



Orchid Ventures Announces Financial Results for Period Ended March 31, 2022, Resignation of Director, and Upcoming Earnings Call

	Three Months Ended March 31, 2022	Three Months Ended Dec 31, 2021	Variance (\$)	Variance (%)
Revenues, net	\$162,602	\$478,964	\$(316,362)	-98.6%
Cost of sales	\$154,924	\$223,448	\$(68,524)	-36.2%
Gross profit	\$7,678	\$255,516	\$(247,838)	-188.3%
Net expenses	\$402,195	\$651,099	\$(248,904)	-47.3%
Loss for the period	\$(421,885)	\$(413,776)	\$(8,109)	-1.9%

VANCOUVER, BC - May 9, 2022 - **ORCHID VENTURES, INC. (CSE: ORCD; OTC: ORVRF)** (the “Company” or “Orchid”) announces its third quarter (“Q3 2022”) financial results for the period ended March 31, 2022. 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. Richard Brown, President and CFO of Orchid Ventures commented, “The 3rd quarter of FY 2022 was disappointing from the standpoint of recognized revenue, however, it was encouraging in terms of new sales orders secured. Q3 is usually more challenging in terms of getting products manufactured given that Chinese New Year runs from late January to mid February. Things were made worse this year however, as there was also an unexpected factory shutdown due to a Covid outbreak in the last 2 weeks of March, which impacted our ability to get orders out, as all shipments were delayed. The result was that revenue associated with these orders could not be recognized in Q3 and will roll over into Q4. We expect Q4 to be a stronger quarter as the

company has secured additional sales to go along with the revenue that will roll over from Q3. We have also expanded our sales pipeline considerably and our sales team is currently working with a number of new prospects and on closing various deals over the coming weeks and months. We continue to fine-tune our product portfolio as we work closely with our OEM partners to both improve current products and finalize testing on new products that will strengthen our competitive position. We remain optimistic that we will finish strong in FY 2022 by posting improved sales in Q4 versus previous quarterly performance. With our growing sales pipeline and more reliable product offerings our goal is to start FY 2023 strong by posting stronger growth quarter-over-quarter and delivering improved profitability.

Summary of YTD FY2022 Developments

For three months ended March 31, 2022 ("Q3 2022"), the Company reported a net loss of \$421,885 against revenues of \$162,602 compared to a net loss of \$413,776 against revenues of \$478,964 for the three months ended December 31, 2021 ("Q2 2022").

Total operational expenses were \$409,979 during Q3 2022 compared to \$651,099 in Q2 2022, a 37% decrease. Management has made a considerable effort to minimize overall costs and overheads, while building the sales pipeline and targeting specific marketing initiatives.

Path to Profitability

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.. 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 this business model and strategy will establish a more viable and attractive option for not just consumers, but for employees and investors as well.

Effective Friday May 6, 2022, Mr. Mervyn Simchowitz will no longer be serving on the Board of Directors of Orchid Ventures, Inc. for personal reasons. We wish Mervyn the best and will remain close to him and seek his advice in the future.

Orchid Ventures Inc. Earnings Call and Shareholder Update

Date: May 11, 2022

Time: 12:00pm Noon Eastern Standard Time (EST)

Toll Free: 888-506-0062

International: 973-528-0011

Participant Access Code: 615580

Replay

Toll Free: 877-481-4010

International: 919-882-2331

Replay Passcode: 45548

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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