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## Organto Releases Fiscal 2024 Third Quarter Financial Results

**Vancouver, BC, Canada and Breda, the Netherlands, November 27, 2024 – Organto Foods Inc. (TSX-V: OGO, OTCQB: OGOFF, FSE: OGF) (“Organto” or “the Company”)**, a provider of branded, private label and bulk distributed healthy and organic fruit and vegetable products today announced its financial results for the three and nine-month periods ended September 30, 2024. All amounts are expressed in Canadian dollars and in accordance with International Financial Reporting Standards (IFRS), except where specifically noted.

“We are pleased with our financial results for the third quarter of 2024 which reflect the impact of our operational restructuring which has streamlined our product portfolio, shifted our marketing strategy and re-engineered our ongoing operating costs. We believe the results for the third quarter reflect the benefits of our repositioning efforts, including sales growth of 47% versus the prior year, gross profit dollar growth of 63% versus the prior year, and substantially improved bottom line results versus the prior year that are continuing to improve. Our work is not done, and we remain intently focused on leveraging the positive changes we have made as we drive continued business growth combined with operational improvements, all leading to long-term profitability and sustainability. We also continue to focus on the restructuring of our convertible debenture obligations, which is expected to result in reduced cash outlays and greater operating flexibility. We believe the impact of these initiatives will continue to be apparent as we report our results in the coming quarters.” commented Steve Bromley, Chair and Chief Executive Officer.

Bromley commented further, “Immediately following the filing of our Financial Statements and Management Discussion and Analysis for the second quarter of 2024, we submitted our application to have the current Cease Trade Order lifted. This process is ongoing, and we are hopeful it will be concluded in the near term. We believe we are now fully current with all financial related filings, and when combined with the performance of our restructured business, are looking forward to an exciting future. We truly appreciate the continued support we have received from our shareholders, debenture holders and key operating partners as we have worked through the restructuring of our business. We remain committed to building a world class foods company focused on serving growing global healthy foods markets with the goal of building long-term shareholder value.”

### ***Third Quarter 2024 Financial Results Overview***

- As a result of the sales of the three subsidiaries in June 2024, all sales and expenses, as well as any gains and losses relating to the operations of the sold subsidiaries have been eliminated from continuing operations and instead are shown as a single line

item, loss from discontinued operations, for both the current period and any comparative historical periods.

- Sales of \$5.2 million versus sales of \$3.5 million in the prior year, an increase of 47%, driven by strong growth in sales of organic and fairtrade bananas to European customers.
- Gross profit of \$0.6 million or 11.8% of sales versus \$0.4 million or 10.6% of sales in the prior year. Third quarter gross profit includes a one-time favorable adjustment of approximately \$104,000 to properly allocate sales commissions to selling, general and administration expenses for the first and second quarters of 2024. Excluding this adjustment, gross profit for the third quarter of 2024 was \$0.5 million or 9.8% of sales.
- Cash overhead costs increased to 19% of sales versus 13% in the prior year. Third quarter 2024 costs include approximately \$113,000 related to ongoing restructuring, reorganization and cease trade order activities combined with additional costs to complete the 2023 financial audit. Excluding this, the increase in ongoing costs was driven by the retention of costs and resources which were previously included in sold subsidiaries, offset by the savings realized from our efforts to streamline and simplify the business.
- The current quarter loss for the period was \$0.8 million versus a loss of \$1.6 million in the prior year, reflecting improvement as the business has been and continues to be restructured and positioned for future growth and profitability.

### ***Year to Date 2024 Financial Results Overview***

- Sales of \$14.3 million versus sales of \$10.9 million in the prior year, an increase of 31%, driven by strong growth in sales of organic and fairtrade bananas to European customers.
- Gross profit of \$1.2 million or 8.2% of sales versus \$1.0 million or 9.4% of sales in the prior year, a dollar increase of 15%. Year-over-year gross profit as a percentage of sales was impacted by currency fluctuations and supply chain costs.
- Cash overhead costs remained flat at 14% of sales. Our third quarter 2024 included approximately \$113,000 related to ongoing restructuring, reorganization and cease trade order activities combined with additional costs to complete the 2023 financial audit. These costs plus incremental costs driven by the retention of resources which were previously included in sold subsidiaries were offset by the savings realized from our efforts to streamline and simplify the business.
- Gain of \$2.6 million on the sales of three of our wholly owned Dutch operating subsidiaries (see July 12, 2024 and June 5, 2024 news releases) as well as a gain of \$0.4 million on the dissolution of an inactive subsidiary.
- Loss for the year of \$0.3 million versus a loss of \$5.9 million in the prior year, reflecting a substantial improvement as the business has been and continues to be restructured and positioned for future growth and profitability.

Interested parties may access the Company's filings including Financial Statements and accompanying Management's Discussion and Analysis for the period ended September 30, 2024 at [www.SEDARplus.ca](http://www.SEDARplus.ca) or at the Company's website at [www.organto.com](http://www.organto.com) under the Investors tab.

ON BEHALF OF THE BOARD,

*Steve Bromley*  
Chair and 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.

## 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 the Company has made good progress in the restructuring of its business and is focused on a clear path to profitability; Organto's belief that its efforts to restructure its convertible debt portfolio is expected to result in reduced debt levels and greater operating flexibility; Organto's belief that as it is now current with its filing obligations and believe that its application to have the current Cease Trade Order revoked as per the terms of securities legislation of British Columbia will be concluded in the near term; Organto's belief that it remains focused on building a world class company focused on growing healthy foods markets with the goal of building long-term shareholder value; 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.