



AGRAFLORA ORGANICS INTERNATIONAL INC.

NEWS RELEASE

AgraFlora Organics Expects to Enter Edibles Market in Q1

Vancouver British Columbia / January 13, 2021 – AgraFlora Organics International Inc. (“AgraFlora” or the “Company”) (CSE: AGRA) (Frankfurt: PU31) (OTCPK: AGFAF) is pleased to provide an update on the Company’s entrance to the edibles market with the completion of the first phase of R&D trials at its Health Canada licensed 51,000-Square-foot fully-automated edibles manufacturing facility in Winnipeg, Manitoba (the “**Edibles Facility**”).

Prior to receiving a standard processing license from Health Canada, AGRA commenced ([See press release dated August 27, 2020](#)) cultivating long-term production relationships through Research and Development (“**R&D**”) trials utilizing the Company’s Health Canada R&D license. The development phase of the R&D trials is now complete and the company has created efficient processes for desired formulations and product varieties and expects to enter the edibles market in Q1 of 2021.

James Fletcher, EIC Co-Founder and Operational Manager stated, “Supply contracts continue to move forward with our Licensed Producer relationships, and we are confident that our gummies with consistent and flavourful variants will soon dominate the gummies category. Our family’s 97 years of confectionary experience provides us a solid culture of quality, craftsmanship and efficiency to offer a variety of infused gummy products to multiple LP clients at a time.”

“The Company believes that their infused cannabis activated pectin and gelatin gummies variants are well timed given the strength of demand for consistent, quality and tasty gummy products. A recent OCS report showed the gummy category carried the highest market share in the edibles segment compared to chocolate and brownie alternatives at 65% with demand expected to continue to rise.” Commented the AgraFlora Board of Directors.

The Edibles Facility will utilize its current state of the art laboratory set up to produce approximately 60,000 pieces per eight-hour shift and can manage a variety of brands at once given the efficient nature of the automated production line. The facility’s equipment and design allow EIC to easily pivot and provide specific dosing and custom gummies that meet regulatory requirements and customer specifications. These efficiencies also allow AgraFlora to produce saleable products at a lower cost.



Production Line Automation – Edibles Facility

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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 Edibles and Infusions Corporation

Edibles and Infusions Corporation is a joint venture formed between AgraFlora and one of North America's leading confectionary manufacturing families. The Joint Venture partner is one of Canada's oldest confectionary companies with over 100 years of active operations, and currently supplies confectionary and candy to over 20,000 locations throughout North America. Edibles and Infusions is constructing a purpose built, highly automated facility located in Winnipeg, MB. The facility employs state-of-the-art manufacturing equipment to produce pharmaceutical-grade quality cannabis edibles with a precise level of consistency for improved dosing accuracy, consistent consumer experiences and increased consumer safety. Edibles and Infusions is one of a small group of Canadian companies to successfully obtain a Research and Development License from Health Canada for edibles formulation testing and expects to commence fully-licensed manufacturing operations in 2021.

ON BEHALF OF THE BOARD OF DIRECTORS

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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.