

NEWS RELEASE

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Organto Announces Amendment to 2020 Series of Convertible Debentures

Private Placement Of New Convertible Debentures Underway

Vancouver, BC, Canada and Breda, the Netherlands, January 26th, 2023 – Organto Foods Inc. (TSX-V: OGO, OTC: OGOF, FSE: OGF) (“Organto” or “the Company”), a leading provider of organic and value-added organic fruit and vegetable products, today announced that it has closed its previously announced (see December 13, 2022 news release) amendment of certain of its 2020 series convertible debentures. The Company is also providing an update to its previously announced (see December 13, 2022 news release) intention to raise funds by way of a private placement of new convertible debentures.

Amended Convertible Debentures

In December 2020 and January 2021, Organto issued a total of \$3,666,850 of convertible debentures, referred to as the “2020 series of convertible debentures”. The 2020 series of convertible debentures bore interest at 8% payable in cash, annually in arrears, and had a term of two years. The holders had the option to convert the 2020 series of convertible debentures into common shares of Organto at a price of \$0.30 per share, but if the closing price of the Organto shares was equal to or exceeded \$0.45 per share for 10 consecutive trading days on the TSX Venture Exchange, Organto had the option to convert the 2020 series of convertible debentures into common shares at a price of \$0.45 per share.

To date, \$522,000 of the 2020 series of convertible debentures have been converted into 1,739,995 common shares and \$1,489,000 of the 2020 series of convertible debentures were repaid in cash. 2020 series of convertible debentures with a total face value of \$1,655,850 were amended (the “amended convertible debentures”).

Effective December 29, 2022, the amended convertible debentures bear interest at a rate of 10% and their new expiry date is December 29, 2024. Interest will be paid annually in arrears in cash. Terms of conversion will remain unchanged at \$0.30 if converted by the holder and \$0.45 if forced by the Company. Insiders of the Company who in aggregate hold \$489,450 of the 2020 series of convertible debentures agreed to the amended terms.

Organto will pay finders fees to eligible finders of \$55,284 in cash and issue 184,280 broker warrants which represent 6% of the total dollar amount of the eligible amended convertible debentures. No finder’s fees will be paid on the amended convertible debentures held by insiders. Each broker warrant will entitle the finder to purchase one common share at a price of \$0.30 per common share for a period of two years from the date of the closing of the private placement. In the event the broker warrants are exercised in the first four months from the date of their issuance, the common shares will be subject to a hold period expiring four months from the date of issuance of the broker warrants.



Private Placement of 2022 Series Convertible Debentures

Marketing of the previously announced private placement of convertible debentures is now underway. The Company plans to raise a minimum of \$500,000 in new convertible debentures, referred to as the “2022 series convertible debentures”, via this financing.

The annual interest rate is 10% to be paid annually in arrears. The term of the 2022 convertible debentures will be 24 months (2 years) from the date of issuance (the “Maturity Date”). In the event that the 2022 series convertible debentures have not been converted into equity by the Maturity Date, Organto must repay the full amount of the 2022 series convertible debentures together with any outstanding accrued interest on the Maturity Date. The 2022 series convertible debentures shall be convertible by the holder at any time on or before the Maturity Date, at the holder’s sole discretion, into common shares of Organto at a price of \$0.30 per share. Accrued interest shall not be convertible. In the event the 2022 series convertible debentures are converted in the first four months from the date of their issuance, the common shares will be subject to a hold period expiring four months from the date of issuance of the 2022 series convertible debentures. Anytime following four months from the date of issuance of the 2022 series convertible debentures, if the closing price of Organto’s common shares equals or exceeds \$0.45 per share for 10 consecutive trading days or more on the TSX Venture Exchange, Organto can call the 2022 series convertible debentures and force their conversion into common shares. Any and all accrued interest to the date of forced conversion will be paid in full in cash by the Company concurrently with or as soon as reasonably practicable following delivery of a notice of the forced conversion to any holder of 2022 series convertible debentures.

Organto will pay finders fees of 6% in cash and issue broker warrants equal to 6% of the total dollar amount of 2022 series convertible debentures sold by any finder. Each broker warrant will entitle the finder to purchase one common share at a price of \$0.30 per common share for a period of two years from the date of the closing of the private placement. In the event the broker warrants are exercised in the first four months from the date of their issuance, the common shares will be subject to a hold period expiring four months from the date of issuance of the broker warrants.

Funds raised from the 2022 series convertible debenture private placement will be used to support growth initiatives and for general working capital purposes.

The amendment and extension of the 2020 series convertible debentures and the private placement of the new 2022 series convertible debentures are subject to final acceptance by the TSX Venture Exchange.

Grant of Stock Options and Restricted Share Units

Organto also announced that it has granted a total of 1,300,000 stock options to certain directors as per the terms of the Company's Share Option Plan at an exercise price of \$0.21. The options granted have a term of five years and 25% will vest immediately and 25% will vest every six months thereafter. In addition, 1,300,000 restricted share units were issued to certain directors of the Company as per the terms of the Company’s Restricted Share Unit Plan. The restricted share units have a term of three years and will vest 50% after one year and 25% every six months thereafter.



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 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.

