

**Form 51-102F3**

**MATERIAL CHANGE REPORT**

**Item 1: Name and Address of Reporting Issuer**

Organto Foods Inc.  
1090 Hamilton Street  
Vancouver, British Columbia  
V6B 2R9

**Item 2: Date of Material Change**

November 12, 2021

**Item 3: News Release**

The news release announcing the material change was disseminated through CNW on November 12, 2021 and filed on SEDAR at [www.sedar.com](http://www.sedar.com).

**Item 4: Summary of Material Change**

On November 12, 2021, Organto Foods Inc. (“**Organto**” or the “**Company**”) announced that it has closed its previously announced overnight marketed public offering (the “**Offering**”) of unsecured convertible debentures (“the **Debentures**”) and private placement of common shares in the capital of Organto (“**Shares**”) for cumulative gross proceeds of \$14,027,950.

**Item 5: Full Description of Material Change**

On November 12, 2021, Organto announced that it has closed its previously announced Offering of Debentures and private placement of Shares for cumulative gross proceeds of \$14,027,950.

The Company closed the Offering for gross proceeds of \$8,050,000 which includes \$1,050,000 principal amount of Debentures issued pursuant to the underwriters’ full exercise of their over-allotment option. The Offering was completed through a syndicate of underwriters co-led by Beacon Securities Limited and PI Financial Corp., and including Clarus Securities Inc. and Stifel Nicolaus Canada Inc. (the “**Underwriters**”). A cash commission of \$483,000 was paid and 966,000 compensation options were issued to the Underwriters in connection with the Offering. Each compensation option is exercisable until November 2023 into one Share of the Company at \$0.50.

The Company closed the private placement of Shares (the “**Private Placement**”) for gross proceeds of \$5,977,950 representing the sale of 18,565,062 Shares at a price of \$0.322 per Share. The Private Placement was led by Blikkenburg B.V., a respected Dutch family office with participation from two other Dutch investors. As part of the Private Placement, in the event of future financings by the Company, Blikkenburg B.V. has been granted a pre-emptive anti-dilutive right to participate in such financings to maintain its 5% equity ownership position. No finder’s fees were paid on the Private Placement and the Shares issued will be subject to a hold period expiring four months and one day from the date of issue.

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.

### ***The Debentures***

The Debentures were issued at an issue price of \$1,000 per Debenture and are 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 (as defined herein), 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 “Conversion Price”).

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 which the Company entered into 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.

At any time after November 30, 2023, the Company may, at its option, accelerate the conversion of the principal amount of the then outstanding Debentures at the Conversion Price, on not more than 60 days’ and not less than 30 days’ prior notice, should the daily volume weighted average trading price of the Shares on the TSX Venture Exchange be greater than 125% of the Conversion Price for the 20 consecutive trading days preceding the notice.

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.

The Debentures were offered pursuant to a prospectus supplement dated November 4, 2021 filed with the securities regulatory authorities in all provinces and territories of Canada. A copy of the prospectus supplement and the base shelf prospectus dated July 5, 2021 can be found under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

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 material change report 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.

**Item 6: Reliance on Subsection 7.1(2) of National Instrument 51-102–Continuous Disclosure Obligations**

Not applicable.

**Item 7: Omitted Information**

Not applicable.

**Item 8: Executive Officer**

Steve Bromley, Chair and Co-CEO  
Phone: (604) 634-0970

**Item 9: Date of Report**

November 23, 2021

***Forward Looking Statements***

*Certain statements included in this material change report 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 material change report represent Organto’s expectations as of the date of this material change report (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.*