



NEWS RELEASE

## **Agra Ventures Interim CEO Provides Domestic Business Update**

**Subsequent to Receiving a Large Portion of a Significant Receivable, Shareholders are Also Being Provided with a Near-Term Outlook for AGRA by Mr. Kuzyk**

**Vancouver, British Columbia / October 25, 2022 (Globe Newswire) – Agra Ventures Ltd. (“AGRA” or the “Company”) (CSE: AGRA) (OTC: AGFAF), a growth-oriented and diversified company focused on the international cannabis industry, is pleased to deliver an update regarding its domestic operations. Additionally, after assessing AGRA’s internal condition and competitive position since early September, Nick Kuzyk, Interim Chief Executive Officer (“Interim CEO”), is embedding a near-term outlook for the Company within the update.**

### **Delta Operations**

As the 70% owner of the Boundary Bay Cannabis (“BBC”) joint venture (“JV”), AGRA is well positioned as an efficient grower of dried cannabis flower for sale on a wholesale basis to domestic licensed producers. Despite challenging economics that continue to affect the entire Canadian cannabis industry, the approximately 120,000 square feet of the greater than 2,000,000 square foot greenhouse complex utilized by BBC in Delta, British Columbia is being operated well. The greenhouse, drying rooms, processing area and other JV infrastructure remains the core asset of the Company.

The Company’s Interim CEO and Chief Financial Officer visited the Delta facility on Thursday, October 6<sup>th</sup> to meet with the BBC team, get an update on the JV and understand the BBC cannabis crop production schedule over the next few months. BBC currently has approximately 200 kilograms of high-potency Mimosa cannabis inventory on-hand, which is being marketed for sale by a commission-based broker. More crops are expected to be harvested on a rolling basis, given that over 1,500 new plants enter the production cycle every few weeks.

### **Accounts Receivable**

At the corporate level, the Company has recently received a significant portion of a large receivable that was overdue for an extended period of time. This is expected to provide an increased level of stability to the Company's current cash position. Therefore, pursuing receivables at the corporate level, as well as those owed to the BBC joint venture, is a key component of the Interim CEO's near-term outlook for AGRA.

### **Earnout Milestones**

Pursuant to the previously completed divestiture of Edibles & Infusions Corp. ("EIC") in April of 2021, AGRA is in the position to earn approximately 43% of up to two additional share-based earnout milestone payments, similar in nature to the EIC earnout milestone payment received in September of 2021. A summary of the two potential EIC earnout milestone payments is below:

- \$7,000,000 to be received in common shares of Organigram upon the successful earning of \$15,000,000 in net revenue during the 12 months ended Dec. 31, 2022; and
- \$2,500,000 to be received in common shares of Organigram on the generation of \$7,000,000 in adjusted earnings before interest, taxes, depreciation and amortization for the 12 months ended Dec. 31, 2022.

Management is optimistic that at least one of the two earnout milestones will be achieved and that the third-party common shares will be received as an asset of the Company in early 2023.

### **Corporate Development**

AGRA's management team remains open to business opportunities including but not limited to acquisitions, divestitures, joint ventures, partnerships and other such transactions or commercial arrangements. A number of corporate development initiatives are currently under way and more information will be provided about them, if and as appropriate. However, management is optimistic that the proceeds from at least one of the initiatives may significantly assist the Company and its evolution into 2023.

### **Management Commentary**

"Despite currently navigating a challenging set of circumstances, I am encouraged by the presence of multiple near-term catalysts for AGRA. Continuing to grow high-quality cannabis at the Delta facility, securing more receivables, earning milestone payments and crystalizing the best corporate development initiatives all form the core of AGRA's priority set for the near term," said Nick Kuzyk, Interim CEO, AGRA Ventures Ltd. "This update is provided against the backdrop of both our team and the broader Canadian cannabis industry hoping for positive outcomes from Health Canada's review of the Cannabis Act," added Mr. Kuzyk.

### **About Agra Ventures Ltd.**

Agra Ventures is a growth-oriented and diversified company focused on the international cannabis industry. The company is dedicated to the cultivation, distribution and marketing of high-quality cannabis and cannabis-infused products worldwide. Agra Ventures' primary asset in Canada is Boundary Bay Cannabis located in Delta, BC, which is one of the largest cannabis greenhouse facilities focused on the cost-optimized cultivation of high-potency cannabis. Abroad, the company's wholly owned subsidiary, Farmako GmbH, is focused on becoming Europe's leading distributor of medical cannabis. Farmako currently has active product distribution operations in

Germany and is fully licensed in the United Kingdom.

For more information about Agra Ventures, please visit [www.agraventures.com](http://www.agraventures.com) and its profile page on SEDAR at [www.sedar.com](http://www.sedar.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 Agra Ventures 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).*

**SOURCE: Agra Ventures Ltd.**