

Organto to Acquire Fresh Organic Choice BV

Expands Product Portfolio Into Full Line of Fresh Cut Organic Herbs

Vancouver, BC, Canada and Breda, the Netherlands, December 9, 2020 – Organto Foods Inc. (TSX-V: OGO, OTC: OGOFF, FSE: OGF) (“Organto” or “the Company”), a leading provider of organic and value-added organic fruits and vegetables today announced that it has signed a Letter of Intent (“LOI”) to acquire 100% of the outstanding shares of Fresh Organic Choice BV (“Fresh Organic”), a privately held Dutch corporation. Fresh Organic is a provider of a wide range of year-round fresh cut organic herbs, marketed under the Fresh Organic Choice brand, with sales throughout Europe. Closing of the transaction is subject to completion of final due diligence, definitive agreements and acceptance of the TSX Venture Exchange.

Fresh Organic is based in Poeldijk, the Netherlands. The business was started in 2017 by Mr. Wilco Heemskerk, who will join Organto and lead the Company’s organic herb and taste-maker portfolios. Fresh Organic operates an asset light business model, enabling a straight forward integration process with Organto. Fresh Organic’s fresh cut packaged herbs portfolio includes mint, oregano, basil, chives, parsley, dill, thyme, rosemary, sage, tarragon and others, sold in a wide range of branded packages. Product is sourced primarily from strategic local growers in the Netherlands, Germany, Spain, Italy, Germany and Portugal, with sourcing programs in development Tunisia and Ethiopia.

“We are extremely excited to have Fresh Organic become part of Organto, expanding our organic fruits and vegetables portfolio and leveraging the operating platform that we have been building. Growth via acquisition has been one of our stated strategies, and we are pleased to be able to announce this first transaction as we ramp-up our acquisition program.” commented Rients van der Wal, Co-CEO of Organto and CEO of Organto Europe BV. “Wilco has built a successful business in a fast-growing category, based upon strong values and operating principles, and we are honored that he and his team will become part of Organto. By combining our collective strengths, we are confident that will be able to profitably expand our fresh herbs and taste-maker categories for years to come. We are convinced that demand for fresh cut organic herbs will continue to grow, driven by the rise in home cooking and desire for new taste sensations, combined with the desire for the unique health benefits that herbs provide.”

Wilco Heemskerk, the current owner of Fresh Organic commented, “I am extremely proud of what we have built at Fresh Organic, and am thrilled that we will continue our legacy as part of the Organto family. Organto’s vision for the future, commitment to socially responsible business practices and strategy to be a leader in fresh organic fruits and vegetables, aligns with the goals of Fresh Organic, and I could not be more pleased to be part of this vision.”

Herbs are recognized for their intense flavor and impressive nutritional profiles, including high levels of vitamins, essential minerals, antioxidants, fiber and antimicrobial properties, all considered important ingredients to boosting immunity and part of a healthy diet. With the increase in cooking at home during the COVID-19 pandemic, demand for fresh cut herbs has been strong as consumers have sought the combination of taste intensity and health benefits that herbs provide. This trend is expected to continue as many consumers have indicated they will continue with increased healthy home cooking once the pandemic has passed.

Fresh Organic is expected to realize revenues of approximately CDN \$2.1 million in calendar 2020, with strong growth projected in the future. The business is expected to be both gross margin and EBITDA



accretive to Organto once the transaction has closed. Under the terms of the LOI, at closing Organto will pay €150,000 in cash and issue common shares of Organto worth €150,000. The common shares issued will be subject to escrow provisions and become freely tradable in equal amounts over three years. In addition, the former owner will be eligible for an earn-out of up to €100,000 based on pre-established growth targets to be met over a three-year period.

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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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 branded, 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 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 Fresh Organic will expand the Company's product portfolio, leverage its operating platform and lead to profitable expansion; Organto's belief Fresh Organic has built a business based on strong values and operating principles; Organto's belief that demand for fresh cut organic herbs will continue to grow due to their intense flavor profiles and health benefits; 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.

