

Organto Adds Strategic Supply Partner For Value-Added Organic Vegetables

Vancouver, BC, Canada, November 7, 2018 – Organto Foods Inc. (TSX-V: OGO, OTC: OGOFF) (“Organto” or “the Company”), an integrated provider of value-added organic vegetables and fruits today announced that it has entered into a long-term strategic supply relationship with an established supplier of conventional and organic fruits and vegetables operating in Zimbabwe.

Under the terms of the five-year agreement, Organto will have exclusive sales rights for all organic products produced by the supply partner, and will initially focus on Organto’s value-added year-round organic vegetables, including organic green beans, organic snow peas and organic sugar snaps. Delivery of these products are expected to commence late in December 2018. Annualized revenue potential of over CDN \$5 million is expected at current forecast production rates, with significant expansion possible subject to the availability of additional organic acreage¹.

Aligned with Organto’s strategic business model, and as a second phase to this strategic relationship, Organto also plans to add organic soft fruits such as organic blueberries and blackberries, and other organic vegetables including organic asparagus tips, for delivery in the second half of 2019.

“We are excited to work with our new supply partner as we expand our sourcing and supply platform for our core year-round value-added branded vegetable products.” commented Steve Bromley, Chair and Interim CEO of Organto Foods Inc. “We have been challenged in the past by supply/demand imbalances on these products, so we are pleased to add this strategic supply source to our year-round platform.”

The addition of this new supply source is part of Organto’s strategy to expand its value-added organic vegetables and fruits product offering. Organto continues to increase its supply capabilities via the addition of new supplier relationships focused on organic soft, tropical and exotic fresh fruits and other organic vegetables, in order to diversify its revenue streams beyond just high-value organic vegetables. Organto intends to continue to establish supply relationships with strategic growers in key supply markets in order to expand market presence and develop opportunities for Organto “I am Organic” branded products as well as private label and distributed product offerings.

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 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 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; 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, partners and joint venturers. The foregoing list is not exhaustive and Organto undertakes no obligation to update any of the foregoing except as required by law.

1. The CDN \$5 million forecast is based on shipping between 425,000 to 500,000 kilos of fresh organic green beans, snow peas and sugar snaps over an entire year with an average prices of CDN\$10-\$12/kilo of sold product. The expansion potential addressed above is not included in the CDN\$5 million annualized forecast.

