



Organto Foods Inc.

Business Update Presentation

December 1, 2021

www.organto.com



TSX-V:OGO/FSE:OGF

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Highlights

- ***Progressing on Long-Term Growth Strategy***
 - ✓ Progress on core operational strategies – Supply, Brands and Infrastructure
 - ✓ 3 acquisitions closed and strong pipeline
- ***Record Third Quarter Results – Nineth Consecutive Quarter of Record Growth vs PY***
 - ✓ Revenues +57%, gross margin +85% - highest gross profit as % of revenues in history
- ***Successful Launch of I AM Organic Brand Using Digital Passport Gaining Traction***
 - ✓ Listings in on-line, on-the-go and convenience retail channels
 - ✓ Digital platform active and well received – leveraging data capture for value creation
 - ✓ Strong retail opportunity pipeline
- ***Recent Financing Provides Financial Strength to Drive Growth Strategy***
 - ✓ November financing for gross proceeds of \$14 M including cornerstone Dutch investor
 - ✓ Resources in place to significantly expand the size of the business
- ***Acquisition Pipeline Active and Growing***
 - ✓ 2021 - acquisitions of Fresh Organic Choice, Beeorganic and Zimbabwe Marketing Services
 - ✓ Strong pipeline of accretive opportunities

Progress on Our Long – Term Growth Strategy

Anchored By Core Operational Strategies

Market Trends/Dynamics

- Healthy Living/Healthy Eating Movement
- Organic Foods Continued Growth
- Rise of Self-Care Driving Demand
- Consumer Activism – Demand for ESG
- Local/Regional Demands
- Greendal in EU



Competitive Market Dynamics

- Limited Large-Scale Players in EU
- No One-Stop Shop for Organic & Specialty F&V Exists in EU
- Many Smaller Players With Limited Scale
- Consolidation Opportunity Exists
- Limited Public Companies in Space

GROWTH FUELED BY COMBINATION OF INTERNAL GROWTH AND ACQUISITIONS

Core Operational Strategies

Build Supply

Build Brands

Build Infrastructure

Progress on Our Core Operational Strategies

Build Supply



- ✓ Bananas – Ecuador source – portfolio add
- ✓ Avocado – Morocco – 2nd supplier
- ✓ Asparagus – increased supply/promo
- ✓ Blueberries – 1st sales USA
- ✓ Pineapple and others – in development

Build Brands



- ✓ Initial listing success with ongoing extensions
- ✓ Solid interest in brand and digital platform
- ✓ Successful cross-promo with Oatly/Gorillas
- ✓ Leveraging portfolio – herbs addition
- ✓ Data collection value

Build Infrastructure



- ✓ The Greenery – logistics
- ✓ New commercial personnel
- ✓ Acquisition integration and governance
- ✓ Digitalization project to leverage end to end capabilities
- ✓ ERP system upgrade

I AM ORGANIC[®] OR GAN TO .COM



EAT THE WORLD BETTER



Record Q-3 2021 Results

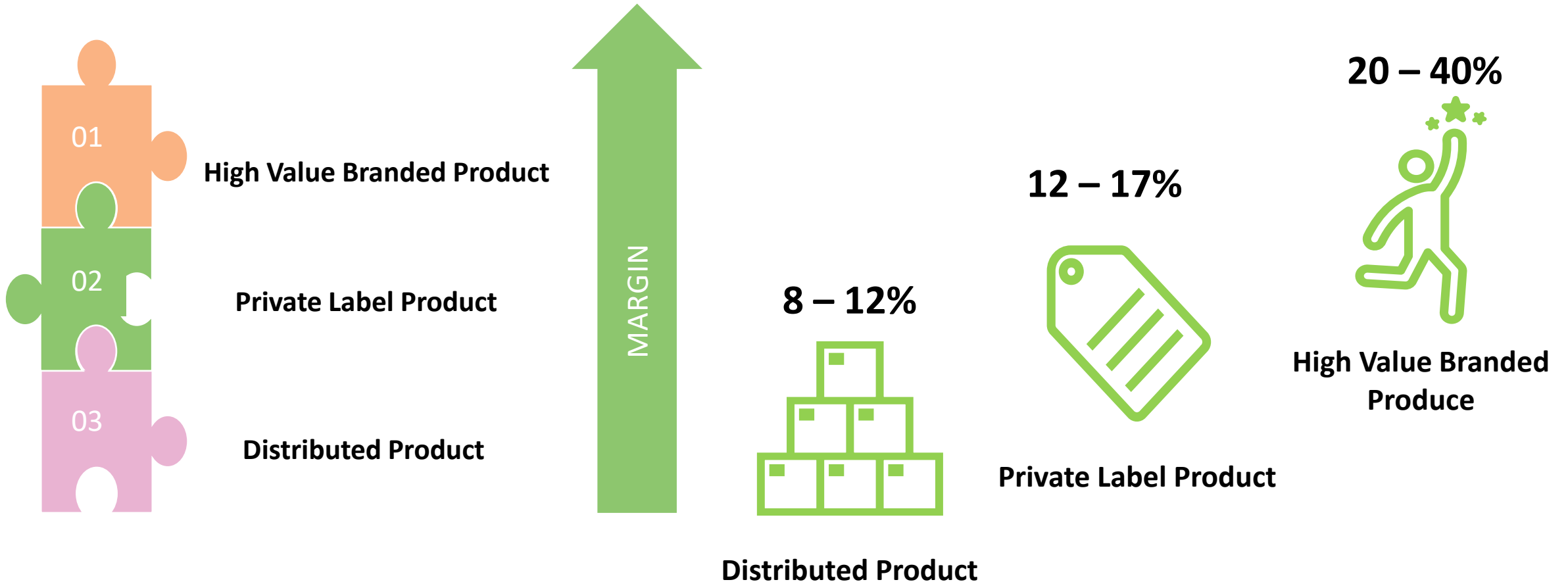
Record Third Quarter Financial Results

Largest Third Quarter Revenues and Gross Profit in Company's History

- **Record third quarter revenues of \$4,298,282 versus revenues of \$2,737,081 in the prior year, an increase of approximately 57% versus the same quarter in the prior year. Third quarter revenues represent the largest third quarter revenues in the history of Organto and the ninth consecutive quarter of record revenue growth versus the same quarter in the prior year.** Growth in the quarter versus the prior year was driven by increased volumes of avocados, ginger, herbs and asparagus sold to a variety of customers throughout Europe. **These record results were achieved despite global logistics challenges** caused by container and transportation availability which impacted deliveries from a number of growing regions and an unfavorable foreign exchange impact year over year. **Revenues for the nine months ended September 30, 2021 were \$14,443,506 as compared to \$6,510,856 during the same period in the prior year, an increase of approximately 122%.**
- **Record third quarter gross profit of \$529,018 or 12.3% of revenues versus \$285,951 or 10.4% of revenues in the prior year, an increase of approximately 85%.** The gross profit in the third quarter of 2021 represents the largest third quarter gross profit in the Company's history and **largest gross profit as a percentage of revenues in the history of the Company.** The increase of 190 basis points versus the previous year was driven by a higher mix of value-added private label and branded products, and was **achieved despite global logistics challenges which have driven inflationary cost increases.**
- **Cash overhead costs for the quarter were 33.6% of revenues, 23.1% of revenues on an adjusted basis, versus 22.7% in the prior year, reflecting investments in infrastructure and resources required to support current and expected growth.** Costs in the quarter include expenditures of **\$453,810** related to retail branded product development and on-line digital transformation activities, acquisition and corporate development costs, all of which are expected to generate positive future benefits.

Our Brands Are A Strategic Priority

And a Key Margin Driver



Our Efforts to “Build Brands” are Progressing Well

I AM Organic



- ✓ Launched in three key channels in Europe
 - ✓ Out-of-home convenience
 - ✓ On-line retail
 - ✓ Retail
- ✓ Continue to add products to portfolio
 - ✓ Bananas
 - ✓ Fresh cut fruits
 - ✓ Herbs
- ✓ Strong opportunity pipeline



Fresh Organic Choice

- ✓ Great progress to date – business has approximately doubled since acquisition
- ✓ Branded and private label product offering
- ✓ Cross-over to I AM Organic brand



Fresh Organic Choice



Our Unique “I AM Organic Positioning”



IT ALL STARTS WITH TASTE & QUALITY

1. **ORGANIC**
2. **100% TRANSPARENT**
storytelling in digital experience
3. **SUSTAINABLE**
CO₂ neutral via offsetting (and
insetting in future)
4. **FAIR**
Fair pricing



With Our 'I AM ORGANIC' Digital Platform We Communicate With the Consumer Via QR-Codes



<https://iam.organic/our-brand/>



Financial Strength to Drive Growth Strategy

- ✓ Completed convertible note and equity financings in November, 2021 for gross proceeds of \$14.0 million and net proceeds of \$13.6 million before filing and related costs
- ✓ Proceeds to be used to fund internal growth and accretive acquisition opportunities

Convertible Note Financing

- ✓ Gross proceeds of approx. \$8.0 million
- ✓ Net proceeds of \$7.5 million before filing and related costs
- ✓ Matures November 2026
- ✓ 8.0% annual interest
- ✓ Convertible at \$0.50 per common share after November 2023
- ✓ Accelerator at Company option after November 2023 if weighted average trading price of the common shares trade on the TSX-V at a premium of 125% for 20 consecutive days

Equity Financing

- ✓ Net proceeds of approx. \$6.0 million
 - ✓ 18,565,062 common shares at issued price of \$0.322 per common share
- ✓ Led by respected Dutch family office –all equity placed with European based investor
 - ✓ Lead Dutch family office granted preemptive anti-dilution right to maintain minimum 5% ownership position

Our Key Acquisition Criteria

Scalable platform

- ✓ Systems, processes, personnel

“One-stop shop” acquisition strategy

- ✓ Product expansion
- ✓ Customer expansion
- ✓ Geographic expansion
- ✓ Value-added retail expansion
- ✓ Sector expansion

Acquisition criteria

- ✓ Cultural fit/values alignment
- ✓ Product alignment
- ✓ Strategic alignment
 - ✓ Growing category
 - ✓ Asset light preferred
- ✓ Acceptable integration risk
- ✓ Quality/commitment of key personnel

Preferred transaction structure

- ✓ Combination of:
 - ✓ Cash on close
 - ✓ Shares in OGO (restricted)
 - ✓ Growth based earn-out

- ✓ Target EBITDA Multiples of 4X-8X EBITDA
- ✓ Target Revenue Multiples of 0.2X to 0.3 X Revenue

Financial Strength to Significantly Expand Current Business

- ✓ Based on our acquisition criteria and target multiples of Revenue and EBITDA - current financial resources enable Organto to significantly expand current business

Target Acquisition Multiples

EBITDA	4 to 8 X
Revenues	0.2 to 0.3X

Target Acquisition Metrics

Cash	50% to 75% of base purchase price
Equity	25% to 50% of base purchase price
Earn-Out	NA - based on growth above base

Assumed Acquisition Metrics

Cash	60%
Equity	40%
Earn-Out	NA



Funds Available for Acquisitions (Estimate)

	<u>\$M</u>
Funding Available	<u>\$10</u>

Acquisition Revenues (Estimate)

	<u>\$M</u>	<u>\$M</u>	<u>\$M</u>
Funding Available	\$10	\$10	\$10
Cash Component of Transactions	50%	60%	70%
Estimated Revenue Multiple	0.25	0.25	0.25
Potential Acquisition Revenues	\$80	\$67	\$57

Our Acquisition of Fresh Organic Choice

Category Expansion into Fresh Cut Organic Herbs

- Acquired in January 2021
- Provider of a wide range of branded and private label fresh cut organic herbs
 - ✓ Mint, oregano, basil, chives, parsley, dill, thyme, sage, rosemary, and others
 - ✓ Fast-growing categories driven by health and wellness and home cooking trends
- Asset-light business model
 - ✓ Selling into European markets
 - ✓ Sourced from the Netherlands, Germany, Spain, Italy and Portugal
- Commercial teams aligned and go-to-market expanded
 - ✓ Revenues tracking at 2X acquisition run rate of approx. CDN \$ 2 million
 - ✓ Supply sources expanded to meet growing demand
 - ✓ Expanding brand with new product offerings from portfolio
- Purchase price a combination of cash on closing, equity in Organto and growth-based earn-out
- Committed to building a CDN \$10 million category in organic herbs

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Fresh Organic Choice

Our Acquisition of Beeorganic

Category Expansion into Organic Bananas

- Acquired in November 2021
- Year-round provider of fresh fair-trade organic bananas
 - ✓ Bananas are one of the largest fruit categories in the world
 - ✓ Differentiated product offering – loose and bunches
 - ✓ Source from Caribbean grower partners
 - ✓ Selling into European markets including the Netherlands, Belgium and France
- Asset-light business model
 - ✓ Aligns with Organto
- Purchase price a combination of cash on closing, equity in Organto and growth-based earn-out
 - Approx. \$ 6 million in revenue – EBITDA positive
- Committed to building a CDN \$25 million category in existing products
 - Customer and geographic expansion
 - ✓ Branded convenience products



Our Acquisition of ZMS BV



Geographic Expansion into African Growing Regions

- Acquired in November 2021
- Focus on non-GMO and organic raspberries, snow peas, sugar snaps and other soft fruits and vegetables
 - ✓ Complimentary product portfolio
 - ✓ Extensive African sourcing resources - key for European markets
 - ✓ Significant growth potential
 - ✓ Common service providers – expect simple integration
 - ✓ Selling into European markets
 - ✓ Branded product opportunity
- Asset-light business model
- Purchase paid 100% with equity in Organto
 - ✓ Approx. \$2 million in revenue, EBITDA positive
- Committed to building a \$10 million category in existing products



Our Acquisition Pipeline is Active and Growing

2021 Acquisitions Align With our Strategy



Scalable platform in place

- ✓ Systems, processes, personnel

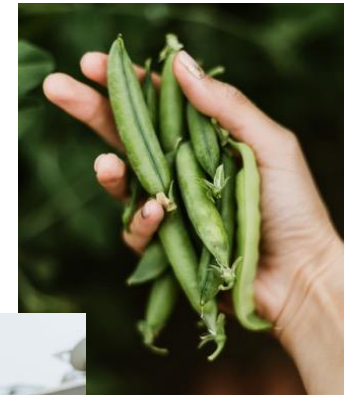
“One-stop shop” acquisition strategy

- ✓ Product expansion
- ✓ Customer expansion
- ✓ Geographic expansion
- ✓ Sector expansion
- ✓ Branded product opportunity
- ✓ Value-added product expansion

“2021 Acquisitions Aligned to Strategy”

- ✓ Product expansion  
- ✓ Customer expansion   
- ✓ Geographic expansion  
- ✓ Sector expansion
- ✓ Branded product opportunity  
- ✓ Value-added product expansion 

Organto Foods – In Summary



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