

Organto Provides Record Revenue Guidance of \$35 to \$37 Million for Fiscal 2021 and Announces Financing to Fund Accelerating Growth

Fiscal 2021 Guidance Reflects Increase of Over 200% Versus Record 2020 Results

Vancouver, BC, Canada and Breda, the Netherlands, December 10, 2020 – Organto Foods Inc. (TSX-V: OGO, OTC: OGOFF, FSE: OGF) (“Organto” or “the Company”), an integrated provider of organic and value-added organic fruits and vegetables today provided record revenue guidance of CDN \$35.0 to \$37.0 million for fiscal 2021 with a revenue exit run rate of CDN \$50.0 million, and announced a CDN \$2.0 million convertible note financing to fund rapid growth.

Fiscal 2021 Revenue Guidance

- Forecast annual revenues for fiscal 2021 in the range of CDN \$35.0 to \$37.0 million¹, an expected increase of more than 200% versus projected record revenues for fiscal 2020 of CDN \$10.9 to \$11.0 million.
- Forecast revenue exit run rate by the end of 2021 in the range of CDN \$50.0 million versus projected exit rate in the range of CDN \$23.0 to 25.0 million for fiscal 2020.

“Our business continues to grow rapidly as we expand both our supply sources and customer base in response to growing demand for fresh organic fruits and vegetables. Our distribution has grown to thirteen countries in Europe, and we are now sourcing from four continents including Europe, North and South America and Africa. We believe that consumer focus on health and wellness, combined with a deep desire for foods sourced in a sustainable and transparent manner, positions our product offering for substantial and rapid growth for many years to come.” commented Rients van der Wal, Co-CEO and CEO of Organto Europe B.V. “We have been making great progress on our strategy of building an ethics-driven one-stop shop in fresh organic and specialty fruits and vegetables and this is accelerating. In addition, our acquisition pipeline is developing and we have started to convert these opportunities, and we are making solid progress on our plans to further develop our I AM Organic branded retail product catalog in early 2021. These are certainly exciting times for Organto.” added Mr. van der Wal.

Over the past few months Organto has reported a number of significant developments, including:

- Record third quarter revenues of CDN \$2.738 million and record quarterly gross profit of \$285,951 or 10.4% of revenues, both quarterly records for Organto. Revenues of CDN \$6.5 million after nine months, an increase of over 200% versus the prior year.
- Record fourth quarter revenue guidance of CDN \$4.4 to \$4.6 million, an approximate 185% increase versus Q-4 2019, and the largest quarterly sales in the Company’s history. Based on acceleration of revenues throughout the quarter, the Company also guided to an annualized revenue exit rate of CDN \$23.0 to \$25.0 million, achieving cash flow breakeven at this level.
- The expansion of its organic ginger program and the addition of organic turmeric to its product portfolio via the addition of strategic supply from Brazil, in addition to exiting supply from Peru. Plans are to build the organic ginger and turmeric portfolio to a CDN \$10 million revenue category as the Company builds out its supply and customer base.



- The expansion of its year-round organic avocado supply program via a significant increase in annual volumes sourced from a strategic supply partner in Morocco. Organic avocado remains the fastest growing and largest product by sales volume in the Company's current product portfolio.
- The expansion of its organic lime product portfolio after successful market testing earlier in the year and plans to grow the lime category to annualized revenues of approximately \$10 million as strategic supply sources grow and customers are added.
- The addition of significant global supply chain, agribusiness and go-to-market expertise to the board of directors with the additions of Joost Verrest and Gert Jan van Noortwijk, both seasoned food industry executives.
- The signing of a letter of intent to acquire Fresh Organic Choice BV ("FORC"), a privately held Dutch corporation, representing the Company's first acquisition as it executes its multi-faceted growth strategy. FORC provides a wide range of fresh cut organic herbs, marketed under their Fresh Organic Choice brand to customers throughout Europe. FORC employs a strategic asset light business model with sourcing from a diverse group of European and African sources. This transaction is subject to final due diligence, documentation and acceptance by the TSX Venture Exchange.

Convertible Note Financing

The Company also announced a CDN \$2.0 million convertible note financing ("Convertible Note Financing") with the proceeds to be used primarily to fund the rapid growth and expansion of its organic fresh fruits and vegetables platform.

Notes issued under the Convertible Note Financing (the "Convertible Notes") will have a term of 2 years, carry an annual interest rate of 8% (payable annually), and will be convertible into common shares of Organto (TSX-V:OGO) at a price of CDN \$0.30 per share. If at any time after four months from the date of issuance of the Convertible Notes, the closing price of Organto's common shares as traded on the TSX Venture Exchange is equal to or greater than CDN \$0.45 for 10 consecutive trading days or more, Organto may, in its sole discretion, accelerate conversion of the Convertible Notes. There is no pre-payment penalty.

Considerable insider participation in the Convertible Note Financing has been confirmed, with Accendo Banco, a current strategic investor and lender to Organto agreeing to participate along with other a number of other insiders. Steve Bromley, Chair and Co-CEO commented. "We are making great progress in our business and are excited by the opportunities to significantly expand our current platform in growing consumer categories. We truly appreciate the continued support and confidence that Accendo Banco has shown in Organto, and we look forward to working with them and all our investors as we execute our plans for the future."

Organto may pay finder's fees of 6% in cash and 6% in broker warrants on the total amount of Convertible Notes sold by any finder. Any securities issued pursuant to the Convertible Note Financing will be subject to a four month hold period beginning on the date the Convertible Notes are issued. The Convertible Note Financing is subject to the acceptance of the TSX-V.

ON BEHALF OF THE BOARD,

Steve Bromley
Chair and Co-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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¹2021 forecast is based on shipping a variety of organic and conventional products including avocados, asparagus, ginger, lime 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 and regions including Europe, North and South America and Africa.

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. Organto is an integrated provider of private label and bulk distributed 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 belief that based on progress in the business and expected future results the business is well positioned for continued growth; Organto's belief that demand for fresh organic fruits and vegetables continues to grow; Organto's belief that it will realize fiscal 2021 revenues of \$35-\$37 million and an annualized revenue exit rate of \$50 million; Organto's belief that it will realize Q-4 revenues of \$4.4 to \$4.6 million and will be able to ramp-up to an annualized revenue run rate of \$23-25 million and cash-flow breakeven by the end of 2020; Organto's belief that it will acquire Fresh Organic Choice B.V.; Organto's belief that its business is accelerating, its acquisition pipeline is starting to convert, it is making solid progress on plans to develop the I AM Organic brand in early 2021, and it is continuing to build-out its industry-leading team; Organto's belief that the proposed convertible note financing will fund a number of key growth initiatives; 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.

