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Organto Foods Announces Transactions to Restructure Outstanding Debt and C$5M Private Placement Financing

Vancouver, BC, Canada and Breda, the Netherlands, March 20, 2025—Organto Foods Inc. (TSX-V: OGO, OTC: OGOFF) ("Organto" or the "Company") announces proposed transactions to restructure outstanding debt and an equity capital raise of up to C$5,000,000 through a non-brokered private placement of up to 50,000,000 common shares at a price of $0.10 per share. Assuming completion of the restructure of the outstanding debt on the proposed terms below and the full amount of private placement, the Company expects to have up to approximately 150,000,000 shares outstanding.

As disclosed in the Company's news release dated March 14, 2025, as at the period ended January 31, 2025, the Company's outstanding debts included, among others:

- promissory notes and short-term loans of approximately C$1.9 million bearing interest at the rate of 12% per annum (the "**Promissory Notes**").
- convertible notes in the aggregate principal amount of approximately C$2.6 million plus unpaid interest, bearing interest at the rate of 10% per annum (the "**Convertible Notes**").
- 8.0% convertible unsecured subordinated debentures due November 30, 2026 (the "**Debentures**") in the aggregate principal amount of C$8.05 million plus unpaid interest.

Promissory Notes

The Company proposes, subject to the acceptance of the TSX Venture Exchange (the "**Exchange**") to settle all principal amounts and interest owing on the Promissory Notes in the aggregate amount of $1,966,906, through a shares for debt settlement at a price of $0.10 per common share, which would result in the issuance of 19,669,056 common shares.

Convertible Notes

The Convertible Notes are comprised of:

(a) convertible notes issued on or about December 29, 2022 with the aggregate principal amount of $2,058,350 and a maturity date of December 29, 2024;

(b) convertible notes issued on or about February 28, 2023 with the aggregate principal amount of $295,000 and a maturity date of February 28, 2025; and

(c) convertible notes issued on or about March 28, 2023 with the aggregate principal amount of $238,000 and a maturity date of March 28, 2025.

The Convertible Notes have a term of 24 months from the date of issuance (the "**Maturity Date**") and bear interest at a rate of 10% per annum to be paid annually in arrears on the first anniversary of the date of issuance (the "**First Interest Date**") and the second anniversary of the date of issuance (the "**Second Interest Date**"), respectively and may be converted, at the holder's sole discretion, into common shares of the Company at a price of $3.00 per share (the "**Conversion Price**") (as adjusted following completion of a 10:1 consolidation effective September 28, 2023 (the "**Consolidation**")). In the event that the closing price of the Company's common shares equals or exceeds $4.50 per share (on a post-Consolidation basis) for a period of 10 consecutive trading days or more on the Exchange, the Company may force conversion of the Convertible Notes into common shares (the "**Acceleration Price**").

To date, the Company has not made any interest payments as required under the terms of the Convertible Notes. As a result, the Company proposes to amend the terms of Convertible Notes in the amount of $2,543,350 as follows:

(a) to settle the interest payments that are payable, or will become payable, as of the First Interest Date and Second Interest Date, respectively, the Company will issue, subject to the acceptance of the Exchange, an aggregate of up to 1,695,567 common shares (the "**Convertible Note Settlement Shares**") at a deemed price of $0.30 per Convertible Note Settlement Share to settle interest payable on each of the First Interest Date and the Second Interest Date in the aggregate amount of $508,670;

(b) extend the maturity date of the Convertible Notes by one (1) year in respect of 50% of the principal amount and by two (2) years in respect of the remaining 50% of the principal amount;

(c) replace the existing $3.00 Conversion Price with a $0.60 Conversion Price; and

(d) replace the $4.50 Acceleration Price with a $0.90 Acceleration Price

(collectively, the "**Convertible Note Amendments**").

The Convertible Note Amendments, including the issuance of Convertible Note Settlement Shares as contemplated thereby, remain subject to the acceptance of the Exchange.

Debentures

The Debentures were issued pursuant to and are governed by the terms of a trust indenture dated November 12, 2021, between the Company and Computershare Trust Company of Canada as debenture trustee, pursuant to which, among other things:

(a) the Debentures are unsecured subordinated convertible debentures, due November 30, 2026, and bear interest at a rate of 8.0% annually;

(b) the principal amount of the Debentures is convertible into common shares at a conversion price of $5.00 per share (on a post-Consolidation basis) and the interest is not convertible; and

(c) if, at any time after November 30, 2023, the 20-day volume weighted average trading price of the Company's shares on the Exchange exceeds $6.25 (on a post-Consolidation basis), the Company has the right to force conversion of the Debentures.

As disclosed in the Company's news release dated March 11, 2025, Antares Capital Management Ltd. ("**Antares**"), a private corporation, has acquired over 67% of the outstanding Debentures and has made an offer to all Debenture holders to acquire their Debentures on the same terms on which it had acquired its Debentures.

The Company has engaged in discussions with Antares to restructure the terms of the Debentures in a mutually acceptable manner and the parties have agreed, subject to the acceptance of the Exchange, to restructure the Debentures as follows:

(a) the Company proposes to settle the outstanding principal and interest amount under the Debentures through the issuance of common shares at an issue price of $0.20 per share (the "**Debenture Settlement Shares**"). Should all the holders of the Debentures agree to the proposed settlement it would result in the issuance of up to an aggregate of 40,250,000 Debenture Settlement Shares; and

(b) all Debenture Settlement Shares will be subject to a contractual restriction on transfer whereby the Debenture Settlement Shares will be restricted from trading for a period of 18 months from their date of issue (the "**Hold Period**"), following which they would be released as to 25% per quarter, such that all Debenture Settlement Shares will be freely tradable after 30 months from their issuance.

Private Placement

The Company will conduct a non-brokered private placement of up to 50,000,000 common shares of the Company at the price of $0.10 per share (the "**Private Placement**") for gross proceeds of C$5,000,000.

The Company may pay finders' fees in connection with the Private Placement. The net proceeds from the Private Placement will be used to fund general working capital.

Debt Settlement

Finally, the Company has approached certain creditors with an offer to settle outstanding amounts due in exchange for common shares at a deemed price of $0.10 per share. To date creditors owed approximately $280,000 have agreed to the proposed debt settlement which would result in the issuance of approximately 2,800,000 common shares.

Restructuring Fees

In consideration of its assistance in negotiating and implementing the above debt restructuring, the Company has agreed to pay Jaluca Limited ("**Jaluca**") a finder's fee equal to 6% of the gross proceeds raised from investors in the Private Placement introduced to the Company by Jaluca, and a fee of 6% of the total amount of Debentures that are converted into shares (collectively the "**Fees**"). The Fees will be satisfied by the issuance of common shares in the capital of the Company at a deemed price of $0.10 per share. Further the Company has entered into a Financial and Capital Markets Advisory agreement with Jaluca for a term of 12 months, under which it has agreed to pay Jaluca an advisory fee of C$8,500 per month for a one year term. The above fees are subject to the acceptance of the Exchange.

Certain directors and officers of the Company may acquire securities under the Private Placement and shares for debt settlement in respect of the Promissory Notes. Any such participation would be considered to be a "related party transaction" as defined under Multilateral Instrument 61-101 ("**MI 61-101**"). The transaction will be exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of any shares issued to or the consideration paid by such persons will exceed 25% of the Company's market capitalization.

Completion of each of the above transactions will be subject to the prior approval of the Exchange as well as all other requisite corporate, regulatory and security holder approvals, as applicable. Further, all securities issued pursuant to the debt restructuring program described above will be subject to a minimum hold period of four months and one day from their date of issuance. There can be no assurance that the Company will be successful in completing all or any of the above transactions.

Further updates will be provided as discussions progress.

ON BEHALF OF THE BOARD

Steve Bromley
Chairman and CEO

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ABOUT ORGANTO

Organto is a leading provider of branded, private label, and distributed organic and non-GMO fruit and vegetable products using a strategic asset-lighter business model to serve a growing socially responsible and health-conscious consumers. 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* ("forward-looking statements"). In particular, and without limitation, this news release contains forward-looking statements respecting the Company's plans to restructure and reduce overall debt and to obtain sufficient working capital to fund its operations, including the proposed restructuring and/or settlement of Promissory Notes, Convertible Notes Debentures, other outstanding debts and the proposed Private Placement. Forward-looking statements are based on a number of assumptions that may prove to be incorrect, including, without limitation, the assumption that the Company will be able to resolve any and all issues that may arise during the negotiation, restructuring and/or settlement of the Promissory Notes, Convertible Notes, Debentures and other outstanding debts in a timely manner; that all applicable regulatory and/or other requisite approvals will be obtained in a timely manner and on acceptable terms; that all conditions precedent to the restructuring and/or settlement thereof and completion of the Private Placement will be satisfied in a timely manner; and that sufficient funding will be available on acceptable terms. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Factors that could cause actual results to differ materially from those anticipated in forward-looking statements in this news release include, among others, uncertainty regarding the outcome of negotiations with the Company's creditors; regulatory risks; risks related to market volatility and economic conditions; risks related to unforeseen delays; and risks that necessary financing will be unavailable when needed. For further information on these and other risks and uncertainties that may affect the Company's business, see the "Risks and Uncertainties" and "Forward-Looking Statements" sections of the Company's annual and interim management's discussion and analysis filings with the Canadian securities regulators, which are available under the Company's profile at www.sedarplus.ca. Except as required by law, Organto does not assume any obligation to release publicly any revisions to forward-looking statements contained in this news release to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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.