

NEWS RELEASE

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Organto Prices Over-Subscribed Convertible Debenture Offering and Finalizes Concurrent Equity Private Placement

Proceeds To Be Used to Fund Internal Growth and Accretive Acquisition Opportunities

Vancouver, BC, Canada and Breda, the Netherlands, November 4, 2021 – Organto Foods Inc. (TSX-V: OGO, FSE: OGF) (“Organto” or “the Company”), an integrated provider of organic and value-added organic fruits and vegetables, today announced that it has priced its previously announced overnight marketed public offering (the “Offering”) of unsecured convertible debentures of the Company (“the Debentures”) and has entered into a underwriting agreement with a syndicate of underwriters co-led by Beacon Securities Limited and PI Financial Corp., which also includes Clarus Securities Inc. and Stifel Nicolaus Canada Inc. (the “Underwriters”).

The size of the previously announced base Offering has been increased to \$7,000,000. The Debentures will mature on November 30, 2026 and will accrue interest at the rate of 8.0%, payable annually, not in advance, on November 30th of each year commencing on November 30, 2022. The Debentures will be convertible into freely tradable common shares in the capital of the Company (“Shares”) based upon a conversion price per Share (the “Conversion Price”), at any time after November 30, 2023 and prior to November 30, 2026 (the “Maturity Date”). The Conversion Price will be \$0.50 for each Share, subject to adjustment in certain circumstances.

In connection with the Offering, the Company has granted the Underwriters an option (the “Over-Allotment Option”), exercisable in whole or in part at the sole discretion of the Underwriters at any time up to 30 days following the closing of the Offering, to sell up to an additional principal amount of Debentures representing up to 15% of the Offering. If the Over-Allotment is exercised in full, the gross proceeds under the Offering will be \$8,050,000.

The size of the previously announced private placement of Shares (the “Private Placement”) has also been increased to expected gross proceeds of approximately CDN \$5,975,000 based on the sale of approximately 18,565,000 Shares at a price of \$0.322 per Share. The Private Placement was led by a respected Dutch family office with participation from two other Dutch investors. As part of the Private Placement, the Dutch family office will be granted a pre-emptive anti-dilutive right to maintain its 5% equity ownership position in the event of future financings by the Company. No finder’s fees were paid on the Private Placement and the Shares issued will be subject to a hold period expiring four months from the date of issue.



Both the Offering and the Private Placement are expected to close on or about November 12, 2021 (the “Closing Date”) or such other date as the Company and the Underwriters may agree. The closing of the Offering and Private Placement is subject to a number of conditions, including without limitation, the receipt of all necessary regulatory and stock exchange approvals, including the approval of the TSX Venture Exchange (“TSXV”) and the applicable securities regulatory authorities.

“We are really pleased to announce these financings and appreciate the support of our investors. This financing marks a key milestone for Organto, significantly expanding our financial resources as we pursue our continued aggressive growth strategy,” commented Steve Bromley, Chair and Co-CEO and Rients van der Wal, Co-CEO and CEO of Organto Europe BV. “We believe that demand for ethically driven branded fresh organic fruits and vegetables will continue to grow globally as consumers seek healthy foods that are produced in a sustainable and transparent manner. We see this as an exciting opportunity for Organto as we leverage our asset light business model and go-to-market expertise to build out an ethics driven one-stop shop in fresh organic fruits and vegetables.”

The Debentures

The Debentures will be issued at an issue price of \$1,000 per Debenture. The Debentures will be direct, unsecured obligations of the Company, subordinate to all other liabilities of the Company.

The Debentures will mature on November 30, 2026 and will accrue interest at the rate of 8.0%, payable annually, not in advance, on November 30th of each year commencing on November 30, 2022. The Debentures will be convertible into freely tradable Shares based upon the Conversion Price, at any time after November 30, 2023 and prior to the Maturity Date. The Conversion Price will be \$0.50 for each Share, subject to adjustment in certain circumstances.

The Debentures will not be redeemable by the Company at any time on or before November 30, 2023, except upon the occurrence of a change of control of the Company in accordance with the terms of the debenture indenture to be entered into on the Closing Date with respect to the Offering. After November 30, 2023 and prior to November 30, 2026, the Debentures will be redeemable by the Company on not more than 60 days and not less than 30 days prior notice at a price payable equal to \$1,000 per Debenture plus accrued and unpaid interest, provided that the volume weighted average trading price of the Shares on the TSXV for the 20 consecutive trading days ending five trading days prior to the applicable date on which the notice of redemption is given exceeds 125% of the Conversion Price.

Subject to specified conditions, the Company will have the right to repay the outstanding principal amount of the Debentures, on maturity or redemption, through the issuance of Shares.

A preliminary prospectus supplement for the Offering was previously filed with the securities regulatory authorities in all provinces and territories of Canada on November 3, 2021. A final prospectus supplement is expected to be filed with the securities regulatory authorities in all provinces and territories of Canada on November 4, 2021. The Company will pay the Underwriters a cash commission of 6.0% of the gross proceeds of the Offering, and compensation options valued at 6.0% of the gross proceeds of the Offering divided by the Conversion Price that will be issued to the Underwriters on completion of the Offering. Each such compensation option is exercisable into one common share of the Company at the Conversion Price for a period of 24 months following the closing of the Offering.

The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws, and may not be offered or sold to, or for the



account or benefit of, persons in the United States absent registration under the U.S. Securities Act and all applicable state securities laws, or compliance with an exemption from such registration requirements. This press release shall not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The Company intends to use the net proceeds from the Offering and the Private Placement for the financing of acquisitions, working capital and for general corporate purposes.

Copies of the base shelf prospectus and, any supplement thereto to be filed in connection with the Offering, can be found on SEDAR at www.sedar.com.

ON BEHALF OF THE BOARD,

Steve Bromley
Chair and Co-CEO

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.

CAUTION CONCERNING FORWARD LOOKING STATEMENTS

Certain statements included in this release may be "forward-looking statements" within the meaning of applicable securities laws. Forward-looking statements are typically identified by the use of terminology such as "may", "will", "would", "could", "expects", "plans", "intends", "anticipates" or "believes" or the negative or other variations of these words or other comparable words or phrases. Forward-looking statements, by their nature, are based on assumptions, and are subject to important risks and uncertainties. Forward-looking statements cannot be relied upon due to, amongst other things, changing external events and general uncertainties of the business. Actual results may differ materially from results indicated in forward-looking statements due to a number of factors, including those identified in Organto's annual information form and management's discussion and analysis of financial condition and results of operations. The forward-looking statements contained in this release represent Organto's expectations as of the date of this release (or as of the date they are otherwise stated to be made), and are subject to change after such date. However, Organto disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except as required under applicable securities regulations.

