

Organto Finalizes Acquisition of Fresh Organic Choice BV *Expands Product Portfolio With Full Line of Fresh Cut Organic Herbs*

Vancouver, BC, Canada and Breda, the Netherlands, January 14, 2021 – 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 finalized definitive agreements to acquire 100% of the outstanding shares of Fresh Organic Choice BV, a privately held Dutch corporation. Fresh Organic Choice is a provider of a full range of year-round fresh cut organic herbs, marketed under the Fresh Organic Choice brand, with sales throughout Europe.

“We are extremely excited to finalize the acquisition of Fresh Organic Choice, a business that we believe is a great fit with our fast-growing fresh organic fruits and vegetables platform. We intend to continue our aggressive internal growth and acquisition strategy as we pursue our objective of building an ethics driven “one-stop shop” in fresh organic and specialty fruits and vegetables.” commented Steve Bromley, Chair and Co-CEO and Rients van der Wal, Co-CEO and CEO of Organto Europe BV. “Fresh Organic Choice is a leader in the fast-growing fresh cut organic herbs category, and we are extremely pleased to have them join the Organto team. By combining our collective strengths, we are confident that we 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.”

Fresh Organic Choice operates an asset light business model, enabling a straight forward integration process with Organto. Fresh Organic Choice’s fresh cut packaged herbs portfolio includes mint, oregano, basil, chives, parsley, dill, thyme, rosemary, sage, tarragon and others, which are sold in a wide range of branded package formats. Product is sourced primarily from strategic local growers in the Netherlands, Germany, Spain, Italy, Germany and Portugal, with sourcing programs being developed in Tunisia and Ethiopia.

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 increased 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 Choice has annualized revenues of approximately CDN \$2.0 million, with strong growth projected in the future. The acquisition of Fresh Organic Choice is expected to be both gross margin and EBITDA accretive to Organto. Purchase consideration includes the payment of €150,000 in cash, the issuance of 839,570 common shares of Organto and an earn-out out to the former owner of up to €100,000 based on pre-established growth targets to be attained over the next three-years. The common shares are subject to escrow provisions and will become freely tradable in equal amounts over the next three years.

The transaction remains subject to TSX Venture Exchange acceptance.



TSX-V Approval of CDN \$4.6 Million Convertible Note Financing

Organto also announced today that the TSX-V has accepted the terms of the Company's CDN \$4.63 million convertible note financing, as per the Company's news release dated January 7, 2021. The convertible notes issued have a term of two years maturing in December 2022 and January 2023, carry an annual interest rate of 8% payable annually, and are convertible into common shares of Organto (TSX:V) at a price of CDN \$0.30 per share. If at any time after four months from the date of issuance of the convertible 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.

Exercise of Warrants

Organto also announced today that following its news release dated December 3, 2020 regarding its decision to accelerate expiry of warrants issued in June and July 2020, the Company has received exercise notices from 100% of the holders of the accelerated warrants. As a result, the Company will receive proceeds of CDN \$1.5 million and a total of 15.04 million additional common shares of the company will be issued.

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.
For more information contact:

Investor Relations
604-634-0970
1-888-818-1364
info@organto.com

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 Organto's business model and markets; Organto's objective of building an ethics driven one-stop shop for fresh organic and specialty fruits and vegetables; Organto's belief that the combination with Fresh Organic Choice will expand the Company's product portfolio, leverage its operating platform and lead to profitable expansion; Organto's belief that Fresh Organic Choice 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; Organto's belief that the acquisition of Fresh Organic Choice will be both gross margin and EBITDA accretive; 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.

