

## Organto Provides Corporate Update and Second Quarter Revenue Guidance

Vancouver, BC, Canada, May 28, 2020 - Organto Foods Inc. (TSX-V: OGO, OTC: OGOFF) ("Organto" or the "Company"), an integrated provider of organic and value-added fruits and vegetables today provided an update on continued operations during the COVID-19 pandemic, forecast record revenues for the second quarter of 2020, plus the status of the Company's postponed filing of its annual financial statements and related filings for the financial year ended December 31, 2019.

### Business Operations During COVID-19 Pandemic

Organto's management and operations personnel located in the Netherlands have returned to the office this week, while all other global team members continue to work remotely. The Company's information technology and communication systems continue to operate well, permitting full operational and administrative capabilities from both central and remote locations. Operations in the Netherlands have been relocated to expanded office space to facilitate both business needs and health and safety protocols. Riens van der Wal, Chief Operating Officer, Organto Foods Inc., and Chief Executive Officer, Organto Europe B.V. commented, "I want to welcome our valued Netherlands team back into our new office space, and thank each of them, in addition to all of our colleagues around the globe, for their significant efforts in ensuring our operations continued to operate effectively while all were working remotely."

Demand for healthy and nutritious foods has remained strong throughout key European markets. Our supply chains continue to operate well under difficult circumstances, as governments have prioritized food operations as essential during the pandemic. Organto continues to believe its diverse sourcing and logistics expertise combined with flexible supply chain capabilities has positioned the Company for success, both in the short and longer term. Organto continues to carefully monitor developments and will update stakeholders as new information becomes available.

### Second Quarter 2020 Preliminary Revenue Guidance

For the second quarter ended June 30, 2020 Organto expects to realize record second quarter revenues of approximately CDN \$2.0 to CDN \$2.2<sup>1</sup> million, which would represent the largest quarterly revenues in the history of the Company, and an increase of approximately 3,300% versus the same quarter in the prior year. Second quarter revenues are being driven primarily by sales of avocado, asparagus and other fruits and vegetables, with seasonal ginger and lime sales commencing late in the period. Products are being sold to a diverse customer base of traditional retailers, specialty organic retailers and distributors throughout Europe. Gross profits are also expected to be positive for the quarter and significantly improved versus the prior year. Forecast

<sup>1</sup> Forecast is based on shipping a variety of organic and conventional products including avocados, asparagus, and other fruit and vegetable products with an average sales price ranging from CDN\$4-\$11/kilo of sold product. We anticipate sourcing products from numerous suppliers : countries including, but not limited to, Mexico, Peru, Argentina, Italy and others.



results for the second quarter will represent the fourth consecutive quarter of record revenues for the Company, confirming the benefits of the Company's repositioned business model and demonstrating Organto's ability to operate effectively during the COVID-19 crisis. "We are extremely pleased with our forecast revenues and gross profits for the second quarter, which would be the largest quarterly revenues in the history of Organto." commented Steve Bromley, Chair and Interim Chief Executive Officer. "Demand remains strong for healthy and nutritious organic fruits and vegetables and we are looking forward to accelerating the growth of our business with the additional financial resources currently being raised." added Mr. Bromley.

### **2019 and Q-1 2020 Financial Statements**

Organto is also providing an update on the status of the postponed filing of its annual financial statements and accompanying management's discussion and analysis, and related CEO and CFO certifications for the financial year ended December 31, 2019 (the "Financial Reports").

In response to the COVID-19 pandemic, the Canadian Securities Administrators ("CSA") issued a notice on March 18, 2020 stating that securities regulators were providing coordinated relief consisting of a 45-day extension for certain periodic filings required to be made on or prior to June 1, 2020. As such the British Columbia Securities Commission ("BCSC") enacted BC Instrument 51-515, Temporary Exemption from Certain Corporate Finance Requirements ("BC 51-515").

On April 28, 2020 Organto announced that due to circumstances created by the COVID-19 pandemic, that it would not file its Financial Reports by the scheduled due date of April 29, 2020 as required by National Instrument 51-102. Instead, Organto would utilize the temporary exemption under BC 51-515 to file its financials. Organto is continuing to work with its auditors and is targeting to file its Financial Reports by June 15, 2020.

The Company further announces that filing of its unaudited interim quarterly financial statements and accompanying management's discussion and analysis for the quarter ended March 31, 2020 ("Interim Financial Reports") will be postponed as well due to delays caused by the COVID-19 pandemic. The Interim Financial Reports would ordinarily have been filed on or before June 1, 2020, the required deadline set by NI 51-102. Organto is relying on the exemption provided in BC Instrument 51-515, Temporary Exemption from Certain Corporate Finance Requirements ("BC 51-515"), which provides the Company with an additional 45 days to file its Interim Financial Reports, which includes the following continuous disclosure documents:

- the Company's unaudited financial statements for the quarter ended March 31, 2020 as required by section 4.4 of NI 51-102; and
- the Company's Management's discussion and analysis for the quarter ended March 31, 2020 as required by section 5.1(2) of NI 51-102.

The Company expects to file the Interim Financial Reports no later than July 14, 2020.

Until the Company has filed the Financial Reports and Interim Financial Reports management and other insiders of the Company will be subject to a trading black-out, as described in principle in



Section 9 of National Policy 11-207. The Company confirms that since the filing of its interim consolidated financial statements for the period ended September 30, 2019, there have been no material business developments other than those already disclosed through news releases.

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.*

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## 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 repositioned business model; Organto's belief that having realized four consecutive quarters of record revenues and positive gross profits demonstrates the benefits of its repositioned business model; Organto's belief that demand for fresh organic fruits and vegetables continues to grow and demand in European markets remains strong; Organto's belief that their information technology and communication systems continue to operate well; Organto's belief that second quarter revenues will be in the range of CDN \$2.0 million to CDN \$2.2 million and gross profit will be improved versus the prior year; Organto's belief that the funds raised will allow Organto to accelerate growth of the business; 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; 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; ongoing relations with distributors, customers, employees, suppliers, consultants, contractors and partners and joint venturers; and risks associated with cannabis operations and receipt of required licenses in Colombia. The foregoing list is not exhaustive and Organto undertakes no obligation to update any of the foregoing except as required by law.