

Organto Receives Final Approval for the Sale of Colombian Cannabis Subsidiary *Focus on Core Organic Foods Platform*

Vancouver, BC, Canada, October 23, 2019 - Organto Foods Inc. (TSX-V: OGO, OTC: OGOFF) (“Organto” or the “Company”). Further to its news release of June 27, 2019, Organto today announced that it has received shareholder approval and final acceptance of the TSX Venture Exchange for the sale of the Company’s Colombian cannabis subsidiary, Medicannabis S.A.S. (“Medicannabis”) to Xebra Brands Ltd. (“Xebra”). Formal closing remains subject to certain closing deliverables which are expected to be completed in the near term.

Xebra is a private cannabis company, focused on the design and delivery of unique wellness and leisure products. It has acquired cultivation and processing licences and holds exclusive IP to render cannabinoids water soluble. Xebra is developing brands, and cannabis-infused beverages in Colombia and Mexico, for sale globally where cannabis is legal. Trademarks are being filed worldwide for Xebra’s inaugural cannabis infused beverage brands, including: MADCAP soft drinks, HIGHJACK energy drinks and HolaHi iced teas. Xebra’s Mexican subsidiaries, Elements Bioscience and Sativa Group, specialize in CBD wellness products, with 13 applications awaiting approval. Xebra is aiming for a public listing in Q2 2020.

“We are excited to be a significant shareholder of Xebra Brands, providing Organto with an important asset for the future. We believe the continued execution of their business plan should create tremendous shareholder value that can be monetized to benefit Organto’s shareholders,” commented Steve Bromley, Chair and Interim CEO of Organto Foods Inc. “With this transaction we will continue to have an investment in this exciting and fast-growing sector while focusing operationally on our core organic vegetables and fruit platform. We believe the opportunity in organic fruits and vegetables is significant as global healthy eating and wellness trends continue to drive strong growth on a global basis. With our recent repositioning and diverse customer base and supply chain capabilities, we believe we are well-positioned to capture this market opportunity, as evidenced by our recently announced record revenues for the third quarter of 2019.”

As per the terms of the Agreement with Xebra, Organto will receive 7,124,630 common shares of Xebra, representing 7.44% of the proforma outstanding shares of Xebra. The former shareholders and advisors of Medicannabis are also to receive collectively 2,875,370 common shares of Xebra and in turn they will surrender for cancellation 7,461,538 common shares of Organto previously issued to them as part of the original acquisition of Medicannabis by Organto.

Organto will also receive net cash proceeds of CDN\$321,077 and will have promissory notes totalling CDN \$600,000 due by Organto to Xebra forgiven. In addition, Organto has been granted a ROFR (right-of-first refusal) to distribute Xebra’s cannabis products throughout Europe.



ON BEHALF OF THE BOARD

Steve Bromley

Chair and Interim 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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ABOUT ORGANTO

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. The Organto Foods Group is an integrated provider of year-round value-added branded organic vegetables and seasonal organic and non-GMO fruit and vegetable products using an asset-light business model to serve a growing socially responsible and health conscious consumer around the globe.

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 current business model and related expertise; Organto's belief that Xebra's execution of their business plan should create tremendous shareholder value that can be monetized; Organto's belief that the opportunity in organic vegetables and fruits is significant as healthy eating and wellness trends continue to drive growth; Organto's belief that they are well positioned to capture the organic foods market opportunity; 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; 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; ongoing relations with distributors, customers, employees, suppliers, consultants, contractors and partners and joint venturers; and risks associated with cannabis operations and receipt of required licenses in Colombia. The foregoing list is not exhaustive and Organto undertakes no obligation to update any of the foregoing except as required by law.

