

Organto to Acquire the New Fruit Group

Expands Sourcing and Supply Capabilities for Key European Markets

Vancouver, BC, Canada and Breda, the Netherlands, December 14, 2022 – Organto Foods Inc. (TSX-V: OGO, OTC: OGOFF, FSE: OGF) (“Organto” or “the Company”), a leading provider of organic and value-added organic fruit and vegetable products today announced that it has agreed to acquire 100% of the outstanding shares of NFG New Fruit Group GmbH (“NFG” or the “New Fruit Group”) a private German corporation operating since 2019. Closing of the transaction is expected to be completed in early 2023 and is subject to a number of closing conditions including acceptance by the TSX Venture Exchange.

Highlights:

- Complimentary product offering including core focus on organic and non-GMO banana, avocado and mango. NFG is a fully certified organic products supplier.
- Asset light business model aligned with Organto’s operating platform.
- European sales focus with a strong existing retail customer base in Germany, Italy, France and Denmark.
- Global supply relationships with established grower partners in the Caribbean, South America and Africa.
- Leadership team with deep global organic fruit and vegetable experience.
- Expected sales of approx. €15 million (approx. CDN\$20 million) in 2023 with positive EBITDA contribution.
- Opportunities to leverage Organto’s infrastructure, broad product portfolio, and branded I AM Organic product and proprietary digital passport capabilities across an expanded platform.

“We are extremely excited to welcome the New Fruit Group team to Organto, and believe the combination of our businesses will leverage the unique capabilities of each organization as we pursue our mission of making organic fresh fruit and vegetable products available for every consumer, a mission we believe is good for both people and planet. We have known the leadership team of the New Fruit Group for some time, admire the platform that they have built in a relatively short period of time, and are thrilled to have them join the Organto family.” commented Steve Bromley, Chair and Co-CEO of Organto and Rients van der Wal, Co-CEO of Organto and CEO of Organto Europe BV. “NFG will add significant size and scale to our business with their sales focus on important retail markets in Germany, Italy, France and Denmark. The complimentary components of their product portfolio will add sourcing and sales depth to our business, and we believe provide opportunities to leverage Organto’s infrastructure, broad product portfolio, and branded products capabilities, aligning with one of our core acquisition objectives of making 1 + 1 = 3.”

The New Fruit Group commenced operations in 2019 and currently has sales and marketing offices in Germany and Italy. The business is active in the import and trade of fresh organic produce with a focus on organic banana, avocado and mango. NFG previously operated growing operations on the Ivory Coast before recently divesting them to a new corporation controlled by the founders of NFG. These growing operations will not be acquired as part of this transaction but NFG has entered into a long-term supply agreement for ongoing supply from this operation. NFG currently sells to retail clients located in Germany, Italy, France and



Denmark with products sourced from strategic growers and supply partners located primarily in the Caribbean, South America and Africa. On closing of the transaction, NFG's operating principals, Gian Ferreiras and Alexander Widmann will join Organto to lead the NFG business and work together with the Organto team, while non-operating principals Philipp Koffler and Nikolaus Widmann will join an Advisory Board along with Steve Bromley and Rients van der Wal, which will focus on the integration and strategic development of the combined business.

Phillipp Koffler, Nikolaus Widman, Gian Ferreiras and Alexander Widmann, founders, shareholders and principals of NFG commented, "We are very proud of the business which we have built based on our vision, values and commitment to both our grower partners and our customers. We are impressed with Organto's vision for the future and strategy to be a leader in fresh organic fruits and vegetables, including their commitment to sustainable and transparent business practices. This vision aligns with our goals at NFG, and we could not be more pleased to become a part of this vision."

With their existing sales contracts, NFG is forecast to have sales of approximately €15 million (approximately CDN \$20.0 million) in fiscal 2023. In addition, the business is expected to be immediately EBITDA accretive to Organto with additional opportunities to drive further growth by leveraging an expanded product portfolio, branded product capabilities and an expanded infrastructure. Under the terms of the proposed transaction, at closing Organto will pay €250,000 in cash, issue 2,250,000 common shares of Organto which will become freely tradeable equally over 5 years and issue a note payable of €400,000 with an interest rate of 2%, payable equally over three years based on certain conditions. In addition, the former owners will be eligible for an earn-out of up to €650,000 based on pre-established growth targets to be met over a three-year period.

Organto's long-term growth strategy is to build an ethics driven "one-stop shop" in organic and value-added fruit and vegetable products, fueled by a combination of strong internal growth and acquisitions. The acquisition of the New Fruit Group adds significant size and scale to the Organto platform with opportunities to drive further growth through a broader product offering, branded product capabilities and an expanded infrastructure to support the combined business.

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.

For more information about Organto contact:

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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.

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 vision of being a leading global provider of fresh organic fruits and vegetables utilizing an integrated business model; Organto's belief that the combination with NFG will leverage the capabilities of each organization; Organto's belief that NFG's sales contracts will lead to approximately €15 million in sales for 2023; Organto's belief that its mission of making organic fruit and vegetable products available for every consumer is good for both people and planet; Organto's belief that the complimentary components of NFG's product portfolio will add sourcing and supply depth; Organto's belief that opportunities will exist to leverage a broader product portfolio, branded product capabilities and existing infrastructure; 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.

