



## AGRAFLORA ORGANICS INTERNATIONAL INC.

### NEWS RELEASE

#### **AgraFlora Organics Expands Cannabinoid-Infused Cosmetics/Topicals Distribution to Continental US; Whole Hemp Health Personal Care Line Now Available in 20+ Brick and Mortar Locations Across Canada**

**Vancouver, British Columbia / July 17<sup>th</sup>, 2019 – AgraFlora Organics International Inc.** (“AgraFlora” or the “Company”) (CSE: AGRA) (Frankfurt: PU31) (OTCPK: PUFXF), a growth oriented and diversified international cannabis company, is pleased to provide the following operational guidance and corporate development updates pertaining to its wholly-owned, vertically integrated cannabinoid-infused cosmetics/topicals subsidiary, Canutra Naturals Ltd. (“Canutra”):

- U.S. expansion of Canutra’s trusted consumer brand suite, including its Whole Hemp Health line of all natural skin care products, derived from 100% Organic Canadian hemp seed oil:
  - Introduction of its vertically integrated “farm-to-face” cultivation, manufacturing and distribution model across all 50 U.S. States;
  - Canutra/Whole Hemp Health product portfolio available for purchase at [www.wholehemphealth.ca](http://www.wholehemphealth.ca);
- Exclusive partnership with leading digital marketing firm, Covault Technologies Inc. (“Covault”):
  - To leverage Covault’s proprietary e-commerce marketing platform and suite of automation tools to initiate geometric growth across the continental U.S.;
- Definitive discussions to secure national listings of its product portfolio through prominent, high traffic U.S. distribution channels including:
  - Pharmacies;
  - Naturopathic clinics;
  - Salons/spas; and,
  - Health and wellness retailers;
- Achievement of shelved Canutra products in over 20 Canadian brick and mortar locations, augmented by forecasted Q3 purchase orders expanding its retail product footprint to 100 unique locations;
  - Strategically selected to amplify brand awareness within the Company’s Canadian target demographic;
  - Locations are diverse geographically and will function as a springboard to introduce Canutra’s luxury, hemp-powered personal care products from coast to coast;
- Initiation of multifaceted social media and e-commerce influencer marketing campaigns, targeting select U.S. marketplaces primed for mass adoption such as New York, Los Angeles and Seattle;
- Architecture of a network of temporary Canutra/Whole Hemp Health branded pop-up shops, further expanding the Company’s retail footprint and brand presence in an economical and contemporary manner;

- Continued collaboration with the Universite de Moncton (“UM”) with the objective of augmenting Canutra’s portfolio of intellectual property (“IP”) including:
  - High CBD hemp cultivation techniques;
  - Advanced extraction methodologies;
  - Cultivar development;
  - Inoculation formulations; and,
  - Proprietary cannabinoid profiles for future skin care product lines;
- Imminent expected award of Canutra’s 2019 cannabis research license from Health Canada.

By way of its wholly-owned, cannabinoid-infused cosmetics/topicals subsidiary, Canutra, AgraFlora is equipped with robust cultivation, extraction, manufacturing and distribution capabilities from the Company’s flagship facility in Kent County, New Brunswick. Canutra owns and operates 76 acres of unzoned, arid agricultural land, including 1,000 feet of river frontage.

The Company’s New Brunswick facility, formerly a Federally owned farm and research facility, boasts over 17,500 square feet of commercial-grade production facilities, as well as 12 separate free-standing structures. Canutra was granted an industrial hemp licence by Health Canada for its New Brunswick land parcel and expects the imminent award of its 2019 Health Canada cannabis research license in the coming weeks.

Canutra manufactures and distributes premium personal care, cosmetics and cannabinoid-infused product lines including a suite of trusted consumer brands such as Whole Hemp Health; a Canadian all-natural, hand-made skin care line, formulated with 100% Canadian organic hemp seed oil. Canutra markets its Whole Hemp Health products by way of brick-and-mortar retail outlets, Amazon Prime, as well as direct to consumer, through an integrated Shopify e-commerce platform.

The Company has continued its pre-existing cannabis/hemp research and development partnership with the Universite de Moncton (“UM”) and is pursuing ongoing collaborations with UM to augment its IP portfolio.

Leveraging Canutra’s turnkey cultivation/manufacturing ecosystem, AgraFlora is positioned to capitalize on current and future market trends in the rapidly expanding cannabinoid-infused consumer package goods (“CPG”) space. Existing turnkey cultivation/manufacturing capabilities will expedite the Company’s ability to swiftly expand the breadth of its product line to more than 40 SKUs. Canutra is finalizing the development phase of a suite of innovative SKUs including:

- Organic cosmetics with anti-aging properties;
- Shampoos and conditioners; and,
- Sunscreens.

Tony Harris, Chief Executive Officer of Canutra stated: “We are thrilled to formally announce the debut of our premium Whole Hemp Health cosmetics line across the continental United States. Compliant distribution south of the border has long been a pinnacle to Canutra’s sustainable sales stratagem. Our recent acquisition by AgraFlora, as well as the subsequent expedited nature of the knowledge transfer process, has allowed us to access to diverse economies of scale and robust corporate resources, as made evident by our accelerated entry into the U.S. market.

By leveraging Covault’s tried and tested e-commerce marketing platform, we intend to pursue hyper growth within the enormous addressable U.S. marketplace. Canutra exclusive partnership with Covault’s permits us unbridled access to a proprietary marketing toolset, furnished with unique capabilities, extending far beyond what a traditional e-commerce strategy would provide.”

Canutra plans to initiate multifaceted social media/e-commerce influencer marketing campaigns, targeting select U.S. marketplaces primed for mass adoption such as New York, Los Angeles and Seattle. The Company will deploy Covault's diverse analytical tool suite to assist with managing and measuring a host of key consumer data analytics.

The Company is also in the process of architecting a network of temporary Canutra/Whole Hemp Health branded pop-up shops, further amplifying AgraFlora's retail footprint and brand presence in an economical and topical manner. Luxury retailers such as Neiman Marcus, Nordstrom's and Harrods have signaled corporate initiatives to incorporate premium hemp-based personal skin care into their retail strategies. Canutra plans to pursue supplier relationships to be involved with luxury retailers in the near future.

Hemp Business Journal projects that the global hemp industry will grow to US\$1.8 billion in sales by 2020 at 22% 5-year compound annual growth rate ("CAGR"). Personal care products, as well as foodstuffs, including those infused with CBD, are forecasted to lead exponential growth within the global hemp category.

Brandon Boddy, Chairman and Chief Executive Officer of AgraFlora stated: "Canutra's diverse product offering is situated at the nexus of the US\$130-billion global cosmetics/skin care market, and the burgeoning North American cannabinoid market. The North American cannabis industry is forecasted to grow to US\$19-billion by 2020 and Canutra is tactically positioned to capture signature market share.

The combination of pharmaceutical and cosmetics expertise affords Canutra a strategic advantage within the rapidly growing hemp and cannabis topicals industries. The Canutra team has the proven expertise required to design a sales strategy that can be properly executed and is committed to bringing their trusted product portfolio from the farm to the customers face in a novel and dependable fashion."

#### **About Covault Technologies Inc.**

Covault connects brands' and their resellers' to simplify their co-marketing programs. In the U.S.A. each year, roughly half of the nearly \$70 billion of co-op funding that brands offer to their resellers goes unclaimed. Covault is the only platform that streamlines co-marketing empowering resellers to access previously unclaimed funds. Reaching shared consumers through digital and traditional media, brands and their resellers gain market analytics, increase market share and drive sales through the Covault technology.

#### **About AgraFlora Organics International Inc.**

AgraFlora Organics International Inc. is a growth oriented and diversified company focused on the international cannabis industry. It owns an indoor cultivation operation in London, ON and is a joint venture partner in Propagation Service Canada and its large-scale 2,200,000 sq. ft. greenhouse complex in Delta, BC. The Company has a successful record of creating shareholder value and is actively pursuing other opportunities within the cannabis industry. For more information please visit: [www.agraflora.com](http://www.agraflora.com).

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