



## AGRAFLORA ORGANICS INTERNATIONAL INC.

### NEWS RELEASE

#### AgraFlora's Delta Greenhouse Commences Cultivation

**Vancouver British Columbia / June 15, 2020** – [AgraFlora Organics International Inc.](#) (“AgraFlora” or the “Company”) (CSE: [AGRA](#)) (Frankfurt: [PU31](#)) (OTCPK: [AGFAF](#)) is pleased to announce that Propagation Services Canada Inc., the Company’s flagship cultivation asset located in Delta, British Columbia (the “Delta Facility” or “PSC”) has commenced commercial cannabis cultivation. PSC has commenced cultivation using a curated portfolio of live-plant genetics (the “Elite Genetics”) with a focus on producing high potency cannabis with attractive strains, while maintaining a low cost. Management anticipates the combination of high potency and low cost will result in a product that is attractive to consumers in the retail and wholesale markets.

“A successful cultivator is one that can create a superlative value and quality product for consumers, at a profitable and healthy margin for shareholders. Our partners at PSC have a long history of low-cost agricultural production which we expect to translate into our ability to produce low-cost cannabis at the Delta Facility, stated Brandon Boddy, AgraFlora Executive Chairman and Chief Executive Officer. “We have witnessed a trend in the market towards higher potency genetics with exotic strains on one hand, and a move towards value pricing on the other; but we have yet to see companies successfully do both. The design elements of the Delta Facility and the experience of the on-site management team, combined with the Elite Genetics makes PSC uniquely positioned to produce a compelling value proposition for customers: high potency cannabis with desirable strains at a competitive price.”

Management expects PSC to commence sales during 2020. The first phase of operations at the Delta Facility utilizes 422,828 sq. ft. of cultivation space with state-of-the-art semi-pressurized, semi-open Venlo greenhouses. The Delta Facility is located in a desirable agricultural micro-climate on the Pacific coast which will contribute to increased quality and reduces the cost of cooling the Delta Facility. Management expects these attributes, along with the Elite Genetics, to produce a compelling value proposition for customers by providing high potency cannabis at a fair price.

#### About the Delta Facility

The Delta Greenhouse is scalable, providing up to 2,200,000 sq. ft. of cannabis cultivation. Phase 1 of the cultivation strategy includes 422,828 sq. ft. of growing space utilizing a state-of-the-art pressurized, semi-open Venlo greenhouse design considered to be one of the most technically advanced and environmentally friendly greenhouse platforms in North America and is located in a unique agricultural micro-climate on the shores of the Pacific. Key features of the Delta Greenhouse include:

- Fully integrated on-site natural-gas-powered power plant;
- Advanced climate and humidity control management infrastructure;
- Proprietary energy-efficient air exchange to maintain stable climate conditions at a fraction of the cost of traditional HVAC systems;
- Ebb-and-flow watering systems to enhance complete irrigation recapture and water treatment;

- Multistage supplemental lighting augmented by natural sunlight to foster optimized illumination equilibrium; and
- A proprietary ERP system to allow for efficient resource management and cost tracking.



Delta, BC. AgraFlora Greenhouse

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

AgraFlora Organics International Inc. is a leading cannabis company building shareholder value through the development of revenue generating operating assets in the global cannabis industry. AgraFlora is focused primarily on the Canadian cannabis industry; the world's most advanced and regulated legal cannabis market. Flagship Canadian assets include: Edibles & Infusions, a fully automated manufacturing facility in Winnipeg, MB for white-label and consumer branded edible production; Propagation Services Canada, a large-scale commercial greenhouse in Delta, BC focused on reshaping the Canadian flower market with high-potency, low cost cannabis flower, and AAA Heidelberg, a craft focused cannabis producer in London, ON. In addition, AgraFlora's wholly owned subsidiary Farmako GmbH is scaling towards its goal of being Europe's leading distributor of medical cannabis. Farmako currently has active distribution operations in Germany and expects to commence active operations in the United Kingdom in 2020. For more information please visit: <https://agraflora.com/>.

### **About Propagation Services Canada**

Propagation Services Canada is a joint-venture formed between AgraFlora and the Houwelings Group, one of North America's leading producers and innovators in the greenhouse vegetable production industry. For three generations, Houwelings has been championing innovation in North American vegetable production, holding multiple patents and developing large-scale commercial greenhouses in British Columbia, California and Utah. The Houwelings Group was the first in the USA to utilize combined heat and power co-generation, and the first to develop a proprietary sealed growing technology. Through the JV,

Propagation Services Canada will operate an automated greenhouse facility with an expandable footprint of up to 2,200,000 sq. ft. Propagation Services Canada is expected to commence cannabis operations and revenue in 2020 with a focus on producing high-potency cannabis at the lowest possible cost to drive margin growth and profitability.

**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).*