



## AGRAFLORA ORGANICS INTERNATIONAL INC.

### NEWS RELEASE

#### **AgraFlora Organics Completes UK Home Office Controlled Drug Handling License Inspection**

**Vancouver, British Columbia / December 12<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, is pleased to announce that the Company’s United Kingdom (the “UK”) subsidiary, Farmako Limited has completed its UK Home Office inspection for the purpose of obtaining a Controlled Drug License.

Farmako Limited had already been granted certification for its compliance with Good Distribution Practice (“GDP”) and received an authorization for the wholesale distribution (“WDA”) of medicinal products, including medical cannabis, in summer 2019 after completing a successful inspection by the UK’s Medicines and Healthcare Products Regulatory Agency (the “MRHA”) earlier this year.

The UK medicinal cannabis market value is forecast to reach almost US\$1.3 billion by 2024. Prohibition Partners’ has also estimated that up to 1 per-cent of the UK population could qualify as medical cannabis patients by 2028. <sup>1</sup>

Upon receipt of a Controlled Drug License from the UK Home Office, after last week’s inspection, Farmako Limited will be fully licensed to pursue pharmaceutical/medical cannabis trading within the UK operating theatre. Initially, Farmako Limited will pursue the import of Bedrocan products from the Netherlands to the UK for end patient distribution.

Additionally, Farmako Limited reports it is in advanced contract discussions with an external UK domiciled pharmaceutical logistics firm which will function as the Company’s secured UK warehousing and shipping hub.

Recent UK legislation allows for the prescription of cannabis from medical specialists through a regular pharmacy model. Access to this high-profile market, when coupled with broad National Health Service (“NHS”) insurance coverage for medical cannabis to ensure better patient outcomes, is a key strategic element of AgraFlora’s global platform.

Within the UK, medical/pharmaceutical cannabis can be prescribed by eligible physicians for five conditions as set out in the Government’s review:

- Multiple sclerosis (specifically pain or muscle spasticity);
- Chemotherapy-induced nausea;
- Severe treatment-resistant epilepsy in children;
- Chronic pain in adults; and,

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<sup>1</sup> [https://prohibitionpartners.com/report-uploads/The%20UK%20Cannabis%20Report.pdf?utm\\_source=The+UK+Cannabis+Report&utm\\_campaign=e20535cbbe-AUTOMATION\\_\\_UK\\_Cannabis\\_Report&utm\\_medium=email&utm\\_term=0\\_d7705e0d28-e20535cbbe-78720305](https://prohibitionpartners.com/report-uploads/The%20UK%20Cannabis%20Report.pdf?utm_source=The+UK+Cannabis+Report&utm_campaign=e20535cbbe-AUTOMATION__UK_Cannabis_Report&utm_medium=email&utm_term=0_d7705e0d28-e20535cbbe-78720305)

- Appetite and weight loss associated with HIV/AIDS.

Prohibition Partners estimates that there are as many as 3.6 million active cannabis users in the UK. AgraFlora and Farmako are committed to the expansion of a sophisticated, pan-European cannabis production and distribution network, which serves the needs of physicians and their patients. <sup>2</sup>

Brandon Boddy, Chairman and Chief Executive Officer of AgraFlora stated: “The successful completion of our Controlled Drug License inspection is the next step in providing the UK patient population unbridled access to our cannabis-derived pharmaceutical formulations. We look forward to translating the success we have experienced in Germany as a springboard into a UK marketplace which is enduring increased demand for quality evidence-based cannabis products.”

### **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 Services Canada Inc. and its large-scale 2,200,000 sq. ft. greenhouse complex in Delta, BC. The Company is also retrofitting a 51,500-square-foot good manufacturing practice (“GMP”) edibles manufacturing facility in Winnipeg, Manitoba. AgraFlora 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) 398-3147

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

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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*

<sup>2</sup> [https://prohibitionpartners.com/report-uploads/The%20UK%20Cannabis%20Report.pdf?utm\\_source=The+UK+Cannabis+Report&utm\\_campaign=e20535cbbe-AUTOMATION\\_\\_UK\\_Cannabis\\_Report&utm\\_medium=email&utm\\_term=0\\_d7705e0d28-e20535cbbe-78720305](https://prohibitionpartners.com/report-uploads/The%20UK%20Cannabis%20Report.pdf?utm_source=The+UK+Cannabis+Report&utm_campaign=e20535cbbe-AUTOMATION__UK_Cannabis_Report&utm_medium=email&utm_term=0_d7705e0d28-e20535cbbe-78720305)

*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).*