

## Organto Provides Corporate Update

Vancouver, BC, Canada, April 28, 2020 - Organto Foods Inc. (TSX-V: OGO, OTC: OGOFF) ("Organto" or the "Company"), an integrated provider of value-added fruits and vegetables today provided a further update on commercial operations during the COVID-19 pandemic plus an update on a number of corporate matters.

### ***Business Operations During COVID-19 Pandemic***

Organto continues to operate effectively on a remote basis during the COVID-19 crisis with our information technology and communication systems operating as expected. While a challenging operating environment, there have been no significant disruptions in to our business since the start of the pandemic and the resulting restrictions which have been imposed. Demand for food at the retail level has remained strong throughout key European markets, as consumers have shifted from eating outside the home to eating at home, and this is expected to be the case for some time to come. Supply chains continue to operate with the provision of essential nutritious foods a priority, driven by governments and supply chain partners.

On March 30<sup>th</sup> Organto announced that even with the onset of COVID-19 in European markets in late February/early March, the Company expects to realize record first quarter 2020 revenues of approximately CDN \$1.6 to CDN \$1.65 million, an increase of approximately 1,200% versus the same quarter in the prior year, and a Company record for first quarter results. Forecast results for the first quarter will represent three consecutive quarters of record revenues and gross profits for the Company, demonstrating the success of the Company's repositioned business model and its ability to operate effectively during the COVID-19 crisis.

### **2019 Financial Statements**

Organto is providing an update on the status of the 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 will be 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") has enacted BC Instrument 51-515, *Temporary Exemption from Certain Corporate Finance Requirements* ("BC 51-515"). As a result of circumstances created by the COVID – 19 pandemic, Organto will not file its Financial Reports by the scheduled due date of April 29, 2020 as required by National Instrument 51-102, and instead will utilize the temporary exemption under BC 51-515 to file its financials.

The Company is continuing to work with its auditors to file the Financial Reports on or before June 15, 2020. In the interim, 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.

### **Extension of Bridge Loans & Notes Payable**

Organto is pleased to announce the extension of the Bridge Debt Notes (“Bridge Notes”) previously announced on January 10, 2020. \$211,500 of the Bridge Notes which were to mature in April 2020 and \$72,600 of the Bridge Notes which were to mature in June 2020 will now mature on October 3, 2020 and December 13, 2020 respectively. The remaining \$135,000 of the Bridge Notes which were to mature in April 2020 will now mature on July 3, 2020. No other changes were made to the terms of the Bridge Notes.

The Company also announced that it has reached an agreement with a former executive and director (“Bridge Lender”) of the Company to extend Bridge Loans (“Bridge Loans”) with a current balance of C\$562,965, through March 15, 2021. The Bridge Loans will now carry an annual interest rate of 12% and will be subject to monthly principal and interest payments in the amount of C\$12,500 commencing the first month following the completion of the Company’s previously announced (see April 14, 2020 news release) convertible note financing. The Bridge Loans remain subject to additional payments related to future equity financings and/or the sale of key assets owned by Organto. The Company has also agreed to grant 1.5 million warrants to the Bridge Lender for a period of 18 months at a strike price of C\$0.065 per share. The grant of these warrants is subject to the acceptance of the TSX Venture Exchange.

### **Investor Relations**

Organto also announces that it has retained Adelaide Capital Markets Inc. (“Adelaide”) to provide capital markets consulting and investor relations services with the objective of increasing Organto’s general market awareness in the investment community. Under the terms of Adelaide’s engagement, Organto has agreed to pay Adelaide a monthly base service fee of \$4,000 and to issue 400,000 options (the “IR Options”) to Adelaide with an exercise price of \$0.10, vesting 25% every three months from the date of issue. Adelaide’s engagement will be for an initial period of six months, subject to termination by either party at any time. The grant of the IR Options is subject to the acceptance of the TSX Venture Exchange.

### **Stock Option Grants and Forfeiture**

Organto also announced that it has granted 500,000 stock options to employees and service providers as per the terms of the Company’s Share Option Plan, with 100,000 granted at a price of \$0.10 and 400,000 granted at a price of \$0.07 for a term of five years, all vesting 20% immediately and 20% on each anniversary thereafter. In addition, 1,000,000 unvested options previously issued to a Director of the Company have been forfeited.

*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 information technology and communication systems are operating as expected and there have been no significant disruptions in the Company's supply chains during COVID-19; Organto's belief that demand at retail remains strong in European markets and this is expected to continue; Organto's belief that first quarter 2020 revenues will be a record for the Company and represent three consecutive quarters of record revenue and gross profit growth; and Organto's belief that the retention of Adelaide Capital will increase general market awareness in the investment community; 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.

