

NEWS RELEASE

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Organto Announces Overnight Marketed Offering of Convertible Debentures and Concurrent Equity Private Placement with Strategic European Investor

Vancouver, BC, Canada and Breda, the Netherlands, November 3, 2021 – Organto Foods Inc. (TSX-V: OGO, FSE: OGF) (“Organto” or “the Company”), an integrated provider of organic and value-added organic fruits and vegetables, today announced that it is commencing an overnight marketed public offering (the “Offering”) of unsecured convertible debentures of the Company (the “Debentures”). The Offering is in addition to a committed private placement of common shares for proceeds of approximately CDN \$5,750,000, led by a strategic Dutch family office.

The Debentures will be issued at an issue price of \$1,000 per Debenture. In connection with the Offering, the Company has filed a preliminary prospectus supplement (the “Preliminary Prospectus Supplement”) and intends to file a subsequent final prospectus supplement (the “Prospectus Supplement”) to the Company's short form base shelf prospectus dated July 5, 2021 (the “Shelf Prospectus”), with the securities’ regulatory authorities in each of the provinces and territories of Canada. The Offering is being led by Beacon Securities Limited and PI Financial Corp., as co-lead underwriters and co-bookrunners (collectively, the “Co-Lead Underwriters”), on behalf of a syndicate of underwriters to be formed (together with the Co-Lead Underwriters, the “Underwriters”).

The Company anticipates issuing \$5,000,000 aggregate principal amount of Debentures bearing interest at an annual rate of 8.0%, payable annually in arrears, commencing one year from the date of issue. The maturity date of the Debentures will be sixty (60) months from the date of issue (the “Maturity Date”). The Debentures will be convertible at the holder’s option into common shares of the Company (“Shares”) based upon a conversion price per share (the “Conversion Price”), at any time prior to the Maturity Date. The Conversion Price will be determined at the time of pricing and will be subject to adjustment in certain circumstances.

At any time after November 30, 2023, the Company may, at its option, accelerate the conversion of the principal amount of the then outstanding Debentures at the Conversion Price, on not more than 60 days’ and not less than 30 days’ prior notice, should the daily volume weighted average trading price of the Common Shares on the TSXV be greater than 125% of the Conversion Price, for the 20 consecutive trading days preceding the notice.

The Debentures will not be redeemable by the Company prior to November 30, 2023, except upon the satisfaction of certain conditions after a change of control has occurred. On and after November 30, 2023 and prior to November 30, 2026, the Debentures may be redeemed by the Company, in whole or in part, at a redemption price equal to the principal amount thereof plus accrued and unpaid interest, if any, up to but



excluding the date of redemption, provided that the current market price (defined as the volume-weighted average trading price per Common Share for the 20 consecutive trading days, ending on the fifth trading day preceding the date of determination, on the TSXV) on the date on which notice of redemption is given is at least 125% of the Conversion Price.

The total size of the Offering as well as certain other terms of the Debentures will be determined in the context of the market prior to the filing of the final Prospectus Supplement.

The Company will also grant the Underwriters an option (the "Over-Allotment Option") to cover over-allotments and for market stabilization purposes, exercisable at any time up to 30 days subsequent to the closing of the Offering, to increase the size of the Offering by up to 15% of the Debentures offered on the same terms and conditions of the Offering, exercisable in whole or in part. A cash commission of 6% of the gross proceeds of the Offering, and compensation options valued at 6% of the gross proceeds of the Offering divided by the Conversion Price will be issued to the Underwriters on completion of the Offering. Each such compensation option is exercisable into one common share of the Company at the Conversion Price for a period of 24 months following the closing of the Offering.

The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws, and may not be offered or sold to, or for the account or benefit of, persons in the United States absent registration under the U.S. Securities Act and all applicable state securities laws, or compliance with an exemption from such registration requirements. This press release shall not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Copies of the base shelf prospectus and, any supplement thereto to be filed in connection with the Offering, can be found on SEDAR at www.sedar.com.

Private Placement

Concurrently with the Debenture offering, the Company today announced that it plans to complete a private placement of common shares (the "Private Placement") at a price of CDN \$0.322 for proceeds of approximately CDN \$5,750,000. The Private Placement is being led by a Dutch family. As part of this Private Placement, the Dutch family office will be granted a pre-emptive anti-dilutive right to maintain its 5% equity ownership position in the event of future financings by the Company. No finder's fees will be paid on the Private Placement and common shares issued will be subject to a hold period expiring four months for the date of issue.

The closing of the Offering and the Private Placement are currently expected to be on or about November 12, 2021 and are both subject to certain conditions, including but not limited to, the receipt of all necessary regulatory approvals including the approval of the TSX-V.

The Company intends to use the net proceeds from the Offering and the Private Placement for the financing of acquisitions, working capital and for general corporate purposes.



ON BEHALF OF THE BOARD,

Steve Bromley
Chair and Co-CEO

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.

For more information contact:

Investor Relations
info@organto.com

ABOUT ORGANTO

Organto is an integrated provider of branded, private label and distributed organic and non-GMO fruit and vegetable products using a strategic asset-light business model to serve a growing socially responsible and health-conscious consumer around the globe. 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.

CAUTION CONCERNING FORWARD LOOKING STATEMENTS

Certain statements included in this release may be "forward-looking statements" within the meaning of applicable securities laws. Forward-looking statements are typically identified by the use of terminology such as "may", "will", "would", "could", "expects", "plans", "intends", "anticipates" or "believes" or the negative or other variations of these words or other comparable words or phrases. Forward-looking statements, by their nature, are based on assumptions, and are subject to important risks and uncertainties. Forward-looking statements cannot be relied upon due to, amongst other things, changing external events and general uncertainties of the business. Actual results may differ materially from results indicated in forward-looking statements due to a number of factors, including those identified in Organto's annual information form and management's discussion and analysis of financial condition and results of operations. The forward-looking statements contained in this release represent Organto's expectations as of the date of this release (or as of the date they are otherwise stated to be made), and are subject to change after such date. However, Organto disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable securities regulations.

