



810 – 789 West Pender Street  
Vancouver BC V6C 1H2  
Tel: 604.687.2308

## **AGRAFLORA CLOSES ACQUISITION OF ORGANIC FLOWER’S DOWNSTREAM AND PRODUCT FORMULATION ASSET PORTFOLIO**

### **Joint News Release**

**VANCOUVER, British Columbia, June 7, 2019 - Organic Flower Investments Group Inc. (CSE: SOW)(FWB: 2K6)(OTC: QILFF) ("Organic Flower" or "OFIG" or the "Company")** is pleased to announce that the Company has completed a transaction relating to the sale of its downstream and product formulation portfolio (the "Assets") to AgraFlora Organics International Inc. **(CSE: AGRA) (FWB: PU31) (OTCPK: PUFXF) ("AgraFlora")**. Pursuant to the terms of an executed Asset Purchase and Sale Agreement (the "Agreement"), this transaction reunites 70 per cent of AgraFlora’s joint venture entity, Propagation Services Canada’s ("PSC") 2,200,000 square foot Delta Greenhouse Complex under a consolidated corporate umbrella.

Under the terms of the executed Agreement, AgraFlora will issue 1.15 common shares in the capital of AgraFlora for each one (1) issued and outstanding share of Organic Flower (the "Consideration Shares"). It is anticipated that the Consideration Shares will be distributed to the shareholders of Organic Flower upon formal establishment of a record date.

As per the terms of the executed Agreement, AgraFlora has acquired the following Assets from Organic Flower:

- 20% interest in the flagship 2,200,000 square foot Delta Greenhouse Complex;
- Exclusive trans-European distribution and GMP cannabis processing/finishing agreements comprised of 80,000 retail endpoints/pharmacies, spanning 16 countries; and,
- Array of domestic downstream/product formulation operations, comprised of:
  - Joint-Venture ("JV") with one of North America’s largest manufacturer and distributor of chocolate and sugar confectionary products;
  - Exclusive partnership with a leading Toronto-based Brewhouse with planned output capacity of over 200,000 HL per annum, to formulate, manufacture and distribute cannabinoid-infused beverages;
  - Canadian CBD cosmetics/topicals manufacturing company, equipped with a vertically integrated, farm-to-face model;
  - 76 acres of un-zoned agricultural land with 1,000 feet of river frontage in New Brunswick, including 17,500 square feet of commercial-grade facilities and 12 separate structures;
  - Health Canada awarded cannabis research licence and an Industrial Hemp License;

- Exclusive North American contract manufacturing and distribution agreement with the world's first professional sports team to introduce its own branded CBD-infused performance product line;
- Strategic procurement, warehousing, domestic/international product registration and regulatory representation capabilities;
- Exclusive cannabinoid-infused supply and distribution agreement with a premier Canadian Bottler;
- Sole Canadian manufacturer and distributor of an innovative beverage dispensing cap technology- equipped with a proprietary cannabinoid delivery mechanism;
- Proprietary manufacturing process and formulation catalogue for a Nicorette-inspired medicinal cannabinoid product line;
- Canadian exclusive rights to a catalogue of cannabinoid-infused product formulations;
- Exclusive rights to a portfolio of 57 registered trademarks in Canada for a diversified range of cannabis products and services; and,
- Sub-licensing agreement exclusive sub-license to market and distribute patent-pending "THC overdose antidote"

With the reunification of Organic Flower's 20 per cent interest in PSC under a consolidated corporate banner, AgraFlora's interest in projected 2020-funded production from the Delta Greenhouse Complex is forecasted to be 175,000,000-grams of premium dried cannabis flower. AgraFlora's low cost domestic cannabis production potential is further de-risked by a five year, 100,000,000-gram off-take agreement with ICC International Cannabis Corp. **(CSE: WRLD.U)(FWB: 8K51)(OTC: WLDCF) ("ICC")**, as well as an 25,000,000-gram per annum off-take agreement with Namaste Technologies Inc. **(TSXV: N)(FWB: M5BQ)(OTCQB: NXTTF)**; subject to approval of its cultivation and sales licences by Health Canada.

Projected cannabis production from the Delta Greenhouse Complex, coupled with a previously announced revenue sharing and distribution arrangement with ICC will afford AgraFlora the opportunity to capture significant cash flows at both the upstream and downstream layers of the cannabis value chain; realizing material exposure to both the wholesale and eventual retail distribution of dried cannabis into high-value European patient populations.

Brandon Boddy, Chairman, Chief Executive Officer and a Director of AgraFlora stated: "Our flagship Delta Greenhouse Complex is widely considered to be one of the most technically superior and environmentally friendly greenhouse operations on the planet. Complemented by service agreements with experienced, best in class greenhouse operators, coupled with an expedited cultivation infrastructure retrofit, as well as renewed guidance pertaining to the Q4 award of a cultivation licence from Health Canada, the Delta Greenhouse Complex is forecasted to generate the critical mass required in today's evolving landscape for Canadian cannabis producers.

As we prepare for the our inaugural harvest which is scheduled for the first quarter of 2020, AgraFlora looks forward to the integration of Organic Flower's unique domestic downstream asset portfolio, and will continue to aggressively execute on our business plan while maximizing shareholder value.

This is a watershed acquisition for AgraFlora, adding a broad portfolio of unique downstream cannabis assets in a variety of lucrative, high-margin verticals, all while increasing exposure to marketplaces primed for geometric growth, including the European Union. This truly is the penultimate step involved with elevating AgraFlora to a premier vertically integrated cannabis company

The addition of Organic Flower’s Canadian assets under the ‘AgraFlora’ corporate flag will signal to the marketplace the emergence of a new Tier 1 Licenced Producer, as the industry progresses towards the next phase of global cannabis normalization.”

#### **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).

#### **ABOUT ORGANIC FLOWER INVESTMENTS**

Organic Flower, an investment holding firm, is leveraging strategic relationships, proprietary investments and exclusive partnerships with preeminent international cannabis cultivators and formulators for the development of best in-class products and brands to be marketed and distributed throughout our global footprint.

#### **ON BEHALF OF THE AGRAFLORA ORGANICS INTERNATIONAL INC. AND ORGANIC FLOWER INVESTMENTS GROUP INC. BOARD OF DIRECTORS**

“Brandon Boddy”

Brandon Boddy  
Chairman & CEO

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

“Joel Dumaresq”

Joel Dumaresq  
CEO, Director  
+1 (604) 687-2038  
[info@sowcannabis.ca](mailto:info@sowcannabis.ca)

Learn more about Organic Flower by visiting our website at: <https://sowcannabis.ca/>

THE CSE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ACCURACY OR ADEQUACY OF THIS RELEASE.

**Notice Regarding Forward Looking Information:**

This news release contains certain "forward-looking information" within the meaning of applicable Canadian securities law. Forward-looking information is frequently characterized by words such as "plan", "continue", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "proposed" and other similar words, or information that certain events or conditions "may" or "will" occur. This information is only a prediction. Various assumptions were used in drawing the conclusions or making the projections contained in the forward-looking information throughout this news release. Forward-looking information includes, but is not limited to: political changes in Canada and internationally, future legislative and regulatory developments involving cannabis in Canada and internationally, AgraFlora's ability to secure distribution channels in international jurisdictions, competition and other risks affecting AgraFlora in particular and the cannabis industry generally. Without limiting the generality of the foregoing, the forward-looking statements herein include, among other things, the ability to develop the Delta Greenhouse Complex and the successful integration of Organic Flower's unique domestic downstream asset portfolio under the AgraFlora banner.

The forward-looking information contained in this release is expressly qualified by the foregoing cautionary statements and is made as of the date of this release. Except as may be required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking information to reflect events or circumstances after the date of this release or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.