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Organto Completes Sale of Three European Subsidiaries

VANCOUVER, CANADA AND BREDA, NETHERLANDS, July 12, 2024 - Organto Foods Inc. (TSX-V: OGO, OTC: OGOFF) ("Organto" or the "Company"), a leading provider of organic and non-GMO fruit and vegetable products today announced that it has completed the sale of three of its wholly owned Dutch operating subsidiaries (the "Sale Subsidiaries") to an independent third-party purchaser (the "Purchaser") previously announced in the Company's news release dated June 5, 2024 (the "Sale Transaction").

This divestiture is part of the Company's efforts to reposition its business and strengthen its balance sheet and was completed with the objective of improving the Company's financial position and path to profitability by streamlining operations. The Sale Transaction was negotiated on an arm's length basis between the parties which did not involve any non-arm's length parties.

The Sale Subsidiaries are comprised of:

- (a) Organto Europe BV ("Organto Europe");
- (b) Fresh Organic Choice BV ("FORC"); and
- (c) BeeOrganic BV ("BeeOrganic").

Pursuant to the terms of the share purchase agreement between the Company and the Purchaser (the "SPA") in respect of the Sale Transaction, among other things:

- the Purchaser acquired all the outstanding shares in the capital of each of the Sale Subsidiaries for €1;
- the Purchaser assumed all of the Sale Subsidiaries' assets and liabilities, including:
 - assets comprised of:
 - current assets including cash, accounts receivable, inventories and prepaid expenses
 - computer equipment, office equipment and furniture
 - all trademark rights of BeeOrganic and FORC held by I AM Organic BV
 - their customer lists, supplier lists, licenses, permits and rights to various operating systems
 - liabilities comprised of:
 - accounts payable and accrued liabilities
 - leasehold obligations

resulting in a net liability position of approximately C\$4.2 million as at March 31, 2024 and approximately \$4.0 million as at May 31, 2024.

The Purchaser and the Company's subsidiary, I AM Organic BV, also entered into a trademark agreement to permit the Purchaser to continue to use certain brands and trademarks as detailed in the trademark agreement (the "Trademark") for a transitional period of two years with certain existing customers who were being served prior to the Sale Transaction. I AM Organic BV will retain all ownership rights in the Trademark.

The Company continues to hold its remaining subsidiaries, including NFG New Fruit Group GmbH ("NFG"), which the Company acquired in January 2023, and which remains the Company's key operating entity following the proposed transaction. NFG has been operating since 2019 and is a fully certified organic products supplier with a European sales focus and a strong retail customer base. NFG has global supply relationships with established grower partners and a core focus on organic and non-GMO bananas, avocados, ginger and mangos.

ON BEHALF OF THE BOARD

Steve Bromley
Chair and CEO

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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 the anticipated benefits of the Sale Transaction. 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.

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.