

Organto Announces Over-Subscribed Convertible Note Financing

Financing Increased to CDN \$4.0 Million To Capitalize on Accelerating Growth Opportunities

Vancouver, BC, Canada and Breda, the Netherlands, December 16, 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 is pleased to report that it has closed the book on its recently announced (Dec 10, 2020) non-brokered private placement of convertible notes. The financing was significantly over-subscribed and is targeted to close before the end of the calendar year, subject to acceptance by the TSX Venture Exchange. Proceeds from the financing will be used primarily to fund Organto’s planned internal growth programs as well as for business expansion opportunities.

“We are extremely pleased to close the book on our financing which was well received and over-subscribed. We recently provided 2021 revenue guidance of CDN \$35 to \$37 million, a 200% increase over 2020, including a revenue run rate of CDN \$50 million by the end of 2021. The proceeds from this financing will be used to fund this aggressive growth and also position us to pursue accelerating business expansion opportunities including acquisitions.” commented Steve Bromley, Chair and Co-CEO and Rients van der Wal, Co-CEO and CEO of Organto Europe BV. “We believe that demand for fresh organic fruits and vegetables continues to grow globally, driven by increased consumer interest in healthy foods that are produced in a sustainable and transparent manner, and this presents an exciting growth opportunity for us. We are making great progress, leveraging this strong market demand and our cost effective and flexible business model to drive record results through both organic growth and acquisitions.”

The convertible notes (“Notes”) to be issued as part of this financing 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 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 Notes. There is no pre-payment penalty.

Finder’s fees of 6% in cash and 6% in broker warrants will be paid on certain of the Notes issued in this financing. Any securities issued pursuant to the financing will be subject to a four month hold period beginning on the date the Notes are issued.

Final details of the financing will be provided when funding has been completed.

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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¹ 2021 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 they are making great progress leveraging strong market demand to drive record results; 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 the 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.

