



# **Organto Foods Inc.**

## **Company Presentation**

**February 2025**

# Disclaimer

This presentation contains certain forward-looking statements which may not be based on historical fact, including without limitation, statements regarding Organto Foods Inc. ("Organto")' expectations in respect of its ability to successfully execute its business plan; its in-depth knowledge and experience in the organic foods business; plans for future growth and the direction of the business; financial results and projections including actual and expected revenues, gross margin, EBITDA, adjusted EBITDA and cash-flow (the last three being non-GAAP financial measures); plans to increase product volumes and supplies from strategic third party growers and contractors; expected growth of the organic foods industry generally; its ability to raise additional capital and fund its ongoing operations; management's expectations, beliefs and assumptions; events or developments that Organto expects to take place in the future; and general economic conditions. All statements, other than statements of historical facts, are forward-looking information and statements. The words "believe", "expect", "anticipate", "contemplate", "target", "intends", "continue", "budget", "estimate", "may", "will", and similar expressions identify forward-looking information and statements.

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# Organto Foods Inc. “Snapshot”

## Mission, Purpose, Vision, Values

*Our mission of making organic fruits and vegetable products available for every consumer aligns with today’s consumer trends – “good for people & planet”*

### OUR PURPOSE

To bring healthy and nutritious organic fruit and vegetable products to market by creating sustainable and transparent linkages between growers and end markets

### OUR VISION

To be a leading global provider of organic fruit and vegetable products utilizing an integrated business model, trusted for driving equitable returns to all parties in the value chain

### OUR VALUES

Working together as a team, honouring and respecting our customers and supply chain partners, respecting the world we live in and do what is right for long-term sustainability

## Key Facts



**40**  
Customers \*



**17**  
Countries served \*



**40**  
Strategic growers – 100%  
Global GAP certified \*



**20**  
Sourcing countries \*



**3**  
Owned brands



**14**  
Retail clients \*

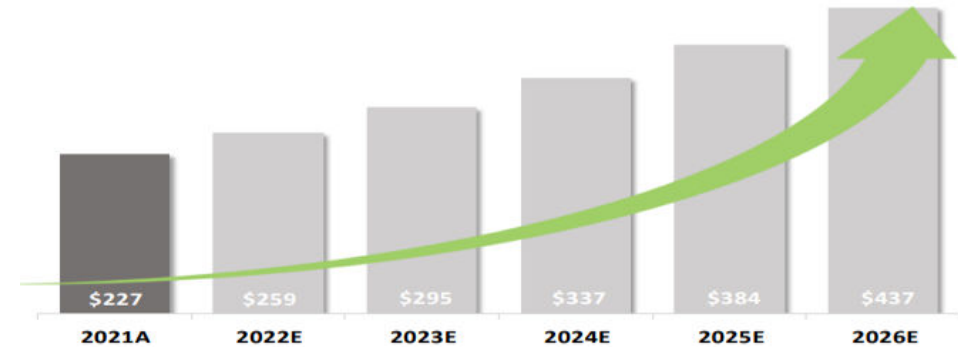
*\*\*Customer and supplier data based on last twelve months post-sale of subsidiaries in 2024*

# Our Focus Is Supported By Forecast Growth Of Healthy Foods

## Significant Growth Opportunity Driven By Consumer Demand

The Global Organic Foods Market is expected to have a five-year CAGR of **14% CAGR** from 2021-2026

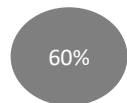
Source: Organic Food Global Market Report 2022



Consumers are becoming more interested in healthy eating, and prioritize it over affordability



Consumers interested to learn about influence of food over health



Consumers choose health over affordability

Source: 2021 Deloitte Conscious Consumer – Connecting With Health and Sustainability Priorities

Fruits & vegetable products are the largest and fastest growing category in organics

Source: CDN. Organic Trade Assoc.

The European Union Green Deal targets a carbon neutral footprint in the EU by 2050 and includes a Farm to Fork Strategy focused on healthy people, healthy societies and a healthy planet.....

...and is expected to have a significant impact on demand for organic foods consumption in Europe with a target of 25% of farming in the EU being organic by 2030 versus current estimate of approx. 8-10%



# Our Business Model Adds Value From Farm to Fork

Opportunity to Move “Upstream” With Growers to Further Enhance Value Proposition



## Our Value Add

### Sourcing/ Growers

- ✘ Certification expertise/Quality assurance
- ✘ “Boots on the ground”
- ✘ Value-added go-to-market partner

### Supply Chain

- ✘ Global network of logistics and processing partners
- ✘ Year-round supply capabilities in core categories
- ✘ Ownership of inventory

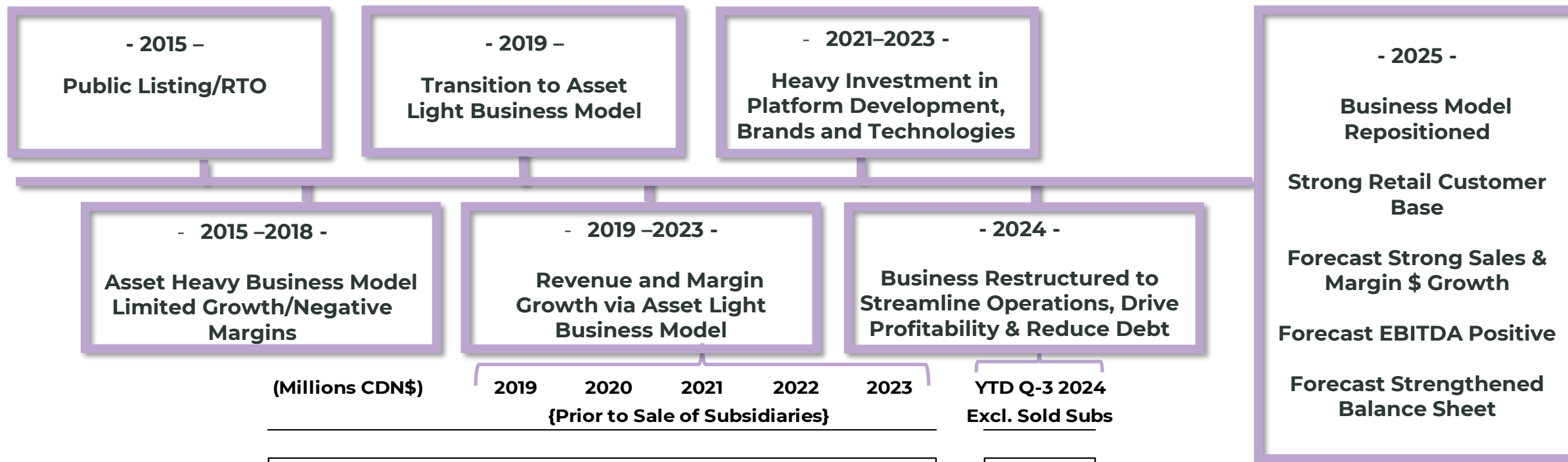
### Products

- ✘ Multiple formats – bulk, private label and branded
- ✘ Value-added formats

### Brands

- ✘ Premium I AM Organic brand utilizing proprietary digital passport technology
- ✘ Non-GMO brands – ORO and =Awesome Fruits

# Our Evolution – We Have Repositioned Our Business



(Millions CDN\$)	2019	2020	2021	2022	2023	YTD Q-3 2024 Excl. Sold Subs
<b>Sales</b>	\$ 3.7	\$ 11.4	\$ 19.5	\$ 22.1	\$ 27.7	\$ 14.3
<i>Growth %</i>	146.7%	208.1%	71.1%	13.3%	25.3%	31.0%
<b>Gross Profit</b>	\$ 0.2	\$ 1.1	\$ 2.0	\$ 1.6	\$ 2.5	\$ 1.2
<i>%</i>	5.4%	9.6%	10.3%	7.2%	9.0%	8.2%
<b>Adjusted EBITDA*</b>	\$ -1.70	\$ -1.50	\$ -3.60	\$ -5.70	\$ -4.60	\$ -0.80

\* Adjusted to exclude non-cash SBC, dep'n and amortization, one time costs



# Our Repositioning Has Crossed Our Entire Business

<p><b>Debt Reduction/Restructuring</b></p>	<ul style="list-style-type: none"> <li>• <b>Reduced \$8.05M 8% debentures</b> – agreement with debenture holders – 50% equity conversion at \$0.30 per share and extended maturities to '27 &amp; '28</li> <li>• <b>Extended \$2.6M 10% notes</b> – agreement for notes to be extended to '25 &amp; '26, and o/s interest paid in shares at \$0.30 per share</li> </ul>	<p><b>Impact</b> Debt reduced approx. \$4.0M or 40% with further reduction efforts ongoing</p>	<p>To be Completed in 2025</p>
<p><b>Business Rationalization</b></p>	<ul style="list-style-type: none"> <li>• <b>Product rationalization</b> – elimination of low velocity/low profitability SKU's</li> <li>• <b>Cost rationalization</b> – personnel, investment spending, marketing</li> <li>• <b>Shift in marketing strategy</b> – source push versus demand pull</li> </ul>	<p><b>Impact</b> Realized approx. \$3.0M in annualized cost savings (36%)</p>	
<p><b>Sale of Money-Losing Operating Units</b></p>	<ul style="list-style-type: none"> <li>• <b>Sale of three European Operating Subsidiaries to:</b> <ul style="list-style-type: none"> <li>• Simplify &amp; streamline operations</li> <li>• Reduce liabilities</li> <li>• Improve profitability</li> </ul> </li> </ul>	<p><b>Impact</b> Liabilities down approx. \$4.0M/operating results improved approx. \$4.0 M</p>	
<p><b>Refocused Go-To Market Strategies and Expansion of Digital Platform</b></p>	<ul style="list-style-type: none"> <li>• <b>Simplified go-to-market structure</b> – less SKU's, retail/brand focus</li> <li>• <b>Streamlined admin.</b> – ERP, processes, customers, suppliers</li> <li>• <b>Expansion of digital efforts</b> – waste reduction/transparency/cost</li> </ul>	<p><b>Impact</b> Approx. 60% less SKU's One ERP versus three New revenue sources</p>	<p>To be Completed in 2025</p>

# Our Financial Results Are Showing This Progress

YTD Q-3 2024 adjusted operating results showing approximate 80% improvement versus YTD Q-3 2023 prior to sale of subsidiaries and business rationalization



	Results Excluding Sold Subsidiaries		PY Results Including Sold Subsidiaries
	YTD Q-3 2024	YTD Q-3 2023	YTD Q-3 2023
\$CDN, millions			
Sales	\$14.30	\$10.90	\$21.50
Gross Profit	\$1.20	\$1.00	\$2.00
%	8.2%	9.2%	9.3%
Cash Based SG&A*	-\$2.00	-\$1.50	-\$5.60
Income (Loss) from Operations	-\$0.80	-\$0.50	-\$3.60
Interest and Other	-\$1.10	-\$1.70	-\$2.20
Gain on sale and dissolution of subsidiaries	\$3.00	\$0.00	\$0.00
Income (Loss) from Continuing Operations	\$1.10	-\$2.20	-\$5.80

\* Excludes amortization, stock based compensation, bad debt expense and restructuring costs in 2024

- Q-3 YTD Sales growth of 31% and accelerating into Q-4
- YTD Gross Profit \$ growing – Gross Profit % of sales impacted by currency and cost challenges – realizing improvement in Q-4 but currency volatility a challenge
- SG&A improved via sale of subsidiaries and cost rationalization – 2024 fully burdened for previous shared costs



# Our Product Portfolio

Our core portfolio has been streamlined and focuses on core categories where we deserve to win, including organic, fairtrade and non-GMO bananas, mango, avocado, ginger and blueberries.

- Bananas
- Avocado
- Blueberries
- Mango
- Ginger
- Other seasonal products based on market conditions



Wide-range of products to meet consumer preferences

### *Product Segmentation*

Premium Branded  
 Mid-Tier Branded & Private Label  
 Bulk Distributed



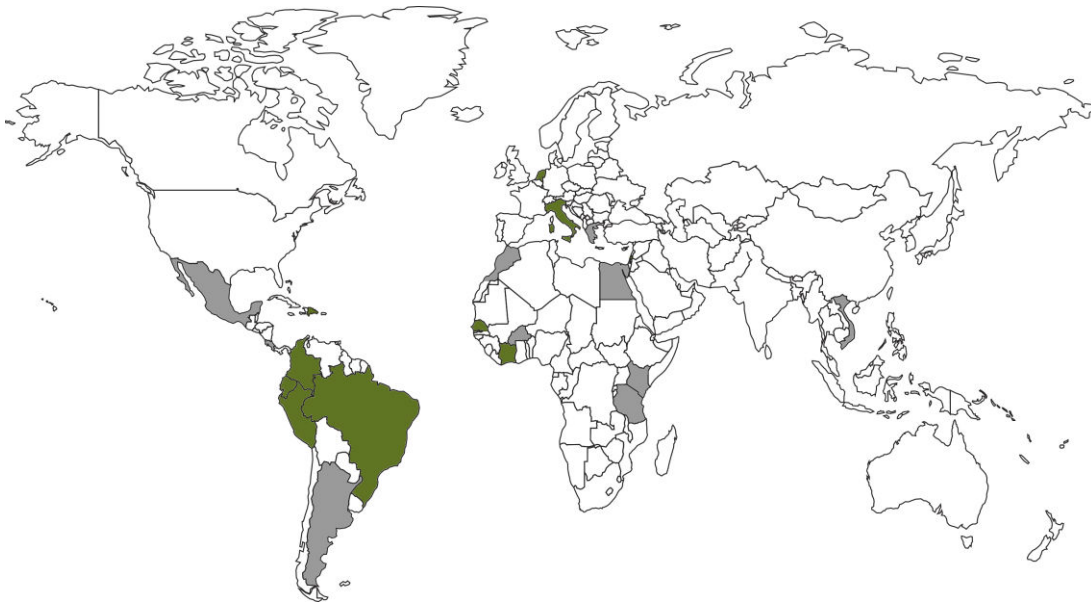
Organic  
 non-GMO

Products sold in multiple formats and multiple channels

### *Customer Segmentation*

Bricks and Mortar Retail  
 Convenience – TO GO  
 Distributors/Wholesalers/Service Providers

# Our Supply Chain



■ Sourcing countries ■ Integrated Strategic Sourcing Partners

- Integrated year-round supply chains
- We work with a combination of integrated strategic sourcing partners and general sourcing partners to control and monitor each step in the supply chain, delivering quality products with complete transparency
- We use geographically diverse growing regions to “follow the sun” to minimize our ecological footprint as we source products from around the globe
- We have access to approximately 40 sourcing partners in approx. 20 countries and this is growing
- Our asset-light business model provides flexibility, scalability, and capital efficiency

# Our Strong European Customer Base



- We currently supply approx. 40 customers in 17 different European countries leveraging our “360° Customer Service” protocols, and we expect to add a number of new strategic customers in the future
- Our main presence is in France, Denmark, Norway, Germany, the Netherlands and Austria
- We directly and indirectly sell to 14 retail chains giving our products access to over 48,000 retail locations in Europe
- Chains served include some of the largest retailers in Europe including:



REWE



# Our Multi-Tier Branded Products Portfolio



Premium Organic



Premium non-GMO



Mid-tier non-GMO

8

We communicate our **I AM ORGANIC** brand values and product transparency via our digital passport



# Our Sustainability Framework

Aligns With Our Core Values of “Respecting the World We Live In” and “Doing What is Right” For Long-Term Sustainability”

	<p><b>1</b></p> <p><b>Goal 1</b></p> <p>End poverty in all its forms everywhere.</p>	<p><b>5</b></p> <p><b>Goal 5</b></p> <p>Achieve gender equality and empower all women and girls.</p>
<p><b>12</b></p> <p><b>Goal 12</b></p> <p>Ensure sustainable consumption and production patterns.</p>	<p><b>13</b></p> <p><b>Goal 13</b></p> <p>Take urgent action to combat climate change and its impacts.</p>	<p><b>17</b></p> <p><b>Goal 17</b></p> <p>Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.</p>

Our sustainability framework is based on 5 key UN Sustainable Development Goals and is focused on the following:

- 1 Combating poverty and providing living wages
- 2 Promoting diversity and equal opportunity
- 3 Promoting healthy consumption and sustainable production
- 4 Combating environmental impact and climate change
- 5 Partnering with our stakeholders for sustainable development

# Platform Expansion Opportunities

Opportunities to Grow Sales and Expand Margin Profile

## Market expansion in fresh segment

- Opportunity to enter the North American and Middle East markets leveraging existing and planned platform expertise and addressing grower demand
- Supported by strategic partnerships with experienced industry players

## Expand into non-fresh organic ingredients

- Leverage supply chain expertise and market knowledge to move beyond fresh offerings into *non-fresh ingredients*

## Downstream product expansion to consumer-packaged goods

- Leverage supply relationships and market knowledge to leverage fresh offerings into value-added fruit and veg-based *consumer products*

## US Fresh Opportunity



- ✓ Largest and fastest growing organic foods market in the world
- ✓ Organic sales in non-food and food markets in the US totaled \$63.8 billion in 2023
- ✓ Organic vegetables & fruits represent approx. 15% of total produce sold in the US
- ✓ Approx. 6% of food sold in the US is organic

## Opportunity Beyond Fresh



- ✓ Demand for a broad range of healthy foods continues to grow globally
- ✓ As consumers search for healthy convenience, the opportunity to meet this demand with a range of consumer-packaged products leveraging supply and market expertise
- ✓ The fragmented non-fresh ingredient sector offers growth opportunities

# Digital Platform Transformation is a Key Strategic Imperative



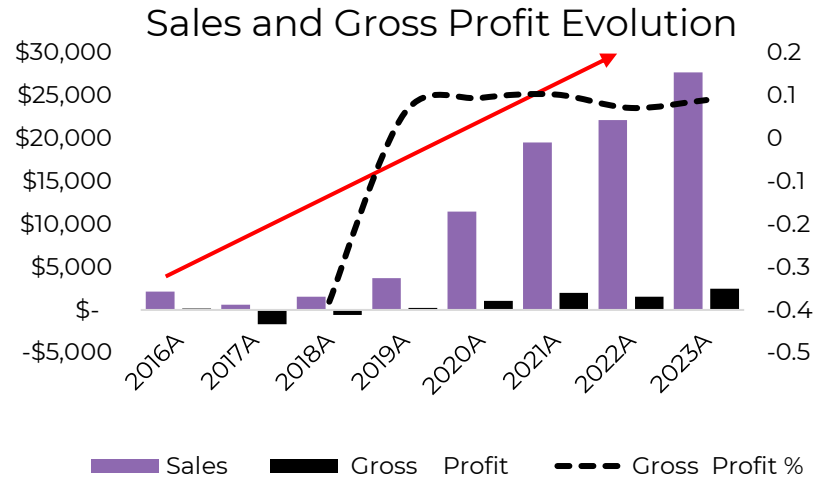
Organto Smart Connect

POWERED BY AI

- We have commenced our digital journey under the brand “**Smart Connect**” – Powered by AI
  - Initial focus on waste reduction, supply chain transparency, and digital marketplace applications
  - Expect to implement the full platform over time
  - Expands sales models to multiple new channels
- Planned strategic partnership with a third party that has developed a robust cloud infrastructure with machine learning and artificial intelligence capabilities
- Our objective is to transform from a “business that uses technology” to a “technology-driven business”, leveraging big data and artificial intelligence to drive reduced waste, margin improvement, and sales exposure while at the same time improving operational agility and reducing costs

# Projected Sales Evolution

We have historically realized strong sales and margin growth....



....prior to repositioning we realized five consecutive years of sales growth and our largest margin \$ in fiscal 2023

Our repositioned business realized growth of 90% in '23 and is expected to grow 45% in '24....

*Projected Sales Growth in 2025...*

**+ 75%**

*Versus strong growth in 2024*

....with significant opportunities beyond fresh



# Operating Platform Evolution

While we historically realized strong sales and margin growth prior to the sale of subsidiaries in 2024....

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<i>%</i>	5.4%	9.6%	10.3%	7.2%	9.0%
<b>Adjusted EBITDA</b>	\$ -1.70	\$ -1.50	\$ -3.60	\$ -5.70	\$ -4.60

\* Adjusted to exclude non-cash SBC, dep'n and amortization and one time writeoffs

...this did not translate to positive results from operations, so we have repositioned

Our business is now focused on bottom line return built on growth and a focused operating platform....

*Our operating platform is built on*

**“Our 3 C’s”**

**C**ustomer

**C**ost

**C**ulture

...focusing our business and leading to positive results from operations

# Winning by Living Our 3 C's Every Day

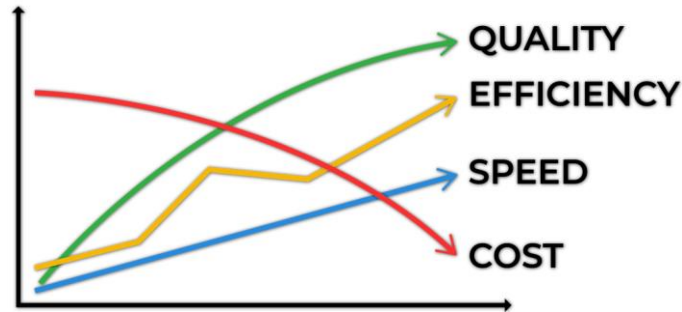
## Customer

## Cost

## Culture

Focus Area

How We Will Win



### CULTURE

"EATS STRATEGY FOR BREAKFAST, OPERATIONAL EXCELLENCE FOR LUNCH, AND EVERYTHING ELSE FOR DINNER!"

1. Grow existing customer base
2. Drive margin growth
3. Grow new products/categories
4. Serve new geographies
5. Deepen strategic relationships

1. Build cost effective sourcing
2. Leverage scale to reduce costs
3. Quality first
4. Efficient internal processes
5. Timely KPI's and reporting

1. " Do it right the first time"
2. Focused and nimble
3. One team, aligned goals
4. Accountable and aligned
5. Innovate/create/demonstrate

# EBITDA and Balance Sheet Evolution

Accelerating sales and margins combined with streamlined cost base positions for positive operating results in 2025....



**EBITDA**

Target +’ve 2025 EBITDA

...with significant room for growth as business scales and markets expanded

We expect to realize a significant reduction in debt and debt service costs....



Convertible Debt -  
Reduced 40% (\$4.0M)



Operating Balance  
Sheet Unlevered

...and have an unlevered “operating” balance sheet

# Team

## Leadership

### Steve Bromley - Chair of the Board and CEO

- Over 35 years in food businesses with focus on natural and organic sectors
- Former CEO, COO & CFO of SunOpta Inc. (TSX/NASDAQ) (2001-2015)

### Bob Kouw – Chief Operating Officer, Global Operations

- Foods industry veteran with extensive strategic, financial and operational expertise
- Former CFO of Tradin Organics, global player in organics

### Ralf Langner – CFO & Corporate Secretary

- CPA/CGA
- Over 25 years of public company financial reporting and governance experience

### John Rathwell – SVP, Investor Relations and Corp Dev

- Over 25 years of progressively responsible capital markets experience
- Extensive experience with micro, small and midcap companies

## Board of Directors

### Peter Gianulis

- Co-Founder of Organto - over 20+ years in organic foods business
- Managing Director of Carrelton Asset Mgt and CEO of Allegiant Ltd.

### Alejandro Maldonado

- President & Chairman of Alpasa Farms
- President of Berry Growers Association of México

### Joe Riz – Chair of the Audit Committee

- Founding director and former Executive VP and COO of SunOpta Inc. (TSX/NASDAQ)
- Extensive organic foods operating and governance experience

### Gert Jan van Noortwijk

- Former President of International Grains and Feed Trade Association
- Extensive agribusiness and global foods supply chain foods experience

### Joost Verrest

- Extensive brand marketing experience
- Extensive foods experience with Total Produce, Chiquita. Green Protein BV, Sara Lee

# Capitalization



- \* 0.02 million with a strike price of C\$3.00 expiring December 2024/February 2025
- \*\* 1. C\$2.156 million due December 2025/26 with a conversion price of \$0.60
- 2. C\$0.295 million due February 2026/27 with a conversion price of \$0.60
- 3. C\$0.238 million due March 20226/27 with a conversion price of \$0.60
- 4. C\$4.025 million due 50% in November 2027 and 50% in November 2028 with a conversion price of \$0.60

*Based on projected debt restructure*

The Company has been subject to a failure to file cease trade order issued by the BCSC in July 2024 and a suspension of trading on the TSX-X Venture Exchange.

The failure to file cease trade order was revoked by the BCSC on January 2, 2025 and the Company has filed documents for reinstatement for trading on the TSX-V Exchange.

## Capitalization C\$M (as of February 1, 2025)

<b>Share Price</b>	<b>\$ 0.065</b>
Current Outstanding	34.3
Estimated Bond Restructuring	15.2
Basic Proforma Outstanding	49.5

<b>Market Capitalization</b>	<b>\$ 3.2</b>
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Basic Shares Outstanding	49.50
Options/RSU's	1.98
Warrants *	0.02
Convertible Notes **	11.20

<b>Fully Diluted Shares</b>	<b>62.70</b>
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# Organto: In Summary

<b>Growing healthy foods platform</b>	Focused healthy and organic fruit and vegetable products platform	<b>Asset lighter business model</b>	Capital efficient asset lighter business model with expansion flexibility
<b>Diverse European customer base</b>	Approx. 40 customers in approx. 17 countries including listings with 14 retail clients	<b>Multi-Tier branded product offering</b>	I AM Organic, ORO and =AWESOME Fruits brands
<b>Global supply base</b>	Product sourced globally from approx. 40 suppliers in approx. 20 countries	<b>Growth platform – opportunities beyond fresh</b>	Opportunities to leverage digital technologies and move beyond fresh into non-fresh and consumer products
<b>Repositioned operating structure</b>	Reduced debt, reduced costs, streamlined processes, clear path to cash flow positive	<b>Experienced team and board</b>	Significant foods operating and governance experience