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Organto Foods Announces Fiscal 2024 Financial Results

Fourth Quarter 2024 Results Demonstrate Building Momentum in Business

Toronto, Ont., Canada and Breda, the Netherlands, April 28, 2025 – Organto Foods Inc. (TSX-V: OGO, OTCQB: OGOFF, FSE: OGF) ("Organto" or "the Company"), is pleased to announce its audited financial results for the year ended December 31, 2024. All amounts are expressed in Canadian dollars and in accordance with International Financial Reporting Standards (IFRS), except where specifically noted.

"2024 was a year of significant restructuring and realignment for our Company as we positioned our business for sustained growth and stability, and a clear path to profitability. We have made excellent progress with these goals by streamlining our product portfolio, refocusing our go-to-market strategies and reducing costs via both ongoing internal reorganization and the sale of three operating subsidiaries. As we entered the back half of 2024, the performance of our business has accelerated, with strong sales and gross margin growth being realized on a streamlined cost base. These accomplishments have propelled us into 2025 where we continue to see strong positive momentum with a focus on positive cash flow. When combined with the recent completion of our private placement and shares for debt settlements, and the expected conversion of our outstanding convertible debentures to equity in the coming days, we are very excited by our future prospects. We remain intently committed to building a world-class foods company serving growing healthy foods markets, with the goal of creating long-term value for our operating partners, customers, team members and shareholders. We appreciate the support and understanding we have received from so many of our shareholders, debenture holders and key operating partners and are most confident that we are well positioned for a successful future."

Fiscal 2024 Results Overview

- Fiscal 2024 sales of $20.7 million versus $14.0 million in the prior year, an increase of approximately 48%. Sales have increased throughout the year as new business has been on-boarded and existing customers have expanded their sales over the course of the year. Q-4 sales were the largest quarterly sales of the year and largest ever for our restructured operations post our sale of subsidiaries in June 2024.
- Gross profit of $1.8 million or 8.5% of sales, versus $1.3 million or 9.3% of sales in the prior year, an increase of approximately 35% in gross profit dollars. Adjusted

gross profit[(1)] of $1.8 million or 8.6% when accounting for the impact of realized gains on derivatives versus 8.4% in the prior year.

- Cash operating expenses of $3.3 million or 15.8% of sales versus $2.3 million or 16.6% of sales in the prior year. Operating expenses have stabilized following the sale of the subsidiaries in Q-2 2024 and reflect the increased costs of operating that were previously borne by the sold subsidiaries. YTD costs include approximately $217,000 of legal and listing fees related to restructuring and re-listing activities and a one-time management fee bonus accrual of $246,600 related to past services.
- Loss from operations of $2.4 million versus a loss of 1.7 million in the prior year. Loss from operations in 2024 includes one-time non-cash stock-based compensation of $0.6 million and management fee bonuses and restructuring costs of $0.5 million.
- Adjusted loss from operations of $1.3 million versus $1.8 million in the prior year when adjusted for one-time cash stock compensation expense, management fees, restructuring costs and realized gains/losses on derivatives.
- Net loss from continuing operations of $3.3 million versus a loss in the prior year of $5.6 million driven by improved operating earnings, as well as decreased interest and accretion costs as convertible debentures were already accreted to face value in 2023 for the majority ($9.6 million of the total $10.6 million) of the debentures offset by one-time stock based compensation costs of $0.6 million and costs related to restructuring of $0.5 million.
- Gain on dissolution of subsidiary of $0.4 million related to the wind-up of our Argentina subsidiary.
- Gain on sale of subsidiaries of $2.6 million related to the sale of Organto Europe BV, BeeOrganic BV and Fresh Organic Choice BV in June 2024.
- Net loss including discontinued operations of $2.0 million in 2024 versus a net loss including discontinued operations of $13.4 million in 2023.

Fourth Quarter 2024 Results Overview

- Sales of approximately $6.5 million versus $3.1 million in the prior year, an increase of approximately 107%. Average monthly sales in Q-4 2025 of $2.15 million versus average monthly sales in Q-3 2024 of $1.74 million, an increase of approximately 24% versus the Q-3 average, with the increase driven primarily by increased sales of bananas and despite ongoing liquidity challenges. Q-4 sales are the largest quarterly sales of the year and largest ever for our restructured operations post our sale of subsidiaries in June 2024.
- Gross profit dollars of $0.6 million or 9.1% of sales, versus $0.3 million or 9.1% of sales in the prior year, an increase of 107% in gross profit dollars. Gross profit dollars represent the largest quarterly gross profit dollars ever for our restructured operations post the sale of subsidiaries in June 2024. Adjusted gross profit[(1)] of $0.7 million or 10.7% when accounting for the impact of realized gains on derivatives versus 8.2% in the prior year.

- Cash operating expenses of $1.2 million or 19.3% of sales versus $0.8 million or 24.2% of sales in the prior year. Operating expenses have now stabilized following the sale of the subsidiaries and now include operating costs that were previously included in the results of the subsidiaries that were sold. Q-4 cash operating costs include approximately $108,000 of legal and listing fees related to restructuring and re-listing activities and a one-time management fee bonus accrual of $246,600 related to past services.
- Loss from operations of $1.3 million versus $0.6 million in the prior year. Adjusted loss from operations of $0.3 million when adjusted for realized gain on derivatives, one time stock-based compensation and management fees and the costs of restructuring versus a loss of $0.6 million in the prior year when adjusted for a realized loss on derivatives).
- Net loss for the quarter, including discontinued operations, was $1.7 million versus $7.5 million in the prior year.

The Company's filings including Audited Financial Statements and accompanying Management's Discussion and Analysis for the year ended December 31, 2024 at www.SEDARplus.ca or at the Company's website at 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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(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 highlight 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 the while there is still work to be done, the Company has made solid progress in the restructuring and realignment of its business focused on a clear path to profitability, sustained growth and long-term stability; Organto's belief that the impact of these restructuring efforts are will continue to become apparent in the financial results of the Company; Organto's belief that the combination of financing and debt restructuring efforts combined with strong sales and margin growth on a streamlined cost base positions the Company for an exciting future; Organto's belief that it remains focused on building a world class company focused on growing healthy foods markets with the gaol of building 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.