

## Organto Agrees to Sell Colombian Cannabis Subsidiary *Focus on Core Organic Foods Platform*

**Vancouver, BC, Canada, June 27, 2019 - Organto Foods Inc. (TSX-V: OGO, OTC: OGOFF) ('Organto')**. Organto today announced that it has entered into a Share Purchase Agreement ("Agreement") to sell its shares of Medicannabis S.A.S., ("**Medicannabis**") to Xebra Brands Ltd. ("**Xebra**") for a combination of shares of Xebra, cash and forgiveness of debt. Prior to this Agreement, Organto owned 100% of the outstanding shares of Medicannabis, a privately held Colombian company focused on the development of medicinal cannabis. Xebra is an emerging, privately held Canadian cannabis company developing high-margin cannabis-based consumer products, with a major focus on cannabis infused beverages. Xebra intends to seek a public listing on the TSX Venture Exchange.

Under the terms of the Agreement, Organto and former shareholders and certain advisors of Medicannabis will receive a total of 10,000,000 common shares of Xebra, representing approximately 9.9% of the outstanding shares of Xebra, with Organto receiving 7,124,630 common shares and the former shareholders and advisors of Medicannabis receiving 2,875,370 common shares. As a result of the Xebra shares being issued directly by Xebra to the former shareholders and certain advisors of Medicannabis, 7,461,538 common shares of Organto previously issued as part of the acquisition of Medicannabis will be cancelled.

Organto will receive cash proceeds of CDN\$500,000 with \$290,000 paid on closing and \$210,000 to be paid based upon certain financing objectives of Xebra, but in any event no later than September 30, 2019. Organto currently has outstanding payables of approximately CDN\$150,000 related to Medicannabis that will be paid from the cash proceeds received, and as a result will ultimately realize net cash proceeds of \$350,000 from this sale.

In addition to the cash proceeds, promissory notes of approximately \$600,000 due by Organto to Xebra will be also be forgiven and Xebra will assume all outstanding debts and obligations of Medicannabis.

As part of the agreement Organto has been granted a ROFR (right-of-first refusal) to distribute Xebra's cannabis products throughout Europe.

The transaction is subject to shareholder and TSX-V approval.

"We are very pleased to enter into this agreement to sell our medicinal cannabis assets to Xebra Brands Ltd. We believe the combination of our Colombian cannabis assets with the assets of Xebra, position the combined business for long-term success in the ever changing and rapidly growing global cannabis market." commented Steve Bromley, Chair and Interim Chief Executive Officer of Organto Foods Inc. "With this transaction we will continue to have an investment in this



exciting and fast-growing sector while we focus operationally on our core organic fruit and vegetables platform. We believe the opportunity in organic fruits and vegetables is significant as global healthy eating and wellness trends continue to drive strong growth on a global basis, and with our recent repositioning and diverse customer base and supply chain capabilities, we are well-positioned to capture this market opportunity.”

ON BEHALF OF THE BOARD

*Steve Bromley*

Chair and Interim Chief Executive Officer

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.*

For more information contact:

**Investor Relations**

604-634-0970

1-888-818-1364

[info@organto.com](mailto:info@organto.com)

## ABOUT ORGANTO

Organto’s business model is rooted in its commitment to sustainable business practices focused on environmental responsibility and a commitment to the communities where it operates, its people and its shareholders. The Organto Foods Group is an integrated provider of year-round value-added branded organic vegetables and seasonal organic



and non-GMO fruit and vegetable products using an asset-light business model to serve a growing socially responsible and health conscious consumer around the globe.

## FORWARD LOOKING STATEMENTS

This news release may include certain forward-looking information and statements, as defined by law including without limitation Canadian securities laws and the “safe harbor” provisions of the US Private Securities Litigation Reform Act of 1995 (“forward-looking statements”). In particular, and without limitation, this news release contains forward-looking statements respecting Organto’s current business model and related expertise; Organto’s belief that the combination of its Colombian cannabis assets with the assets of Xebra, position the combined business for long-term success in the ever changing and rapidly growing global cannabis market; Organto’s belief that the opportunity in organic fruits and vegetables is significant as global healthy eating and wellness trends continue to drive strong growth on a global basis; Organto’s belief that with its recent repositioning and diverse customer base and supply chain capabilities, the business is well-positioned to capture the opportunity in organic foods; management’s beliefs, assumptions and expectations; and general business and economic conditions. Forward-looking statements are based on a number of assumptions that may prove to be incorrect, including without limitation assumptions about the following: the ability and time frame within which Organto’s organic foods business model will be implemented; dependence on suppliers, partners and contractual counter-parties; changes in the business or prospects of Organto; unforeseen circumstances; risks associated with the organic produce business generally, including inclement weather, unfavorable growing conditions, low crop yields, variations in crop quality, spoilage, import and export laws, unforeseen costs increases and similar risks; transportation costs and risks; general business and economic conditions; and ongoing relations with distributors, customers, employees, suppliers, consultants, contractors and partners. The foregoing list is not exhaustive and Organto undertakes no obligation to update any of the foregoing except as required by law.

