



## ORAGIN FOODS INC. REPORTS SECOND QUARTER RESULTS

**September 28, 2022, Toronto, Canada:** ORAGIN Foods Inc. (“ORAGIN”, “Oragin Foods” or the “Company”) (TSXV: OG) (OTC: 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 ended July 31, 2022 (“Q2”). The Company has a Fiscal Year End of January 31. All figures presented are in Canadian Dollars, the Company’s functional currency.

### **Q2 Financial Results** (comparison to quarter ended July 31, 2021);

- **Net loss** of \$789,768 compared to \$383,130 for the quarter ended July 31, 2021;
- **Sales** decreased 17.3% from \$6.8 million to \$5.7 million and was impacted by renovations to one of its older retail store locations that reached completion in June;
- **Gross Profit** of \$1,685,845 compared to \$2,249,196 for the quarter ended July 31, 2021;
- **Store wages and benefits** decreased by 7.9% due to management of staffing and improved efficiencies.

**Net loss:** The Company had a net loss of \$789,768 for the quarter ended July 31, 2022, compared to a net loss of \$383,130 for the quarter ended July 31, 2021. Net loss was attributed to a decrease in sales due to the Company’s decision to complete significant renovations at one of the older Organic Garage retail locations which was finalized during the second quarter, non-cash stock-based compensation of \$46,498, non-capitalized costs incurred during the renovation and non-cash depreciation of \$428,932, offset by decreases in store wages and benefits and costs savings related to the Company’s phase-out of warehouse operations.

In June, the Company was named to the Corporate Knights’ inaugural *Future 50 Fast-Growing Sustainable Companies* in the Canada list. Recognition as a market leader in the transition to a global clean economy resonates with our loyal customer base and reiterates the Company’s commitment to provide sustainable products and business practices.

Matt Lurie, CEO of ORAGIN, commented, “We continue to focus on and prioritize our operational goals for both the short- and long-term as well as strategies to increase in-store sales, including enhanced and targeted advertising and promotion. The renovations impacted our second quarter sales and results; however, we expect that the short-term negative impacts will be offset by the long-term expectations for the location.

“Management acknowledges that there are continuing challenges facing the business regarding in-store sales, distribution, and the labour market, and are working diligently to ensure that we are navigating the

economic environment with strategic purpose.

“In relation to the Future of Cheese, we were excited that in May, we obtained Organic Certification through Ecocert, which allows the Company to market Organic claims on its products in the Canadian, United States and European Union markets. Ecocert has an international network of more than 130 countries to verify the conformity of practices with Organic specifications.

“Looking forward through the third and fourth quarters, we are focusing on fiscal improvements for the associated areas of our operations that faced non-recurring expenses last year, a recovery of in-store sales, and improved gross margin. We continue to remain excited and optimistic for the go-forward path of Oragin Foods and both of our divisions continue to show opportunity for growth.”

**About Oragin Foods Inc.**

Oragin Foods Inc (TSXV: OG) (OTC: 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](http://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](http://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](http://www.futureofcheese.com).

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#### **Non-IFRS Financial Measures**

This press release may include 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 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 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.