



## AGRAFLORA ORGANICS INTERNATIONAL INC.

### NEWS RELEASE

#### **AgraFlora Reports Construction at Winnipeg Edibles Facility to be Completed Within Next 60 Days**

**Vancouver, British Columbia / January 29<sup>th</sup>, 2020 – 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 construction at the Company’s industry-leading automated edibles manufacturing facility (the “Winnipeg Edibles Facility”) is expected to be completed in the next 60 days, with approximately 75% of the work having been completed. The Company anticipates the Winnipeg Edibles Facility will submit its Health Canada affirmation of readiness and video evidence package (the “Evidence Package”) shortly after completion of construction. The Company is working with industry-leading experts to manage the timing and quality of the Evidence Package Submission and expects the Standard Processing License to be granted at the Winnipeg’s Edibles Facility by summer 2020.

“Completing the construction and licensing of the Winnipeg Edibles Facility is a strategic priority for AgraFlora in 2020,” said Brandon Boddy, CEO of the Company. “Edibles have only been broadly available to Canadian consumers starting in 2020 and the industry is still struggling to manage quality and inventory levels. Our team in Winnipeg has a century of candy making experience, and our facility is designed to produce high-quality, consistently dosed edibles using smart automation investments to reduce costs as much as possible. Once licensed, we expect to be disruptive in the edibles space.”

The Winnipeg Edibles Facility is a state-of-the-art commercial scale edibles facility that features industry leading manufacturing equipment and automation for the production of cannabis edibles. The facility’s initial focus will be the production of THC and CBD infused cannabis gummies which management believes will be the largest category of cannabis edibles in Canada. The facility is designed and operated by the Company’s joint-venture partner holding nearly a century of confectionary manufacturing experience. The facility design, workflow and equipment will allow the production of cannabis edibles with unparalleled quality and consistency of dosing. In addition, strategic investments in automation will allow the Winnipeg Edibles Facility to reduce its operating costs. Some key facility highlights include:

- **Automated Manufacturing:** the custom developed confectionary line utilizes automated mixing, cooking and depositing systems to allow cannabis edibles to be produced from raw materials and cannabis inputs with little human intervention. This process reduces labour costs versus more manual manufacturing systems, increases throughput and increases product consistency.
- **Smart Recipe Management:** the facility’s manufacturing equipment is all computer controlled with each recipe custom programed to the exact required specifications. This ensures that recipes are followed exactly, increasing the consistency and predictability of the final product. In addition, the smart recipe management facilitates faster recipe changes, increasing the flexibility of the production line.

- **Pharmaceutical Grade Dose Management:** consistent dosing of the cannabis edibles is vital to maintain regulatory compliance and consumer confidence. The equipment utilized by the Winnipeg Edibles Facility is pharmaceutical grade meaning it is capable of precisely dosing the edibles with cannabinoids. Furthermore, the best-in-class design means the cannabinoids are deposited into the edibles after the mixing and cooking process, removing the requirement to blend bulk batches of in-process edibles, which can create challenges to the maintenance of consistent dosing.
- **Rapid Batch Turn-Over:** the depositing system utilizes a double-headed design which facilitates rapid switching between recipes. The system has been designed to facilitate this rapid turnover without creating a risk of cross-contamination between batches. This increases the facility's flexibility to produce additional SKU's as compared to a single-headed depositing system.
- **Robust Clean-In-Place Systems:** the equipment has been fitted with an automated clean in place system that utilizes advanced systems to rapidly and effectively clean and sanitize the production equipment without disassembly or transportation to a cleaning bay. This will greatly reduce the labour required to maintain a sanitary production environment and increase daily throughput by reducing equipment downtime due to cleaning.

“We have seen in the data from the United States and the early sales in Canada that gummies are the preferred edible form factor, and our JV partner has circa 100 years of experience producing candy confectionaries such as gummies,” continued Brandon Boddy. “We’ve been strategic in our investments in automation to ensure our line is industry leading from a cost perspective, but also very flexible to accommodate different sizes of production run, flavours and cannabinoid contents. Over time, our equipment will allow us to branch out beyond gummies into chocolates, caramels, hard candies and more complex infused confections.”

### **About Edibles and Infusions Corporation**

Edibles and Infusions Corporation operates a 51,000 square foot edibles manufacturing facility located in Winnipeg, Manitoba (the “Winnipeg Edibles Facility”). The Winnipeg Edibles Facility is equipped with over 30,000 square feet of dedicated edibles production space, as well as a 750 square foot pharmaceutical-grade research and development laboratory. Once activated, the Winnipeg Edibles Facility will be operated by a roster of third-generation chocolatiers/confectioners and includes manufacturing equipment capable of producing an assortment of both cannabinoid/terpene-infused products for medicinal, functional and adult use at scale. Edibles and Infusions holds a cannabis research licence from Health Canada under the Cannabis Regulations Act.

### **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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