



Organto Foods Inc.

OUR BUSINESS, OUR MARKETS AND COVID-19

March 31, 2020

TSX-V:OGO

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Today's Presenters

Steve Bromley Chairman & Interim CEO

- Over 30+ years experience in food business, with 20 years focused on natural and organic foods businesses
- Former CEO, COO & CFO of SunOpta Inc (2001-2015) (TSX/NASDAQ)



Rients van der Wal COO & CEO Organto Europe BV

- 18 years in global organic food business – diverse supply chain and go-to-market expertise
- Previous Head of Total Exotics Sales at Total Produce



Today's Agenda

- ✓ Introductions
- ✓ Our Company
- ✓ COVID-19: Learnings From Europe
- ✓ COVID-19: Organto Operations
- ✓ Looking Forward
- ✓ Q&A

Our Company - Organto Foods Inc (TSXV:OGO)

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- ✓ Integrated provider of fresh organic and conventional vegetable and fruit products
- ✓ Serving fast growing socially responsible and health conscious consumer segments
- ✓ Repositioned business model driving record results



- ✓ Asset-light business model with diverse certification, sourcing, logistics, processing and distribution expertise
- ✓ Extensive market knowledge and supply chain expertise linking supply/growers to end markets



- ✓ Branded and distributed/white label product offerings
- ✓ Diverse customer base across 10 European countries including the Netherlands, the UK, Belgium, France, Germany, Switzerland, Russia, Sweden, Denmark and Denmark
- ✓ Global supply base – Latin America, Africa, Europe



PURE & ORGANIC
0 CHEMICALS
Fair to people
RESPECTFUL TO NATURE
& SO TASTY

Our Organic Fruits

- ✓ Avocados
- ✓ Blueberries
- ✓ Blackberries
- ✓ Passion Fruit
- ✓ Mango
- ✓ Others



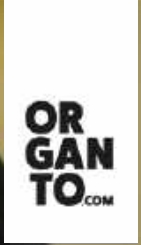
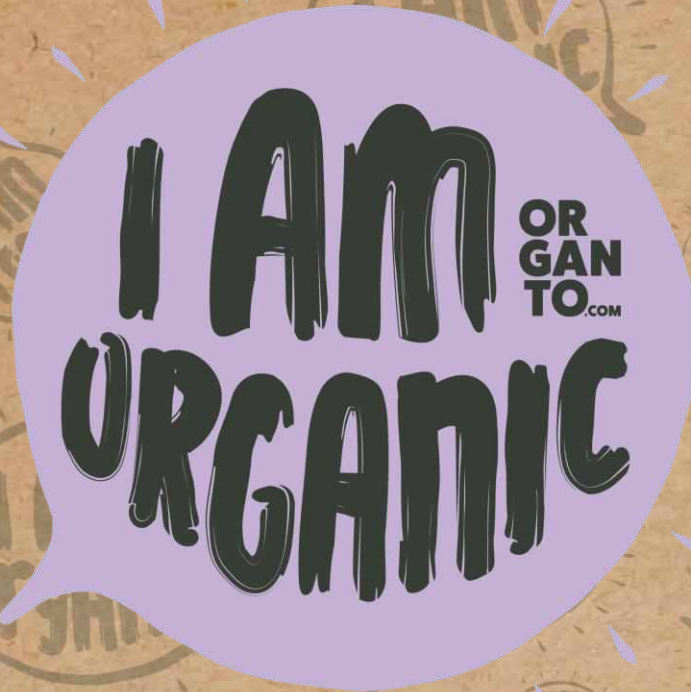
Our Organic Vegetables

- ✓ Asparagus
- ✓ Fine green beans
- ✓ Snow peas
- ✓ Sugar snaps
- ✓ Ginger

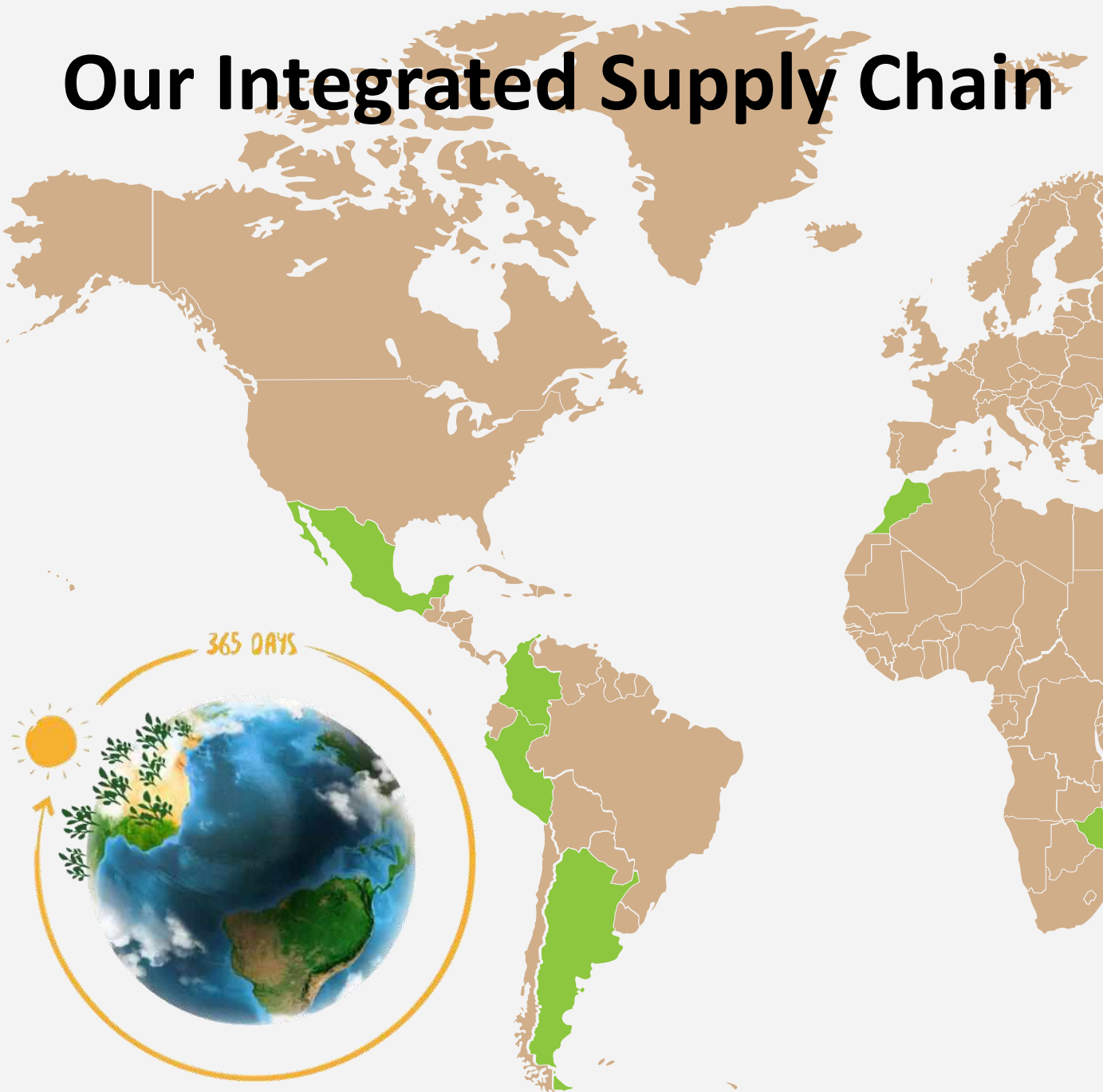


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Our Brand



Our Integrated Supply Chain



- ✓ We have an **integrated supply chain**
- ✓ We work in hand with our **valued strategic growers and supply chain partners** to control and monitor each step in the process, delivering quality product with complete transparency to our valued customers
- ✓ We are using geographically **diverse growing regions including Colombia, Morocco, Mexico, Peru, Argentina, Italy, Zimbabwe** and others to work to provide year-round coverage
- ✓ We believe our **asset-light business model** leverages our expertise and provides for exceptional **flexibility and scalability**

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COVID-19: Learnings From Europe



Impact is Extensive....

- ✓ Global impact
- ✓ Shifting market dynamics/purchasing patterns

Global cases

Updated 30 Mar at 8:48 AM loc

	Confirmed	Deaths	Recovered
	734,063 <small>+55,206</small>	34,822 <small>+3,046</small>	151,789 <small>+9,873</small>
	CONFIRMED	DEATHS	RECOVERED
United States	142,410	2,505	4,767
Italy	97,689	10,779	13,030
Spain	85,195	7,340	16,780
China	81,439	3,300	75,448
Germany	62,457	545	5,300
Iran	41,495	2,757	13,911
France	40,174	2,606	7,202
United Kingdom	19,561	1,228	140
Switzerland	15,546	327	1,823
Belgium	11,899	513	1,527
Netherlands	11,750	864	-
South Korea	9,661	158	5,228
Turkey	9,217	131	105
Austria	8,813	108	479
Portugal	6,408	140	43
Canada	6,308	66	532
Israel	4,347	15	132

....But We Need to Eat

“Transparency, integrity and trust are all essential if we are to ensure safe and abundant food is being delivered to the people who need it across the world. COVID-19 may have limited our travel, and we might be subject to increased economic pressure, but people need to eat!”

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“ Buying patterns have shifted dramatically as people stock up on supplies

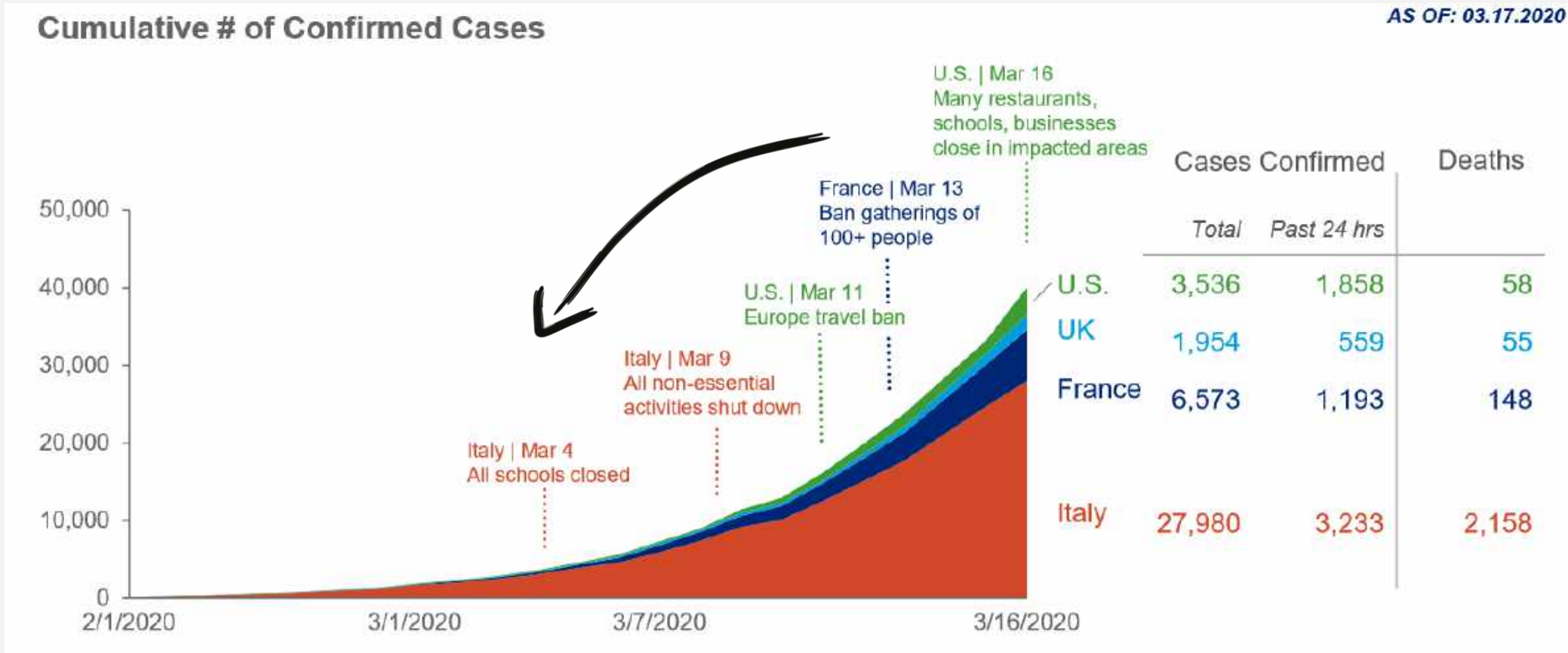
“ There is currently no evidence that food is a likely source or route of transmission of COVID-19

#1 PROACTIVE HEALTH-MINDED BUYING	#2 REACTIVE HEALTH MANAGEMENT	#3 PANTRY PREPARATION
CONSUMER BEHAVIOR SHIFTS		
Interest rises in products that support overall maintenance of health and wellness.	Prioritize products essential to virus containment, health and public safety. E.g. face masks	Pantry stockpiling of shelf-stable foods and a broader assortment of health-safety products; spike in store visits; growing basket sizes.
COVID-19 EVENT MARKERS		
Minimal localized cases of COVID-19 generally linked to an arrival from another infected country.	First local transmission with no link to other location + first COVID-19 related death/s.	Multiple cases of local transmission and multiple deaths linked to COVID-19.
#4 QUARANTINED LIVING PREPARATION	#5 RESTRICTED LIVING	#6 LIVING A NEW NORMAL
CONSUMER BEHAVIOR SHIFTS		
Increased online shopping, a decline in store visits, rising out-of-stocks, strains on the supply chain.	Severely restricted shopping trips, online fulfillment is limited, price concerns rise as limited stock availability impacts pricing in some cases.	People return to daily routines (work, school, etc.) but operate with a renewed cautiousness about health. Permanent shifts in supply chain, the use of e-commerce and hygiene practices.
COVID-19 EVENT MARKERS		
Localized COVID-19 emergency actions. Percentage of people diagnosed continues to increase.	Mass cases of COVID-19. Communities ordered into lockdown.	COVID-19 quarantines lift beyond region/country's most-affected hotspots and life starts to return to normal.

Shifting Phases – Changing Purchase Patterns

- ✓ Based on our experience in Europe we have observed the various phases of consumer reaction to the impact of COVID-19
- ✓ Many countries are advanced and into Phases #4 and #5
- ✓ Consumer food purchasing habits have shifted through the various stages – from initial prioritization of health products and shelf stable foods to healthy and fresh
- ✓ Demand for healthy food options has remained through all phases with increasing demand in later stages

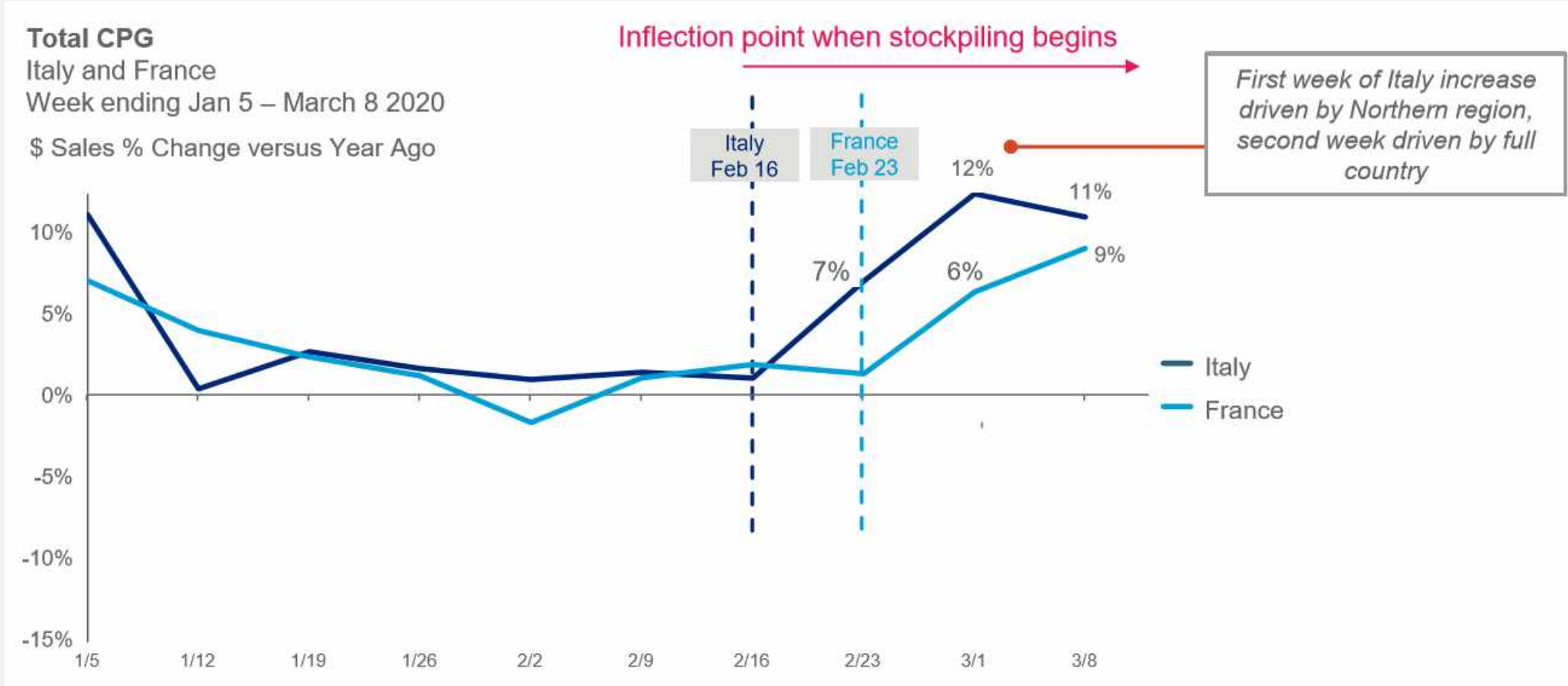
European Countries Are at Different Phases



Source: IRI POS data Week Ending March 8, 2020

Impact of COVID-19 in Europe approx. 2-3 weeks ahead of North America

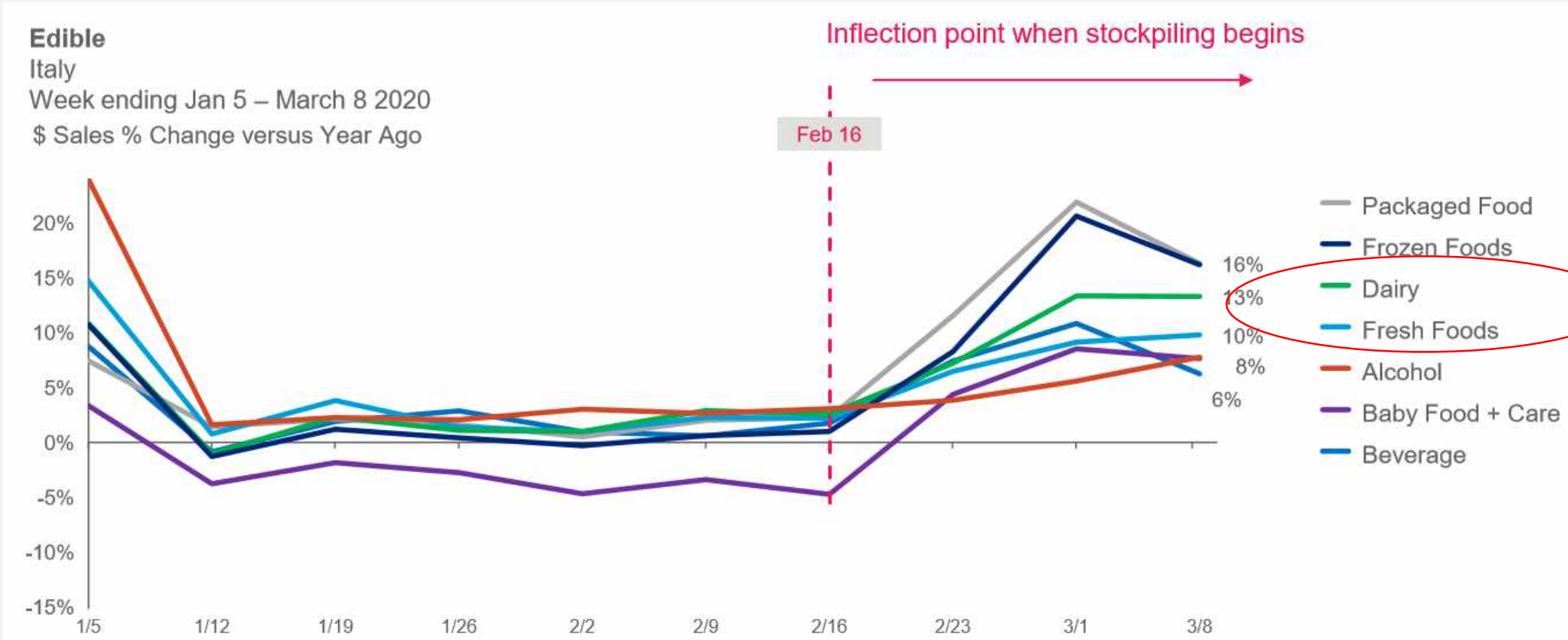
Purchasing Behaviors Change With Phases



Source: IRI POS data Week Ending March 8, 2020

Heightened consumer demand driving stockpiling in phases 3 and 4

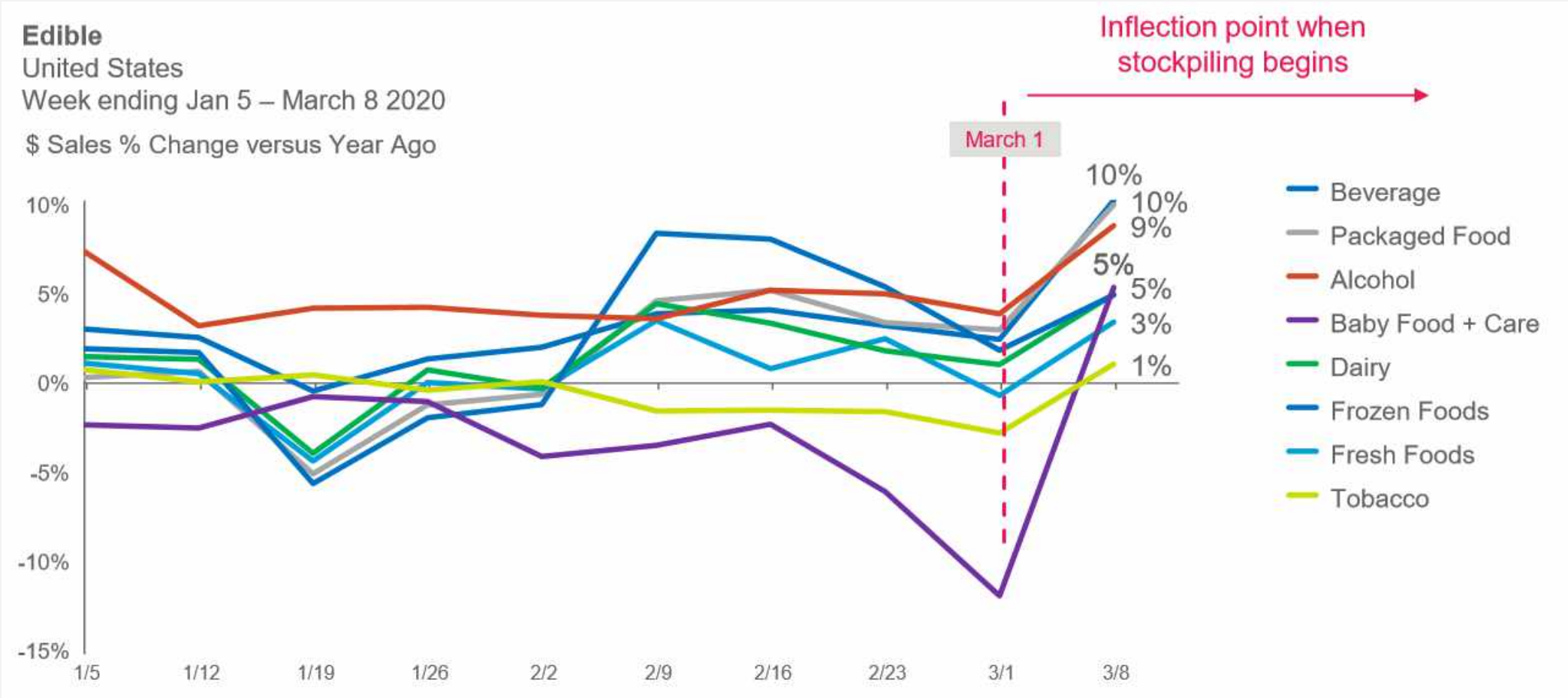
Followed by “Start” of Stabilization



Source: IRI POS data Week Ending March 8, 2020

Increasing demand for fresh foods including fruit and vegetables

Similar Patterns Appear to be Emerging in USA



Source: IRI POS data Week Ending March 8, 2020

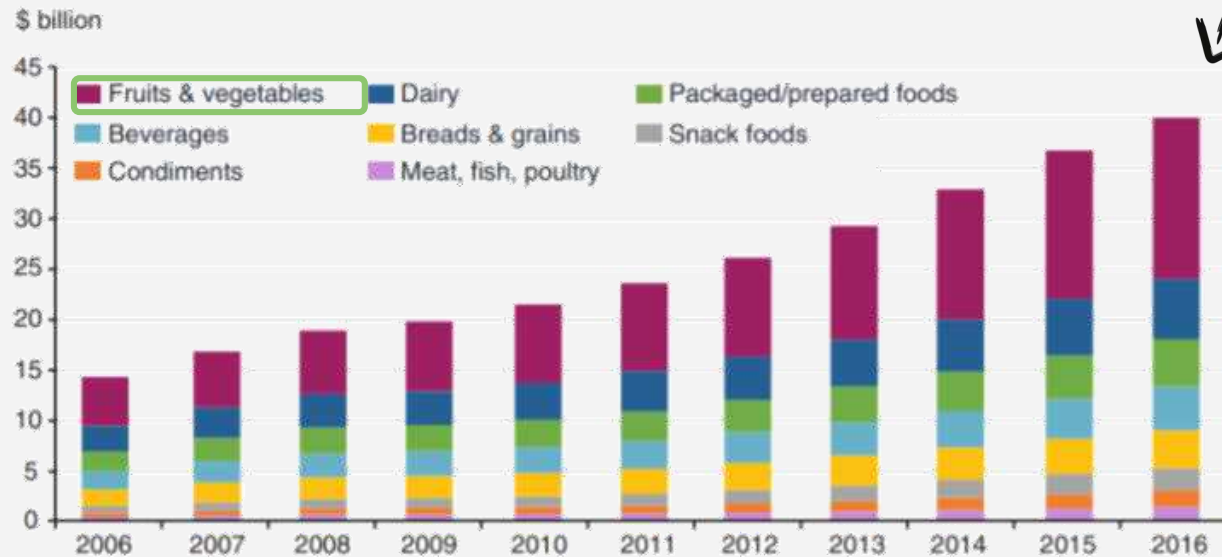
Stockpiling phase appears to be 2-3 weeks behind most parts of Europe

COVID-19: Organto Operations

Our Markets

- ✓ Strong demand for fresh organic vegetables and fruits being driven by consumer focus on health and wellness and sustainable and transparent foods - forecast CAGR of 14.56% from 2017 to 2019
- ✓ Organic fresh vegetables & fruits is the largest category within the organic segment

U.S. organic food retail sales, 2006-16—Fruits and vegetables are still top category



Source: USDA, Economic Research Service using data from Nutrition Business Journal, 2017.

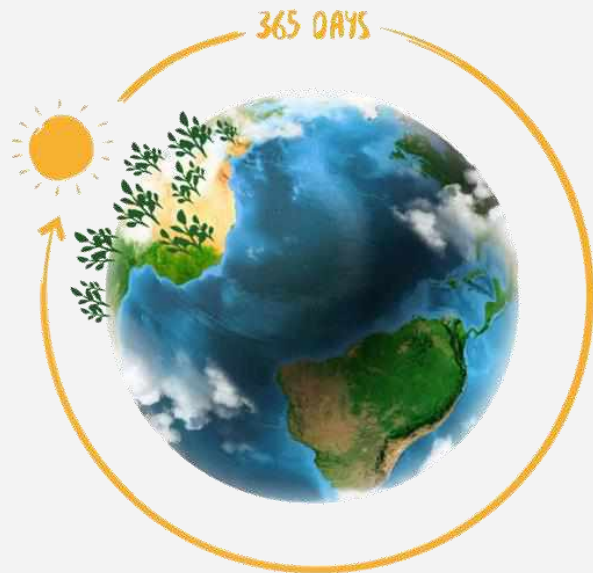
Our Markets During COVID -19



- ✓ Demand for “foods at retail” has increased across Europe as consumers shift to “eating at home” versus out of home
- ✓ Initial focus on pantry loading and packaged and shelf stable foods now transitioning to demand for fresh nutritious foods including fruits and vegetables
- ✓ Retailers very appreciative of efforts from suppliers to maintain stock in challenging times, deepening relationships
- ✓ Revenues for the month of March 2020 are expected to be the highest revenue month of first quarter

Our Integrated Supply Chain

- ✓ We work in hand with our **valued strategic growers and supply chain partners** to control and monitor each step in our process
- ✓ We use geographically **diverse growing regions including Colombia, Morocco, Mexico, Peru, Argentina, Italy, Zimbabwe and others** to work to provide supply to our valued customers
- ✓ We believe our **asset-light business model** leverages our expertise and provides for exceptional **flexibility and scalability**



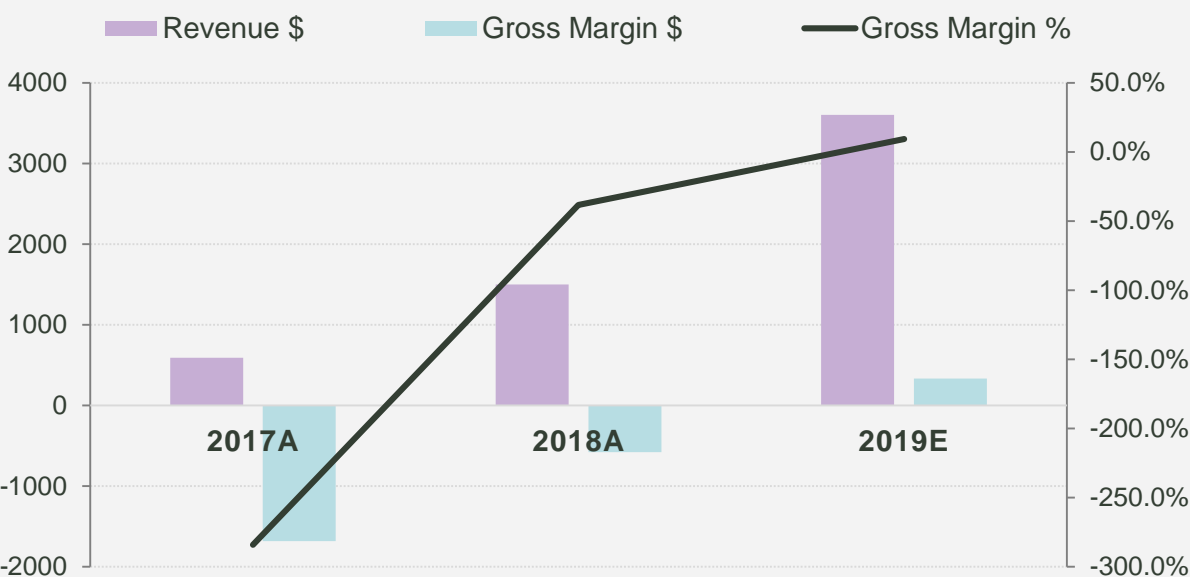
Our Supply Chains During COVID -19



- ✓ Our operations are being managed remotely utilizing our information technology and communication systems
- ✓ Supply of food has been deemed “essential” by governments worldwide with a focus on maintaining critical flow of foods to markets
- ✓ Existing supply chains still operating although often requiring complex logistical solutions
- ✓ Key players in supply chains taking precautionary measures to maintain operations, food integrity and safety of personnel
- ✓ Our diverse sourcing and ability to be FLEXIBLE are keys to managing supply as the pandemic proceeds around the globe

Looking Forward

Record Revenues and Gross Margins for 2019



With our new asset light model, every
\$1M - \$1.5M in capital deployed =
\$10M additional revenue

Forecast Record Q-1 2020

- ✓ Even with the early onset of COVID-19 in Europe, we have maintained operations in challenging times
- ✓ Forecasting record first quarter revenues of CDN \$1.6 to CDN \$ 1.65 million and record first quarter margins for the Company
- ✓ Will represent the Company's third consecutive quarter of record quarterly revenue and margin growth
- ✓ **Validates repositioned business model which provides the flexibility to maintain successful operations during and following the COVID-19 pandemic**

Our Long-Term Opportunity Remains

Consumers are seeking healthier foods and healthier lifestyles

Retailers are expanding availability of organic and fresh food products but often lack reliable and consistent supply

Complex and fragmented supply-chains present challenges for retailers

Control over the supply chain from farm to retail shelf is critical

There are a limited number of brands in the value-added fresh vegetable and fruit categories

Opportunity exists to consolidate fragmented industry to build a leadership position in fast growing niche market

Organito - In Summary



Serving fast growing organic foods markets

- ✓ Demand for healthy and organic foods continues to grow globally
- ✓ Focus on largest and fastest growing organic categories

Branded and distributed product offering

- ✓ Organito “I Am Organic” brand
- ✓ Distributed product base important for supply/demand balance
- ✓ Attractive gross margin potential on high value-added products

Integrated, year-round supply for key organic products

- ✓ Unique year round organic supply models across key categories
- ✓ Geographic supply distribution from diverse growing regions
- ✓ Committed to sustainable and transparent business practices

Scalable and profitable asset light business model

- ✓ Strong EBITDA and cash-flow potential as business scales
- ✓ 10-15% working capital/annual revenue ratio for growth capital

Experienced & aligned management team

- ✓ Strong knowledge and experience in organic foods
- ✓ Leadership based in North America and Europe with operating personnel on the ground in Europe, Mexico and Argentina
- ✓ Strong management ownership

Business model well positioned to operate during and after COVID-19

Q&A

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