



ORAGIN FOODS INC. REPORTS FOURTH QUARTER AND YEAR-END RESULTS

May 31, 2022, Toronto, Canada: Oragin Foods Inc. (“ORAGIN” or the “Company”) (TSXV: OG) (OTCQX: OGGFF) (FRA: 9CW) is a Canadian multi-faceted food company operating a Consumer Packaged Goods (CPG) Division where new and innovative food and beverage brands are developed, acquired, grown and commercialized as well as a Retail Division that operates one of Canada’s leading natural and organic food retailers, Organic Garage. The Company is pleased to announce its financial results for the quarter and year-ended January 31, 2022 (“Q4”). The Company has a Fiscal Year End of January 31. All figures presented are in Canadian Dollars, the Company’s functional currency.

Q4 Financial Results (comparison to quarter ended January 31, 2021):

- **Gross profit margin** increased from 30.0% to 30.1%.
- **Sales** decreased 18.5% from \$7.4 million to \$6.0 million, significantly impacted by Organic Garage’s renovation to one of its older retail store locations as well as changes to Government COVID-19 lockdown policies compared to the previous year.
- **Net loss** \$882,093 compared to \$133,202 for the quarter ended January 31, 2021;
- **Administrative wages and benefits** decreased by 3.3% due to improved efficiencies;
- **Store wages and benefits** decreased by 17.6% due to management of staffing and improved efficiencies;

Net loss: The Company had a net loss of \$882,093 for the quarter ended January 31, 2022, compared to a net loss of \$133,202 for the quarter ended January 31, 2021. The decrease was primarily related to a decrease in sales due to the Company’s decision to complete significant renovations at one of the older Organic Garage retail locations, non-cash stock-based compensation of \$140,129 and costs incurred during the renovation, offset by improved gross margins, decreases in administrative wages and benefits, decrease in store wages and benefits and costs savings related to the Company’s phase-out of warehouse operations.

Year End Financial Results (comparison to year ended January 31, 2021):

- **Gross profit margin** increased from 29.5% to 30.8%.
- **Sales** decreased 15.0% from \$30.3 million to \$25.7 million which was impacted by Organic Garage’s renovation to one of its older retail store locations as well as changes to Government COVID-19 lockdown policies compared to the previous year.
- **Net loss** \$2,986,786 compared to \$263,322 for the year ended January 31, 2021.
- **Administrative wages and benefits** decreased by 17.7% due to improved efficiencies;
- **Store wages and benefits** decreased by 9.6% due to management of staffing and improved efficiencies;

- **CPG Division** acquired the Future of Cheese in February 2021
- **Warehouse Phaseout** was completed in April 2021

Net loss: The Company had a net loss of \$2,986,786 for the year ended January 31, 2022, compared to a net loss of \$263,322 for the year ended January 31, 2021. The net loss was primarily related to a decrease in sales due to the Company's decision to complete significant renovations at one of the older Organic Garage retail locations, non-cash based depreciation of \$1,558,427, non-cash stock-based compensation of \$1,090,628 and non-cash finders' fees of \$462,300, costs incurred during the renovation, and professional fees incurred during the acquisition of the Future of Cheese, merchant fees, and certain non-recurring regulatory and filing fees. These costs were offset by improved gross margins, decreases in administrative wages and benefits, decrease in store wages and benefits and costs savings related to the Company's phase-out of warehouse operations.

In February 2022, the Company announced the change of its name from Organic Garage Ltd. to Oragin Foods Inc. and the launch of a Consumer Packaged Goods (CPG) Division which currently has one portfolio company, the Future of Cheese, and separate operations through ORAGIN's Retail Division (Organic Garage).

Organic Garage completed its shift to a decentralized distribution model in April 2021, and successfully entered into an agreement to sub-lease the warehouse facility for the remainder of the lease term. During the year ended January 31, 2022, the incremental savings were approximately \$803,000¹, consisting primarily of savings related to wages and benefits, transportation, and rent. The shift was a significant accomplishment to complete during the height of the COVID-19 pandemic and its strategic move has right-sized the business from an expense and operational perspective to prepare the Company for the expansion potential that exists in the market.

Matt Lurie, CEO of ORAGIN, commented, "It is a very exciting time for our Company as we move in a new direction through our CPG Division and continue our strong operations through our Retail Division's grocery store brand, Organic Garage. We are pleased with the financial and strategic positions in which the Company has finished the year and believe we are set up to accomplish some great things in the upcoming year. There were short-term negative impacts to the bottom line in Q4 related to the renovation of one of our Organic Garage store locations, however, our long-term expectations for the store are very positive and we expect that our hard work will translate into improved operations and an enhanced customer experience for years to come. The decision to undertake the renovation during this time was strategic and purposeful, ensuring that the future store expansion pipeline we are building towards will add to a solid foundation of unified stores reflecting the award-winning branding and services of our store model going forward.

"Additionally, we did incur certain significant non-recurring operational expenses during the year ended January 31, 2022, and incurred non-cash stock-based compensation and finders' fees totalling \$1.6 million and \$1.6 million of non-cash depreciation that made up the majority of the loss shown on our financials. Looking forward into our upcoming year we are expecting fiscal improvements for the associated areas of our operations that faced these non-recurring expenses. Management continues to focus on

¹ Non-IFRS measure. Incremental savings specific to warehouse operations include administrative wages and benefits, transportation and freight delivery costs, rent and other financing costs, and other costs in comparing expenses for the year ended January 31, 2022 to January 31, 2021. Refer to our Management Discussion and Analysis for the year ended January 31, 2022 for further details and reconciliation of amounts referenced.

incremental operating expense reduction, while maintaining and improving our product and service offering.

“Regarding the Future of Cheese, it was exciting 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. We have seen high demand for our products and have received overwhelmingly positive feedback from our customers, retailers and restaurant partners. With the addition of food industry expert Yosi Heber in Q4 and more recently industry executive Matt Merson in March 2022, our focus on both domestic expansion and entrance into the U.S. market is making positive headway. The CPG Division continues to progress as we engage and pursue select M&A opportunities to grow the portfolio of brands we control.

“The future is very bright for ORIGIN and both divisions show enormous potential for growth. I look forward to working with our teams and capitalizing on the exciting opportunities ahead.”

About Origin Foods Inc.

Origin Foods Inc (TSXV: OG) (OTCQX: OGGFF) (FRA: 9CW) is a Canadian multi-pronged food company, where new and innovative food and beverage brands are developed, acquired, grown and commercialized through a Consumer Packaged Goods (CPG) Division. The Company also houses a Retail Division, which owns and operates one of Canada’s leading natural and organic food retailers Organic Garage. For more information, please visit the ORIGIN website at www.origin.com.

About Organic Garage Ltd.

Organic Garage 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.

About Future of Cheese

The Future of Cheese Inc is a Canadian plant-based cheese innovator and manufacturer led by one of the world's best and recognized cheese makers, along with one of Canada's top chefs, and supported by a team of science minds and sustainability experts. Utilizing unique aging and manufacturing processes, a well-established distribution network and high-profile marketing channels, the Company is set to disrupt the rapidly growing plant-based dairy alternatives market, paving the way for the future of plant-based dairy alternatives! For more information please visit the Future of Cheese website at www.futureofcheese.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 Oragin Foods, that may cause the actual results, level of activity, performance or achievements of Oragin Foods to be materially different from those expressed or implied by such forward looking statements. Oragin Foods is making forward-looking statements with respect to advisors expanded role with the Future of Cheese, and the business plan and impact of the FDA registration on the Company and domestic and international expansion. Although Oragin Foods 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 Oragin Foods' 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, Oragin Foods assumes no obligation to publicly update or revise such statements to reflect new information, subsequent or otherwise.