

## Organto Announces Record Fourth Quarter and Fiscal 2019 Revenues

**Announces Investor Update Call for Monday, February 24th at 11:00 am EST**

**Vancouver, BC, Canada, February 20, 2020 – Organto Foods Inc. (TSX-V: OGO, OTC: OGOFF) (“Organto” or “the Company”), an integrated provider of fresh organic vegetables and fruits today announced expected record revenues for the fourth quarter and fiscal year ended December 31, 2019. In addition, Organto announced it will be hosting an investor call on Monday, February 24, 2020 at 11:00 am EST, to update on current market conditions, ongoing operations and plans for the future.**

### **Fourth Quarter 2019 Revenue Guidance**

The quarter ended December 31, 2019 saw record fourth quarter revenues of approximately CDN \$1.5 to CDN \$1.6 million, an increase of approximately 45% versus the same quarter in the prior year. Fourth quarter revenues were driven by sales of organic asparagus, avocado, mangos and other fruits and vegetables, which were sold to a diverse customer base of traditional retailers, specialty organic retailers, food service and distributors located in the Netherlands, U.K., Germany, France, Spain, Russia, Sweden, Norway and Denmark. Gross margins are expected to be significantly improved versus the prior year, as a result of Organto’s reengineered business model.

“We are very pleased with our projected record fourth quarter revenues 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 Rients van der Wal, Chief Operating Officer of Organto and CEO of Organto Europe B.V. “We continue to build out our operating platform and expand our customer base as we add new supply sources to meet market demands, and as a result, we believe we are well-positioned to take advantage of the growing health and wellness opportunity.” added Mr. Van der Wal.

### **Fiscal 2019 Revenue Guidance**

Revenues for the year ended December 31, 2019 will also be an annual revenue record for Organto with revenues expected in the range of approximately CDN \$3.65 to CDN \$3.75 million<sup>1</sup>, an increase of approximately 140% versus the prior year. The majority of revenues in fiscal 2019 were realized in the last two quarters of the year as the Company’s repositioned business model gained traction in the third quarter, leading to increases in both revenue and margins. Gross margins are expected to be approximately 6% for Fiscal 2019 versus -38% for Fiscal 2018 as our business continued to grow in the back half of the year.

<sup>1</sup> 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.



Over the past eighteen months, 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, Colombia, Morocco, 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.

**Investor Update Call – Monday, February 24, 2020 at 11:00 AM EST**

Organto plans to host a conference call at 11:00 AM EST on Monday, February 24, 2020 to discuss current market conditions, ongoing operations and plans for the future. After opening remarks there will be a question and answer period. This call may be accessed through one of the following numbers:

U.S.: +1 929 436 2866	Canada: +1 647 558 0588
U.K.: +44 203 481 5237	Netherlands: +31 20 794 0854
Germany: +49 695 050 2596	

Please enter the following Meeting ID#459706742. Alternatively, you can enter the Zoom portal by the following link at <https://zoom.us/j/459706742>.

ON BEHALF OF THE BOARD,

*Steve Bromley*  
Chair and Interim Chief Executive Officer

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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 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 fourth quarter will be in the range of CDN \$1.5 to CDN \$1.6 million, representing a fourth quarter revenue record for the Company; Organto's expectation that revenues for fiscal 2019 will be in the range of CDN \$3.65 to CDN \$3.75 million, representing an annual revenue record for the Company; Organto's expectation that gross margins for the fourth quarter will be significantly improved versus the prior year; 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.

