



**Orchid Ventures Announces Financial Results for
Period Ended December 31, 2021**

	Three Months Ended Dec 31, 2021	Three Months Ended Sept 30, 2021	Variance (\$)	Variance (%)
Revenues, net	\$478,964	\$398,423	\$80,541	18.4%
Cost of sales	\$223,448	\$298,143	\$(74,695)	-28.6%
Gross profit	\$255,516	\$100,280	\$155,236	87.3%
Net expenses	\$651,099	\$678,081	\$(26,982)	-4.1%
Loss for the period	\$(413,776)	\$(221,201)	\$(192,575)	-60.7%

VANCOUVER, BC - February 14, 2021 - **ORCHID VENTURES, INC. (CSE: ORCD; OTC: ORVRF)** (the “**Company**” or “**Orchid**”) announces its second quarter (“Q2 2022”) financial results for the period ended December 31, 2021. All amounts expressed are in United States dollars.

Financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). Detailed information regarding the Company's financial results as well as management's discussion and analysis can be found on its SEDAR profile at <https://sedar.com/> and <https://ir.orchidessentials.com/>.

Management Commentary

Mr. Corey Mangold, CEO of Orchid Ventures commented, “The 2nd quarter of FY 2022 was a disappointing quarter from the standpoint of recognized revenue, however it was an encouraging quarter in terms of new sales orders secured. The Company anticipated that Q2 would be soft, as the new sales contracts that were finalized could not be recognized as revenue until products are manufactured and shipped from the factory. We expect Q3 to be a stronger quarter as the company has booked over \$900,000 USD in sales orders that will be accounted for in the quarter, which ends March 31. We have had repeat orders from our largest customers and have improved our sales pipeline with opportunities that can be substantial in terms of their potential impact to

our sales and profit outlook. We have also launched new sales initiatives including direct to retail custom branded product solutions. Due to Chinese New Year, which runs from late January to mid February, this quarter of the year is usually challenging in terms of getting products manufactured and delivered to customers. However, we still expect to have a stronger Q3 and Q4 to end the year with topline sales momentum and deliver a more consistent financial performance in terms of profitability. We are steadfast at not only increasing revenues, but getting to a break even point in the coming months.”

Summary of YTD FY2021 Developments

For three months ended December 31, 2021 (“Q2 2022”), the Company reported a net loss of \$413,776 against revenues of \$478,964 compared to a net loss of \$221,201 against revenues of \$398,423 for the three months ended September 30, 2021 (“Q1 2022”).

Sales increased by \$80,541 from the comparative period and gross profits increased \$155,236. Total operational expenses were \$651,099 during Q2 2022 compared to \$678,081 in Q1 2021. Management has made a considerable effort to minimize overall costs and overheads, while building on the all-important marketing initiatives. Operational expenses for Q2 2022 include non-cash items such as Fair Value Change in Warrant Liability of \$120,491 (Q1 2021 - \$16,556).

Path to Profitability

With fifteen states opening up to the recreational sale of cannabis, sales will continue to grow as new population groups, like Baby Boomers, Generation X and Millennials, realize the magnitude of cannabis applications and cannabis is accepted by more demographics. Expectation is that both medical and recreational Cannabis legislation will continue to open up new markets, accelerating the growth of Cannabis throughout North America, South America and Europe. Orchid plans to capitalize on the opportunity by launching several new initiatives, including the expansion of the Orchid Essentials Brand franchise through a licensing model and by expanding their vaporizer product portfolio, plus leveraging new technologies.

The Company has continued to focus on their strategy to build an Orchid Ecosystem that is non-cannabis touching and better focused on leveraging the Company’s core strengths, capabilities and product innovations in order to better differentiate within markets and disrupt the status quo. The key pillars to the strategy involve: (1) licensing the Orchid Essentials brand in the North America and Europe, expanding the Orchid product portfolio and commercializing new product innovation; (2) diversification beyond making cannabis products to servicing the cannabis industry with differentiated and disruptive hardware delivery systems, intellectual property development and strategic opportunities; plus (3) leveraging the Company’s core capabilities to provide go-to-market services like marketing, sales and retail expertise, e-commerce, plus packaging and distribution.

To support this strategy, Orchid has either fully developed or secured exclusive access to highly impactful product innovations and intellectual property for both Orchid Brands and for Purtec Delivery Systems. These two companies form a dynamic network, interacting with each other to create and exchange sustainable value for consumers and ultimately shareholders.

Orchid Brands

Based on Orchid’s branding, marketing and overall Cannabis experience and operational expertise the Company will continue to create opportunities for licensing the Orchid Essentials brand in order to expand reach into new markets and build strategic partnerships with high quality and respected local operating companies in the Cannabis industry. These licensees will use their

operational strength and core capabilities to penetrate new markets by leveraging the Orchid Essentials brand and portfolio of products to accelerate growth and secure market share.

PurTec Delivery Systems

PurTec Delivery Systems (“PurTec”), sells vaporizers and other delivery systems that are highly differentiated based on 4 key product imperatives: Design, Quality, Technology, and Safety. Importantly all Purtec products go through extensive quality control and durability testing, plus they are emissions tested against the strictest standards in the world, set by AFNOR for the European Union. In addition, the Company will continue to focus on driving operational efficiencies and cost control measures as the new strategic shift proceeds and begins to gain traction in terms of revenue generation and product/technology advancements. Investment will focus on People, Process and Technology to better position the Company for growth moving forward.

Outlook

Management expects that their continued commitment and execution to their strategic priorities, driven by further developing and fine-tuning their product offerings and go-to-market strategies, will place them on a consistent path to revenue and profit growth in FY 2022. Efforts will continue to focus on creating differentiation with superior, high quality and safe products combined with leveraging new technologies and innovations to disrupt markets, attract more customers and build market share. The Company believes that the new business model and strategy will establish a more viable and attractive option for not just consumers, but for employees and investors as well.

ABOUT ORCHID ESSENTIALS

Orchid Essentials is a California-based cannabis innovation company that has developed a mass-market brand and loyal consumer following with its premium cannabis products and unique vape hardware delivery systems. Orchid also owns 100% of PurTec Delivery Systems, a company that produces, markets and sells clean vaporizer hardware that has been emissions tested against the most stringent standards in the world set forth by the EU and has unrivaled product quality and value pricing. Orchid's management brings significant branding, product development and distribution experience with a proven track record of scaling businesses and building sustainable revenue growth through value-generating partnerships and innovation that creates enterprise value. Learn more at <https://orchidessentials.com/>

ON BEHALF OF THE BOARD OF DIRECTORS – ORCHID VENTURES, INC.

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