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Organto Foods Announces Record First Quarter 2025 Financial Results

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

Hi-Lites

- Sales of $13.6 million, an increase of 193.5% versus the prior year. Largest quarterly sales in the history of the Company and representing 66% of total fiscal 2024 sales.
- Gross profit of $1.1 million, an increase of 298.1% versus the prior year. Largest quarterly gross profit dollars in the history of the Company.
- Cash operating expenses of 6.8% of sales versus 10.5% in the prior year. Lowest cash operating expenses as a percentage of sales in the history of the Company.
- Income from operations of $0.1 million versus a loss of $0.3 million in the prior year.
- EBITDA[(1)] (Earnings before interest, taxes, depreciation and amortization) of $0.3 million, the first positive EBITDA quarter in the history of the Company.

"We're very pleased with our first-quarter 2025 results, which we believe are a powerful reflection of the strong momentum building in our business. These results are the direct outcome of the extensive restructuring and strategic realignment we've executed over the past 18 months, laying a solid foundation for sustained growth, stability, and a clear path to profitability.

As our results reflect, we have made substantial progress: we've streamlined our product portfolio, re-energized our go-to-market strategies, and significantly reduced operating costs. The first quarter of 2025 delivered exceptional sales and margin growth, all on a leaner, more efficient cost base, resulting in our first-ever positive EBITDA quarter. With strong, ongoing momentum and a continued focus on achieving positive cash flow, we're moving forward with confidence. Our recent successful private placement, shares-for-debt settlements, and the imminent conversion of our convertible debentures into equity only amplify our excitement about what's ahead. We're passionately committed to building a world-class company serving the fast-growing healthy foods market, and in doing so creating lasting value for our partners, customers, team, and shareholders", commented Steve Bromley, Chair and Chief Executive Officer.

Fiscal 2025 First Quarter Results Overview

- Sales of $13.6 million versus $4.6 million in the prior year, an increase of approximately 194%. Sales grew as new customers were added, while a number of existing customers increased their purchases. Q-1 sales represent the largest quarterly sales in the history of the Company and 66% of total fiscal 2024 sales.
- Gross profit of $1.1 million or 8.2% of sales, versus $0.3 million or 6.0% of sales in the prior year, an increase of approximately 298% in gross profit dollars. Adjusted gross profit[(1)] was $1.1 million or 8.3% of sales when accounting for the impact of realized gains on derivatives, versus $0.2 million or 4.7% of sales in the prior year.
- Cash operating expenses of $0.9 million or 6.8% of sales versus $0.5 million or 10.5% of sales in the prior year. Operating expenses have stabilized following the sales of three subsidiaries in Q-2 2024 and reflect the increased costs of operating that were previously borne by the sold subsidiaries. First quarter costs include approximately $20,000 in legal and listing fees related to re-listing activities.
- Income from operations of $0.1 million versus a loss of $0.3 million in the prior year. Adjusted income from operations of $0.2 million in the first quarter, when adjusted for costs associated with re-listing and realized gains on derivatives.
- Net loss for the period of $0.3 million after accounting for interest and accretion costs of $0.3 million and unrealized losses on derivative assets and liabilities of $0.2 million, versus a loss in the prior year of $1.5 million which includes discontinued operations.
- EBITDA[(1)] of $0.3 million versus a loss in the prior year of $1.2 million

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.

Grant of Stock Options

The Company has also granted stock options (the "Options") exercisable to acquire up to 1,400,000 common shares to directors, officers and employees of the Company at a price of $0.35 per common share, expiring on May 27, 2030. 775,000 of the Options granted will vest 25% immediately and 25% every six months thereafter; and 625,000 of the Options granted will vest 20% immediately and 20% on each anniversary thereafter.

The Options were granted pursuant to the Company's stock option plan which was last approved by shareholders at the Annual Meeting of Shareholders on March 12, 2025.

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 measures of adjusted gross profit and EBITDA. 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. We also refer to EBITDA, which is Earnings before interest, taxes, depreciation and amortization. These two measures are not recognized measures under IFRS and do 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 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 is a key driver of its first quarter results; 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.