



ORGANIC GARAGE REPORTS FIRST QUARTER RESULTS

June 29, 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 financial results for the quarter ended April 30, 2021 (“Q1”). The Company has a Fiscal Year End of January 31.

Q1 Financial Results (comparison to quarter ended April 30, 2020):

- **Working capital** of \$1.4 million from working capital of \$1.0 million at January 31, 2021 and a working capital deficit of (\$0.3) million as at April 30, 2020
- **Cash balance** of \$2.8 million from \$1.6 million as at January 31, 2021 and \$1.2 million as at April 30, 2020
- **Sales** decreased 12.1% to \$7.0 million from \$8.0 million
- **Gross profit dollars** decreased 16.6% to \$2.0 million from \$2.4 million
- **Adjusted net loss¹** of (\$165,174) compared to adjusted net income of \$197,614
- **Administrative wages and benefits** decreased by 32.2%

Net Income: The Company had a net loss of \$907,013 for the quarter ended April 30, 2021 compared to a net income of \$189,403 for the quarter ended April 30, 2020. The decrease was primarily related to decreased sales, non-recurring professional fees related to the Company’s Future of Cheese acquisition, OTC application and DTC eligibility, bank charges and merchant fees, stock-based compensation, non-cash and non-recurring acquisition finder’s fees, offset by decreases in administrative wages and benefits and decreased operating expenses related to the Company’s phase out of warehouse operations.

The Company completed its shift to a decentralized distribution model in April 2021, and successfully entered into an agreement to sub-lease the facility located at 50 Akron Road for the remainder of the lease term. During the three months ended April 30, 2021, the Company’s incremental savings were approximately \$208,000, consisting primarily of savings related to wages and benefits, transportation, rent, and other costs.

¹ Adjusted net loss is a non-IFRS financial performance measure. Adjusted net loss is calculated as net income (loss) and other comprehensive income (loss) adjusted for non-cash expenses, non-cash stock-based compensation and one-time non-operating expenses.

Matt Lurie, CEO of Organic Garage, commented, “Our Q1 results marked another strong quarter for the Company. We incurred some non-recurring and non-cash expenses during the quarter which affected our net loss, but we are confident these will have positive long-term impacts on the Company’s future. We continue to see strong results from three of our four locations and have focused on incremental renovations to address the lagging performance of one store location.

“We are very pleased to start seeing significant incremental savings as a result of moving to a decentralized distribution model and phasing out our warehouse. Our working capital and cash position continue to strengthen, aligning for continued success and allowing the Company to continue to focus on delivering value for our shareholders.

“Having recently announced our new partnership with Instacart for online deliveries, we are delighted that our products will be available to service new markets and we look forward to building on what has already been a great success for our online delivery model.

“Operations related to the Future of Cheese are progressing at a rapid pace and we are very excited about the upcoming launch of its products. The senior management team is focused on product development, building strategic relationships, strengthening our team, growth of the brand and most importantly, taking the product to market in the near future.”

Events Subsequent to April 30, 2021

- Generated an additional \$59,400 of cash for the Company through the exercise of warrants.
- Expanded the Hand-Picked Partners roster to include Cheese Boutique.
- Entered into an exclusive partnership agreement with Instacart to significantly expand the Company’s online delivery range.

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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Non-IFRS Financial Measures

This press release includes references to certain non-IFRS financial measures. These non-IFRS measures do not have any standardized meanings prescribed by International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and are therefore unlikely to be comparable to similar measures presented by other companies. Accordingly, they should not be considered in isolation, in addition to, not as a substitute for or superior to, measures of financial performance prepared in accordance with IFRS.

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.