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Organto Provides Preliminary 2023 Third Quarter Sales and Gross Profit Estimates

Expects Strong Sales and Gross Profit Improvement

Toronto, ON, Canada and Breda, the Netherlands, November 21st, 2023 – Organto Foods Inc. (TSX-V: OGO, OTC: OGOFF, FSE: OGF) (“Organto” or “the Company”), a leading provider of organic and non-GMO fruit and vegetable products, today provided preliminary unaudited sales and gross profit estimates for the quarter ended September 30, 2023.

Organto is pleased to report record preliminary third quarter 2023 sales and strong gross profit improvement versus 2022. These results have been driven by a combination of new business growth initiatives, new retailer listings, and operational actions taken to address the challenging macroeconomic conditions that impacted the Company’s business in 2022. Third quarter results include increased sales of organic avocados from East Africa and strong mango sales from West Africa.

- Third-quarter preliminary sales estimates in the range of CDN \$6.2 million to CDN \$6.3 million, an increase of approximately 36% to 40%, or approximately 24% to 28% when adjusted for changes in currency rates year over year. These third-quarter sales represent the largest third quarter sales in the Company’s history, seventeenth consecutive quarter of increased currency-adjusted sales versus the same quarter in the prior year and are expected to lead to record annual sales for fiscal 2023.
- Third quarter gross profit dollars are expected to increase over 200% versus 2022 and increase 70% when adjusted for the impact of foreign currency hedging which is reported below gross profit. Adjusted gross profit⁽¹⁾ as a percentage of sales for the third quarter of approximately 7.3%, an improvement of approximately 130 basis points versus third quarter 2022 adjusted gross profit⁽¹⁾ of 6.0%. The significant improvement in adjusted gross profit is the result of actions taken by the Company to address challenges experienced throughout fiscal 2022 and 2023.

“We are pleased with our progress in the third quarter as we have achieved another strong sales quarter, and more importantly, started to realize the benefits of the initiatives we implemented to improve our gross profit profile after the challenges we faced in both 2022 and 2023, caused by several factors including a rapid rise in inflation and the impact of the Russia-Ukraine war on supply chains and product availability. In hand with our growth in sales and gross profit, we continue to

streamline our cost base and leverage existing resources as we position to achieve positive EBITDA during fiscal 2024. While we still have much more we can accomplish, we believe we have good momentum in the business as we exit the third quarter and are looking forward to continued growth to close out the balance of the year.” commented Rients van der Wal, Co-CEO of Organto and CEO of Organto Europe BV.

ON BEHALF OF ORGANTO,

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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- (1) The information presented herein refers to the non-IFRS financial measure of adjusted gross profit. We hedge currencies for certain product categories where either the supply or sales commitments are fixed in foreign currencies. The gains and losses from these hedging activities are combined with gross profit to determine adjusted gross profit. This measure is not a recognized measure under IFRS and does not have a standardized meaning prescribed by IFRS. Non-IFRS financial measures should not be considered in isolation nor as a substitute for analysis of the Company’s financial information reported under IFRS and are unlikely to be comparable to similar measures presented by other issuers. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company’s results of operations from management’s perspective and thus highlighting trends in its business that may not otherwise be apparent when relying solely on IFRS measures. The Company believes that securities analysts, investors, and other interested parties frequently use non-IFRS financial measures in the evaluation of the Company. The Company’s management also uses non-IFRS financial measures to facilitate operating performance comparisons from period to period and to prepare annual operating budgets and forecasts.

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 belief that preliminary sales estimates for the third quarter of 2023 will be in the range of CDN \$6.2 to \$6.3 million and higher than those realized in the third quarter of 2022, gross profit in the third quarter of 2023 will be higher than the gross profit realized in the third quarter of 2022 representing an increase of 130 basis points on an adjusted gross profit basis versus the prior year; Organto's belief that demand for fresh organic fruits and vegetable products produced in a sustainable and transparent manner continues to grow; Organto's belief that it is well positioned to capture opportunities in these segments and achieve positive EBITDA during 2024; and Organto's belief that despite significant macroeconomic challenges including supply chain disruptions, rapid changes in foreign currency, the lingering effects of the COVID-19 pandemic plus the Russia/Ukraine war, the business has performed well and realized record sales among other accomplishments. 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.