

# Organic Garage (Canada) Ltd. Transaction Opportunity



*A unique opportunity to acquire an independent natural and organic grocery store chain in the Greater Toronto Area*

## Background

- On March 5, 2024, Organic Garage (Canada) Ltd. and certain of its affiliates (collectively, the “**Company**” or “**Organic Garage**”), filed a Notice of Intention to Make a Proposal (the “**NOI**”) pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act (Canada)* and KPMG Inc. was named as the trustee under the NOI (the “**Proposal Trustee**”).
- On or about March 14, 2024, the Company will bring a motion before the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) for an order approving, among other things, the process for the solicitation of offers in respect of business and assets of Organic Garage (the “**SSP**”). The Proposal Trustee will have overall supervision of the SSP and is assisting the Company with contacting potential interested parties to discuss this transaction opportunity.



## Company Overview

- Organic Garage (Canada) Ltd. and its affiliates (collectively, the “**Company**” or “**Organic Garage**”) is an independent retailer of natural and organic products through its retail network of four store locations in the Greater Toronto Area.
- Founded in December 2006, the Company offers 100% organic produce, in addition to grocery, dairy, bulk, bakery, meat, frozen, prepared food items and more at affordable prices relative to its competitors.
- The Company operates through its four modern grocery stores located in densely populated areas in Toronto, Vaughan and Oakville.



## Operational and Financial Highlights

**\$22M** Revenue<sup>(1)</sup>    **27.5%** Gross<sup>(1)</sup> Margin    **4** Stores

<sup>(1)</sup> For year ended January 31, 2024

## Investment Highlights

### Healthy Consumer Trends

- Comprehensive selection of organic and natural foods across all categories making the Company well-positioned to capitalize on changes in consumer eating habits towards healthier alternatives with natural ingredients.

### Specialization and Focus on Product Selection

- With a philosophy of “We Read The Labels So You Don’t Have To”, the Company takes a focused approach in ensuring only 100% Certified Organic produce, hormone free meats, and healthier alternatives are made available to its customers.

### Simplified Store Formats with Decentralized Distribution

- Efficient and flexible smaller store formats with a fully decentralized distribution model to supply its stores allowing for reduced overhead and other unnecessary costs. The decentralized distribution model is also conducive for future expansion of store locations.

### Consumer Experience

- The Company can easily attract customers owing to its unique industrial style stores offering an enjoyable and memorable experience with an inviting ambiance and the Handpicked Partner Program through which specialty third-party operators offer made-to-order, ready-made food and beverage options to customers.

### Strong Supplier Relationships

- Strategic business relationships with suppliers and distributors to ensure reliable and high-quality product supply for the Company’s stores.



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## Proposed Process Instructions

The Proposal Trustee understands the proposed SSP, subject to Court approval, will include a stalking horse bid for certain of the Company's assets, subject to higher or otherwise better offers. The SSP is designed to provide prospective purchasers with an opportunity to present a bid superior to that contemplated by the stalking horse bid and contemplates the following general steps:

- Interested parties shall be required to execute a non-disclosure agreement and return it to the Proposal Trustee in order to gain access to confidential information maintained in a virtual data room (the "VDR"). A copy of the bidding procedures and the stalking horse bid will be made available in the VDR.
- Parties interested in acquiring the Company are required to submit offers (the "Offers") to the Proposal Trustee by no later than 5pm EST on April 10, 2024 (the "Bid Deadline").
- In order to be considered, Offers must conform to the requirements for a Qualified Bid (as outlined in the Bidding Procedures) and must be submitted in the form of the stalking horse bid, showing any amendments and modifications thereto.
- If one or more Qualified Bids are received, the Proposal Trustee will conduct an auction by no later than April 12, 2024. Further information will be provided to Qualified Bidders invited to attend after the Bid Deadline but prior to the auction.

The Proposal Trustee will provide interested parties with a copy of the Court bidding procedures approved by the Court as part of the SSP, as well as any modification in the timelines presented above.

## Key Contacts

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## PRIVATE & CONFIDENTIAL

### Important Notice

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This transaction overview does not constitute an offer or invitation to persons to subscribe for or purchase any shares or other securities in any company or for persons to enter or offer to enter into an investment agreement or to exercise any rights conferred by an investment to acquire, dispose of, underwrite or convert an investment.

The transaction overview contains basic information, statements, and estimates provided to KPMG by the Company and its management.

Any person including any proposed acquirer of shares/assets of the Company referred to in this document or any business or assets referred to herein must satisfy himself as to all matters relating to the Company or such business assets including all the information and statements contained herein.

If there is a discrepancy between this document and the SSP or Bidding Procedures, the SSP and Bidding Procedures shall prevail.

The transaction overview contains certain statements, estimates and projections with respect to the anticipated future performance of the Company. Such statements, estimates and projections reflect various assumptions made by the management of the Company concerning anticipated results, which assumptions may or may not prove to be correct. No representation is made as to the accuracy of such statements, estimates and projections.

KPMG on behalf of itself and all other member firms of KPMG, and all partners, staff and agents thereof, does not accept responsibility for any information contained herein and disclaims all liability to any person or entity arising out of or in connection with such information.

