



ORGANIC GARAGE REPORTS THIRD QUARTER RESULTS

December 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 and a developer of plant-based products, is pleased to announce the Company’s financial results for the quarter ended October 31, 2021 (“Q3”). The Company has a Fiscal Year End of January 31.

Q3 Financial Results (comparison to quarter ended October 31, 2020):

- **Gross profit margin** increased from 30.4% to 31.3%;
- **Cash balance** of \$2.1 million from \$1.6 million as at January 31, 2021 and \$0.8 million as at October 31, 2020;
- **Sales** decreased from \$6.9 million to \$5.9 million as the impact of Covid-19 overstocking subsided. Q3 sales total did not include any material contribution from Future of Cheese due to the timing of the launch of the Company’s products at the end of Q3;
- **Adjusted net loss**¹ decreased from an adjusted net loss of \$-117,801 to \$-288,230;
- **Administrative wages and benefits** decreased by 10.0% due to improved efficiencies;
- **Subsequent to October 31, 2021** the Company received \$361,350 cash proceeds from the exercise of warrants, resulting in a cash balance of approximately \$2.4 million tailored towards growth on both the store front as well as the newly launched Future of Cheese SKUs.

Net loss: The Company had a net loss of \$-814,550 for the quarter ended October 31, 2021, compared to a net loss of \$-117,801 for the quarter ended October 31, 2020. The decrease was primarily related to a decrease in sales, non-cash stock-based compensation and costs incurred during the renovation of one of the Company’s locations (which also affected that location’s sales), offset by improved gross margins, decreases in administrative wages and benefits, and transportation costs 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

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

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 October 31, 2021, the Company's incremental savings were approximately \$187,000, consisting primarily of savings related to wages and benefits, transportation, and rent.

Matt Lurie, CEO of Organic Garage, commented, "We are pleased with our Q3 results and both the financial and strategic positions in which the Company has finished the calendar year. We continue to see strong results in our gross profit from management's concise and methodic purchasing strategies. Having improved our margins while facing increased inflationary pressures, supply management issues, and labour shortages was a significant accomplishment during the quarter.

"Our Hand-Picked Partners roster has garnered great feedback from our customers and our recent addition of non-alcoholic beer, wine and spirits through our partnership with Rival House Limited will no doubt improve the shopping experience at our store locations.

"We did incur certain significant non-cash and non-recurring expenses during the quarter along with additional expenses incurred in renovating one of our older locations to conform with the Company's new locations. We believe these expenses and capital costs will translate into improved operations and an enhanced customer experience.

"Management continues to focus on incremental operating expense reduction while maintaining and improving our product and service offering. Savings associated with the phase-out of our warehouse have continued through the quarter providing management with additional financial flexibility.

"During the quarter and subsequently, our online deliveries have seen strong demand and positive reactions from customers who are now able to complete online orders from a large geographical footprint.

"The Future of Cheese operations continue to ramp up, and we were extremely excited to officially launch our line of butters across selected retailers in Ontario in October along with the successful launch of our plant-based brie and truffle-infused butter in December. The products have been in high demand and have been received very positively by retail customers and our restaurant partners. It has been very gratifying to see our products on the shelves of not only Organic Garage, but other retailers and partners, and we look forward to building on the success achieved to date."

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. In this News Release, Organic Garage is making forward-looking statements related to, including but not limited to: the improved shopping experience resulting from the recent addition of non-alcoholic beer, wine and spirits; the translation of significant non-cash and non-recurring expenses as well as renovation expenses into improved operations and an enhanced customer experience; and building on the Future of Cheese success achieved to date.

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.