



## AGRAFLOA ORGANICS INTERNATIONAL INC.

### NEWS RELEASE

#### **AgraFlora Organics International Inc. Announces Intention to Launch Takeover Bid for Eviana Health Corporation**

- *Offer valued at C\$0.50 per Eviana share*
- *49.25% premium to Eviana's closing price on August 9, 2019*

**Vancouver, British Columbia / August 9<sup>th</sup>, 2019 – AgraFlora Organics International Inc.** (“AgraFlora” or the “Company”) (CSE: AGRA) (Frankfurt: PU31) (OTCPK: AGFAF), a growth oriented and diversified international cannabis company, announces that it intends to make an offer (the “Offer”) directly to the shareholders of Eviana Health Corporation (“Eviana”) to purchase all of the issued and outstanding common shares (the “Eviana Shares”) for consideration consisting of common shares of AgraFlora.

#### **The Offer**

The Offer will provide holders of Eviana Shares with 1.694915 AgraFlora shares (the “AgraFlora Shares”) for each Eviana share based on the offer price of \$0.50 per Eviana share and the closing price of AgraFlora shares of \$0.295 on August 9, 2019.

#### **Reasons for Eviana Shareholders to Support the AgraFlora-Eviana Combination**

- Significant and immediate 49.25% premium to market price;
- Ownership in a larger cannabis entity with higher trading volumes and poised for further growth;
- Opportunity to put in place proven management to execute the business plan; and,
- Potential for further downward share price impact if the Offer is not accepted.

#### **Transaction Merits for the AgraFlora-Eviana Combination**

- 130 hectares of high-quality organic CBD from industrial hemp;
- Strategic access to the European market;
- Synergies with current AgraFlora products and brands for Eviana;
- 40,000 sq. ft. processing facility in Mladenovo, Serbia (near Novi Sad); and,
- Fully-funded 22,000 sq. ft. pharma-grade leased extraction facility in Belgrade with Vitalis Supercritical CO<sub>2</sub> Extraction System

It is expected that following the transactions contemplated by the Offer, AgraFlora will continue to be listed on the Canadian Securities Exchange under the symbol AGRA.

#### **Background to the Offer**

On July 26, 2019, AgraFlora presented Eviana's board of directors (the “Eviana Board”) with a proposal (the “Proposal”) to explore a mutually agreeable business combination. Although the Eviana Board failed

to respond to Proposal, AgraFlora would still welcome a transaction supported by the Eviana Board, and looks forward to engaging the Eviana Board to deliver significant value to Eviana shareholders. However, at this time, the rationale for the combination is too strong to accept inaction.

AgraFlora will be engaging with Eviana shareholders in the coming days and is hopeful to gain their support.,

Questions? Need more help? Eviana shareholders should contact AgraFlora investor relations at +1 (800) 783-6056 or via email at [ir@agraflora.com](mailto:ir@agraflora.com).

AgraFlora does not own any shares of Eviana, nor do any of AgraFlora's directors sit on the Eviana Board. Eviana has no related party influence with AgraFlora, nor does AgraFlora have a related party influence over Eviana.

### **Intention to Make an Offer**

Full details of the Offer are expected to be set out in the formal Offer and take-over bid circular which is expected to be mailed to Eviana shareholders, a copy of which is expected to be available at [www.sedar.com](http://www.sedar.com) under Eviana's profile. AgraFlora expects to formally commence the Offer and mail the Offer and take-over bid circular to Eviana shareholders over the coming weeks.

**Readers are cautioned that AgraFlora may determine not to make the Offer if (i) Eviana implements or attempts to implement defensive tactics in relation to the Offer, (ii) AgraFlora uncovers or its contemplated funding sources uncover or otherwise identify information suggesting that the business, affairs, prospects or assets of Eviana have been impaired or uncovers or otherwise identifies other undisclosed material adverse information concerning Eviana or (iii) Eviana determines to engage with AgraFlora to negotiate the terms of a combination transaction and Eviana and AgraFlora determine to undertake that transaction utilizing a structure other than a take-over bid such as a plan of arrangement. Accordingly, there can be no assurance that the Offer will be made or that the final terms of the Offer will be as set out in this news release.**

The Offer will be undertaken in accordance with National Instrument 62-104 – Take-Over Bids and Issuer Bids and will be subject to a number of customary conditions, including: (i) receipt of all governmental, regulatory, stock exchange and third party approvals that AgraFlora considers necessary or desirable in connection with the Offer; (ii) there being no legal prohibition against AgraFlora making the Offer or taking up and paying for the Eviana Shares; (iii) Eviana not having adopted or implemented a shareholder rights plan, disposed of any assets, incurred any material debts, implemented any changes in its capital structure or otherwise implemented or attempted to implement a defensive tactic; (iv) no material adverse change having occurred in the business, affairs, prospects or assets of Eviana; (v) AgraFlora not becoming aware of Eviana having made any untrue statement of a material fact or omitting to state a material fact that is required to be made to any securities regulatory authority; (vi) approval by the shareholders of AgraFlora in accordance with the policies of the Canadian Securities Exchange; and (vii) the statutory minimum condition that 50% of the Eviana Shares having been tendered to the Offer and not withdrawn. AgraFlora expects the Offer, when made, will remain open for not more than 105 days and not less than 35 days from the date of mailing its take-over bid circular.

### **Advisors**

AgraFlora has retained Haywood Securities Inc. as its financial advisor and Laurel Hill Advisory Group as its communications specialist and information agent.

## 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

Brandon Boddy  
Chairman & CEO  
T: (604) 682-2928

For additional information:

**AgraFlora Organics International Inc.**  
Tim McNulty  
E: [ir@agraflora.com](mailto:ir@agraflora.com)  
T: (800) 783-6056

For French inquiries:  
Remy Scalabrini, Maricom Inc.  
E: [rs@maricom.ca](mailto:rs@maricom.ca)  
T: (888) 585-MARI

Shareholders may also contact AgraFlora's  
Information agent:  
Laurel Hill Advisory Group  
Toll Free: 1-877-452-7184  
Email: [assistance@laurelhill.com](mailto:assistance@laurelhill.com)

*The CSE and Information Service Provider have not reviewed and does not accept responsibility for the accuracy or adequacy of this release.*

### **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).*