

Organto Receives Approval for the Sale of Guatemalan Plant and Equipment

Vancouver, BC, Canada, October 3, 2019 - Organto Foods Inc. (TSX-V: OGO, OTC: OGOFF) (“Organto” or the “Company”). Further to its news release of March 27, 2019, Organto today announced that it has received shareholder approval and final acceptance of the TSX Venture Exchange for the sale of the Company’s processing plant and related assets including land, buildings and processing equipment (the “Assets”) located in Patzun, Chimlaltenango, Guatemala, to Organizacion de Mercadeo S.A., (“Omega”). Final closing remains subject to Organto receiving certain final deliverables from Omega.

The Assets were deemed non-strategic in 2018 as a result of Organto’s transition to an asset light business model. Organto’s re-engineered vegetable and fruit operating platform, sources and processes a variety of fresh, value-added organic and conventional vegetable and fruit products from strategic grower and processing partners in key sourcing regions including Mexico, Peru, Argentina, Zimbabwe and Colombia, for year-round distribution to fast growing consumer markets. Organto’s current distribution is centered in European markets with a focus on the development of the Organto “I am Organic” brand.

“With the shift in our foods business to an asset light business model, we felt there was no longer a strategic benefit to Organto to maintain these assets.” commented Steve Bromley, Chair and Interim Chief Executive Officer of Organto Foods Inc. “The disposal of these assets improves our balance sheet and reduces ongoing operating costs as we continue to focus on our asset light vegetable and fruit operating platform.”

As per the terms of the agreement signed in March 2019, Omega acquired the Assets on an “as is” basis for consideration of USD \$857,934, or approximately CDN \$1,125,000. Consideration was paid via the discharge of certain loans from Omega and related parties to Organto in the amount of CDN \$404,095 (USD \$314,647), cancellation of 5,873,257 common shares of Organto at a deemed price of CDN \$0.11 per share or CDN \$646,069, and the assumption of an interest-free note payable from Omega in the amount of CDN \$74,836 (USD \$56,628), due on the second anniversary of the closing date, and secured by a lien on the Assets.

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 current business model and related expertise; Organto's belief that they have successfully shifted to an asset light business model in its foods business; Organto's belief that the Guatemalan processing assets were no longer strategic to execution of business plans; Organto's belief that the disposal of the Guatemalan assets has improved the Company's balance sheet and reduced operating costs; 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.

