



## **AGRAFLORA ORGANICS INTERNATIONAL INC.**

### **NEWS RELEASE**

#### **AgraFlora Organics Integrates Proprietary Manufacturing Processes for Cannabinoid-Infused Formulations at GMP-Certified Toronto Facility; On-Boards Roster of CPG Product Formulation Experts, Responsible For Numerous Turnkey Recipes for Fortune 500 Companies and Over US\$300 Million of Attributable Sales Revenues**

**Vancouver, British Columbia / August 1<sup>st</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 guidance relating to the integration of its proprietary cannabinoid formulations library and manufacturing processes at the Company’s fully operational GMP-certified Toronto, ON facility (the “Toronto Facility”):

- On-going integration of customized manufacturing equipment at AgraFlora’s Toronto-based, GMP-certified manufacturing campus:
  - Engineered to support AgraFlora’s proprietary micro-diffusion technologies, thus optimizing solubility and bioavailability for cannabinoid-infused products;
- AgraFlora’s formulation library has been successfully deployed at leading dispensaries within Colorado’s legalized recreational cannabis market;
  - 99% to 100% accuracy for THC potency results as reported by a ISO-certified lab in Colorado, USA, far exceeding domestic standards requiring less than 10% variance;
- Continuous refinement of formulation catalogue, tailored specifically for the Canadian marketplace, including Health Canada regulations, humidity, water quality, altitude and barometric pressures;
- Prototyping of Nicorette-inspired, medicinal-use cannabis products including flavor enhancement, consistent dosage levels and compliant packaging;
- AgraFlora’s Nicorette-inspired, medicinal-use cannabis products will boast the following patented micro-diffusion product qualities:
  - Proprietary dual-delivery technology: Advanced patented processes reduce surface tensions, increase binding of molecules and enable homogenous mixing;
  - Rapid sublingual activation: Optimized absorption methodologies facilitates rapid an onset within the first 15 minutes of application; and
  - Metabolism efficacy: Metabolizes in the liver to create a more lasting effect
- Design and production of state-of-the-art machinery for the Company’s array of unique product formulations, devised to achieve a defensible first mover advantage in the following product categories:
  - Gum, gummies, chews, mints, hard candy, pressed tablets and capsules;
  - Teas, coffees and protein drinks;
  - Pet-centric products;
  - Skincare lotions; and
  - Bath bombs.

By way of an exclusive agreement, AgraFlora controls the Canadian rights to a robust library of cannabinoid product formulations, equipped with patented micro-diffusion technologies designed to optimize rapid onset effects and cannabinoid uptake. Developed by a renowned global formulations provider, boasting over three decades of experience collaborating with leading consumer product goods (“CPG”) brands, AgraFlora’s formulation catalogue will result in a measurable competitive advantage within Canada’s emerging topicals, edibles and cannabinoid-infused beverage market.

The Company has engaged a roster of food engineers, nutritionists and scientists to optimize bioavailability, consistent dosing protocols and flavouring of its licensed formulations. AgraFlora will continue to leverage its production and processing assets, while further activating its downstream activities by launching cannabinoid-infused beverages, edibles and personal care products, specifically formulated with patented micro-diffusion technologies.

AgraFlora’s in-house food science consultancy arm is comprised of experienced microbiologists, as well as certified bakers trained by the American Institute of Baking (“AIB”). The AIB is a 100-year-old cornerstone industry authority, which has successfully instituted food safety, quality management and optimized production practices for the some of the world’s most prominent food conglomerates including P&G, Nestlé, Kraft and Heinz.

The Company’s food engineers, nutritionists and scientists have created numerous turnkey recipes for a variety of Fortune 500 companies; resulting in over US\$300 million of attributable sales revenues. Equipped with 30-years of combined experience within the competitive CPG food product development space, AgraFlora’s in-house food science team has developed a portfolio of successful products for CPG industry leaders such as Dean Foods; the largest dairy company in America.

Most recently, over the past five years, AgraFlora’s in-house product formulation consultants have pioneered the scalable formulation and development of shelf stable THC/CBD-infused edibles within the mature Colorado marketplace.

Already certified with GMP, Organic, Vegan, Fair Trade, and Kosher certifications, the Toronto Facility is currently undergoing the appropriate licensing for the forthcoming Health Canada edibles, topicals and beverages regulations. Outfitted with unique pharma-grade mixing tanks designed to support highly complex processes required to create craft quality cold brew coffees/teas, as well as custom shelf stability enhancing manufacturing lines, the Company’s Toronto Facility is widely considered one of the most advanced cannabinoid-infused manufacturing campuses in the world.

The Company’s robust formulations library will further bolster AgraFlora’s leading market position as a global cultivation, processor and distribution leader for cannabinoid-infused products across both the recreational and medicinal markets.

Brandon Boddy, Chairman and Chief Executive Officer of AgraFlora stated: “The Company’s Toronto Facility is arguably the industry’s premier one-stop craft production facility for cannabinoid-infused food, beverages and therapeutic products. With the Canadian market primed to embrace formal regulations regarding cannabis edibles and beverages and legal cannabis in Canada, we are set to capture a significant proportion of this lucrative marketplace. The market for cannabis edibles and beverages and legal cannabis in Canada expected to increase at a 44% CAGR to \$5.2 billion over the next 5 years<sup>1</sup>”.

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<sup>1</sup> <https://bdsanalytics.com/new-report-canadian-legal-cannabis-market-projected-to-reach-5-2-billion-by-2024>

Further to the Company's fully subscribed June 25<sup>th</sup> Delta Greenhouse Complex Institutional Investor, Industry Analyst and Media Tour (the "Tour"), AgraFlora is pleased to announce a high-definition video summary of the Tour has subsequently posted to the Company's corporate website for viewing by retail investors and those interested parties unable to attend. AgraFlora encourages all current and prospective investors to view the Tour video summary by following the below stated URL:

- <https://agraflora.com/delta-greenhouse-complex-event/>

The Company also announces it has granted incentive stock options to purchase a total of thirty million common shares at an exercise price of 31 cents per share for a period of five years to certain directors, officers and consultants, in accordance with the provisions of its stock option plan.

### **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).

ON BEHALF OF THE BOARD OF DIRECTORS

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### ***Forward-looking Information Cautionary Statement***

*Except for statements of historic fact, this news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements including, but not limited to delays or uncertainties with regulatory approvals, including that of the CSE. There are uncertainties inherent in forward-looking information, including factors beyond the Company's control. There are no assurances that the business plans for AgraFlora Organics described in this news release will come into effect on the terms or time frame described herein. The Company undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change except as required by law. The reader is cautioned not to place undue reliance on forward-looking statements. Additional*

*information identifying risks and uncertainties that could affect financial results is contained in the Company's filings with Canadian securities regulators, which are available at [www.sedar.com](http://www.sedar.com).*