

Organto Announces Record Third Quarter Revenues *Updates Previous Guidance Provided*

Vancouver, BC, Canada, October 17, 2019 – Organto Foods Inc. (TSX-V: OGO, OTC: OGOFF) (“Organto” or “the Company”), an integrated provider of fresh organic vegetables and fruits today updated previous revenue guidance that was provided on August 21, 2019, noting significant upside versus the previous guidance that was provided.

Revenues for the third quarter ending September 30, 2019 are expected to be approximately CDN \$1.9¹ million versus previous guidance of CDN \$1.3 to CDN \$1.5 million. Quarterly revenues of CDN \$1.9¹ million are a new record for the Company, and represent a 336% increase over the third quarter of 2018 as well as a significant improvement over the first and second quarters of 2019. Revenues were positively driven by a diverse set of fresh organic and conventional products including asparagus, avocado and mangos and sold into a variety of customers in the Netherlands, Spain, Russia, UK, Sweden and Denmark. Gross margins for the quarter increased significantly versus prior periods and are expected to be in the range of approximately 9% of revenues, also a quarterly record for Organto, driven by the benefits of the Company’s re-engineered supply chain and rationalized cost base.

“We are very pleased with our projected record third quarter revenue and margin results which reflect the efforts we have made to reposition our business in the fast-growing fresh organic vegetables and fruits category. We believe the opportunity in organic vegetables and fruits is very strong as the global trend towards healthy eating and wellness continues to drive growing demand on a global basis.” commented Riens van der Wal, CEO of Organto Europe B.V. “We continue to build out our platform and have recently expanded our supply of fresh avocados and organic blueberries, all the while continuing to develop new strategic supply sources to meet market demand. Following our recent repositioning and with our expanded customer base and supply chain capabilities, we believe Organto is well-positioned to capture this market opportunity.” added Mr. Van der Wal.

Over the past year, Organto has repositioned its organic foods platform shifting from an asset heavy, single revenue stream business model, to an asset light, multi-stream business model. The Company has made important progress in executing its plans including exiting Company-owned growing operations, selling its processing facilities in Guatemala and exiting Company operated packaging operations in the Netherlands, all in favor of strategic sourcing arrangements with grower partners in Peru, Argentina, Mexico, Zimbabwe and others and third party processing and packaging arrangements with globally positioned strategic partners. Organto has also streamlined its cost base and expanded its product offering from high-value organic vegetables including organic green beans, sugar snaps and snow peas to other value-added organic and conventional vegetables and fruits including asparagus, avocado, blueberries, mango and other products. Organto continues to pursue new strategic supply sources around the globe as it works to complete year-round supply of its core product offerings and also bring new complimentary products to its existing portfolio.

Organto expects to provide guidance for the fourth quarter of 2019 in mid to late November.



ON BEHALF OF THE BOARD,

Steve Bromley

Chair and Interim Chief Executive Officer

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¹ Forecast is based on shipping a variety of organic and conventional products including avocados, berries, asparagus and other products with an average sales price ranging from CDN\$4-\$11/kilo of sold product. We anticipate sourcing products from numerous suppliers and countries including, but not limited to, México, Perú, Argentina, Zimbabwe and other countries.

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 business model and markets; Organto's integrated supply capabilities and plans to continue to develop and expand these capabilities; Organto's belief that the opportunity in organic vegetables and fruits is very strong as healthy eating and wellness grows on a global basis; Organto's belief that as a result of repositioning the Company is well-positioned to capture the growing markets opportunity; Organto's expectation that revenues in the third quarter will be approximately \$1.9 million and represent a record for the Company; Organto's expectation that gross margins for the quarter will be in the range of 9% of revenues and represent a record for the Company; 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 business model will be implemented and product supply will be increased; cost increases; 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 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.