

## Organto Provides Update on Successful Operating Turnaround and Provides Third Quarter Revenue Guidance

*Expects to Realize Highest Quarterly Revenues in Over 2 Years*

**Vancouver, BC, Canada, October 10, 2018 – Organto Foods Inc. (TSX-V: OGO, OTC: OGOFF) (“Organto” or “the Company”)**, an integrated provider of value-added organic vegetables and fruits today reported that the reorganization of its business model and ambitious turnaround strategy, under the direction of its new management team, is progressing well with sales resuming in the third quarter, and record quarterly sales expected to be generated in the fourth quarter of this year.

For the third quarter of 2018 the Company expects to realize revenues of \$425,000 to \$440,000, an increase of approximately 220% over the same quarter in 2017, an approximate 45% increase over revenues for the previous twelve months, and the Company’s highest quarterly revenues in over 2 years. Organto plans to provide preliminary revenue guidance for the fourth quarter in December.

“We are very pleased with the results of our efforts to reposition our organic foods business and look forward to continuing to expand revenue and product opportunities.” commented Steve Bromley, Chair and Interim Chief Executive Officer of Organto Foods Inc. “Demand for organic foods continues to grow globally and we feel Organto is now well positioned for success in this growing category.”

Over the past number of months, Organto has restructured its management team and repositioned its organic foods business with a focus on three core strategies, including, (1) increasing revenue models; (2) diversifying and deepening supply relationships; and (3) right sizing the organization – moving from a fixed to variable cost model. Significant progress has been realized on all strategies, and over the past six weeks Organto has announced new strategic supply and commercial relationships with annualized revenue potential of over CDN\$30 million, along with restructuring to shift costs from a fixed to variable cost model. These announcements included the following:

**Organic Avocados** – launch of year-round avocado program and first commercial sales, with initial supply from Mexico and anticipated further supply from Peru, potential to grow to over CDN\$10 million in annualized revenues;

**Organic Asparagus** – start of sales of organic asparagus with initial supply from Peru, with more supply expected from Mexico and Argentina, potential to grow to annualized revenues of between CDN\$6 to CDN\$8 million;

**Organic Blueberries** – start of sales of organic blueberries, our first sales of organic soft fruit, with initial supply from Argentina and additional supply expected from Mexico and Peru in the coming months: potential to grow annualized revenues of CDN\$5 to CDN\$7 million;

Asparagus potential revenues of CDN\$6 million to CDN\$8 million forecast is based on shipping between 600,000 and 800,000 kilos of fresh asparagus over an entire year with an average price of CDN\$9-\$11/kilo of sold product. Avocado potential revenues of CDN\$10 million forecast is based on shipping 3 million kilos over an entire year with average price of CDN\$3-\$4/kilo. Organic blueberries potential revenues of CDN\$5-\$7 million based on shipping between 250,000 – 350,000 kilos with average price of CDN\$18-\$20 per kilo. Organic ginger potential revenues of CDN\$5 million forecast is based on shipping 2 million kilos with average price of CDN\$2.5/kilo. We anticipate sourcing this product from numerous producers and countries including, but not limited to, México, Perú and Argentina.



**Organic Ginger** – commenced shipments of organic ginger to European customers with initial supply from Peru, potential to grow to over CDN\$5 million in annualized revenues;

**Streamlining of European Receiving and Packaging Operations** – entered into agreement with strategic third-party service provider in the Netherlands, resulting in closure of company-operated facility, expanding packaging capabilities and shifting costs to a more efficient variable cost model.

**On-line sales** – commencement of sales to a European on-line retailer, representing Organto’s first sales into this new and growing distribution channel.

The expansion of sales into different products and channels is another component of Organto’s strategy to potentially expand its revenue streams. Organto recently began sales into a European distributor network in addition to its historical sales via bricks and mortar retail and has now added on-line sales. Supporting this multi-channel revenue strategy, Organto continues to expand its year-round supply capabilities with the addition of strategic growing relationships in Mexico, Peru, Argentina, Zimbabwe and Thailand, and has added a number of new products including organic blueberries, organic ginger, organic avocados and organic asparagus, available in both branded “I am Organic” and bulk distributed formats.

ON BEHALF OF THE BOARD,

*Steve Bromley*  
Chair and Interim Chief Executive Officer

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## ABOUT ORGANTO

Organto is an integrated provider of year-round value-added branded organic vegetables and seasonal organic and non-GMO fruit and vegetable products serving a growing socially responsible and health conscious consumer around the globe. Organto employs a business model that is integrated from the “table to the field”. Driven by consumer demand for healthy and organic food products, it operates an integrated business model with sourcing, logistical and processing capabilities, providing complete traceability from the table back to the field. Operations are currently

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located in Guatemala, The Netherlands and the USA, as well as third-party supply from a variety of regions, with plans to continue to expand supply capabilities via strategic third-party growers and processors in Africa, Mexico and other growing regions. 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 integrated year-round supply capabilities and plans to continue to develop and expand these capabilities; plans to expand product offerings; plans to shift from fixed costs to variable costs where possible; the benefits of closing Organto's receiving and repacking operation and contracting with a strategic third-party; 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, unfavourable 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, partners and joint ventures. The foregoing list is not exhaustive and Organto undertakes no obligation to update any of the foregoing except as required by law.

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