately \$1.0 million on an annual basis.
- Expanded the Hand-Picked Partners roster to include Cheese Boutique and Tori's Bakeshop.
- Continued strong on-line sales to support our sustained revenue growth.

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/

Conference Call Dial-In Numbers:

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

For further information please contact:

Bill Mitoulas

T: (416) 479-9547

E: investor_relations@organicgarage.com

W: www.organicgarage.com

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this 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. 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.