

Organto Completes Acquisition of The New Fruit Group *Expands Sourcing and Supply Capabilities for Key European Markets*

Vancouver, BC, Canada and Breda, the Netherlands, January 3, 2023 – 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 the acquisition of 100% of the outstanding shares of NFG New Fruit Group GmbH (“NFG” or the “New Fruit Group”) became effective yesterday.

Highlights:

- NFG’s product offering complements Organto’s and focuses on organic, fairtrade and non-GMO banana, avocado and mango. NFG is a fully certified organic products supplier.
- NFG operates an asset light business model which is easily integrated with Organto’s operating platform.
- NFG currently has a European sales focus with a strong existing retail customer base in Germany, Italy, France and Denmark.
- NFG adds additional global supply relationships with established grower partners in the Caribbean, South America and Africa.
- NFG’s leadership team has extensive global organic fruit and vegetable experience.
- NFG’s expected sales in 2023 of approx. €15 million (approx. CDN\$20 million) are expected to make a positive EBITDA contribution to Organto.
- Multiple opportunities have already been identified to leverage Organto’s infrastructure, diverse and complimentary product portfolio, and branded I AM Organic product capabilities across an expanded platform.



“We are extremely pleased to have completed this acquisition and sincerely welcome the New Fruit Group team to Organto. We continue to believe that the combination of our two 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.” 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 adds 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 will provide opportunities to leverage Organto’s infrastructure, diverse and complimentary product portfolio, and branded I AM Organic product capabilities.”



The New Fruit Group began operations in 2019 and is active in the sourcing and supply of fresh organic produce with a focus on organic and fairtrade banana, avocado and mango. 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. NFG's operating principals, Gian Ferreiras and Alexander Widmann have joined Organto and will lead NFG's business operations and work together with the Organto team, while non-operating principals Philipp Koffler and Nikolaus Widmann have joined an Advisory Board along with Steve Bromley, Rients van der Wal and other advisors to be appointed, which will focus on the integration and strategic development of the combined business.

Based on existing sales contracts, NFG is forecast to have sales of approximately €15 million (approximately CDN \$20.0 million) in fiscal 2023 with gross margins expected to be in the range of 7% to 10% depending on the product sold. NFG is expected to be immediately EBITDA accretive to Organto with additional opportunities to drive further growth by leveraging Organto's diverse and complimentary product portfolio, branded I AM Organic product capabilities and an expanded infrastructure.

On December 13, 2022 Organto signed a share purchase agreement ("SPA") with the shareholders of NFG, a privately held German corporation, to become effective January 2, 2023 (see December 14, 2022 news release). Under the terms of the SPA, Organto paid €250,000 in cash, will issue 2,250,000 common shares of Organto which are subject to restrictions and will become freely tradeable equally over 5 years, and issued 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.

The transaction remains subject to TSX Venture Exchange acceptance.

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:

Investor Relations:

info@organto.com

John Rathwell, Senior Vice President, Corporate Development and Investor Relations

647-629-0018



ABOUT ORGANTO

Organto is an integrated provider of value-added 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 and transparent business practices focused on social 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 and supply contracts will lead to approximately €15 million in sales for 2023 with positive EBITDA; 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 Organto's diverse and complimentary product portfolio, branded I AM Organic 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.

