

AgraFlora Organics International Inc.

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AgraFlora kicks off 2020 with Winnipeg edibles facility, Delta Greenhouse and top brands

AgraFlora Organics International Inc (CSE:AGRA) (OTCMKTS:AGFAF) offered a corporate update Tuesday, saying it was kicking off 2020 with a fully automated edibles facility, a technically advanced production facility, worldwide distribution and strong brands.

In a statement, the company said 2019 was a "transformative year" for AgraFlora, bookended by "accretive acquisitions." As a result, AgraFlora increased its equity stake to 70% in its Propagation Services Canada joint venture, which houses the firm's 2.2 million square foot Delta Greenhouse Facility.

The greenhouse is second in size only to the Smiths Falls facility owned by Canopy Growth Corporation (TSX:WEED) (NYSE:CGC).

READ: AgraFlora Organics completes acquisition of Germany's Good Company

The Delta Greenhouse Facility is a semi-open Venlo greenhouse, considered one of the most technically advanced and environmentally-friendly greenhouse operations in the world.

Additionally, the company completed the acquisition of a portfolio of cannabis 2.0 assets from an arms-length party, underpinned by a 51,500 square foot GMP-certified Winnipeg Edibles Manufacturing Facility.

Over the past year, AgraFlora said it collected a slew of high-margin cannabis 2.0 and downstream assets, infrastructure and brands which include:

- A Canadian GMP-certified Bottling Facility;
- Canadian organic cannabis sativa seed oil cosmetics manufacturer, Canutra Naturals Limited;
- North American and Asia Pacific CBD performance products manufacturing and distribution agreements;
- A library of patented cannabis 2.0 product formulations;
- Patented, pharmaceutical grade and hermetically sealed beverage dispensing technology;
- A diversified portfolio of 57 distinct, high-value cannabis product and service trademarks; and
- An exclusive cannabinoid-infused beverage brewing agreement with a prominent Canadian brewing collective.

"2019 was a transformational year for AgraFlora and one that saw the company evolve from a domestic cultivator to a vertically integrated, international cannabis company," said AgraFlora Organics CEO Brandon Boddy.

Price: 0.065

Market Cap: \$28.4 m

1 Year Share Price Graph



May 2019 November 2019 May 2020

Share Information

Code: AGRA

Listing: CSE

52 week High Low
0.495 0.03

Sector: Cannabis

Website: agraflora.com

Company Synopsis:

AgraFlora Organics International Inc. is a growth oriented and diversified company focused on the international cannabis industry. The Company is a vertically integrated with significant cultivation, manufacturing, branding and distribution capabilities. Its flagship asset is a joint venture in a large-scale 2,200,000 sq. ft. greenhouse complex in Delta, BC, currently being retrofitted for cannabis production.

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A Top Five Canadian licensed producer

The CEO said the Delta Greenhouse Facility will catapult the company into "a top five" Canadian licensed producer.

"When coupled with our scalable, cannabis 2.0 manufacturing capabilities it equips us with an opportunity to leverage our existing asset portfolio and licensed infrastructure to generate high-margin cash flows, while capturing defendable market share," said Boddy.

"As we begin to execute on our profit-focused 2020 blueprint, we continue to receive unrivalled support from our best in class joint-venture partners and industry consultants," he added.

Gearing up for a pivotal year

The AgraFlora boss said the company was gearing up for another "pivotal year" in 2020, as all facilities reach full production capacity, and the firm's products penetrate the legal cannabis domestic and international markets.

The company reported "substantial progress" linked to retrofit and construction initiatives at its Winnipeg Edibles Facility during 2019. Construction is likely to be completed at the Winnipeg facility during the first quarter of 2020, said the company.

During fourth quarter, AgraFlora also announced the start of a retrofit to seven of the non-core operating buildings at its New Brunswick cannabis campus.

The company plans to pursue the processing of EU-GMP compliant cannabis products from its flagship Delta Greenhouse Facility for integration into its European distribution channels. EU-GMP certified cannabis products are eligible for import/export and sale in the European Union.

On October 25, Vancouver-based AgraFlora acquired The Good Company, the parent company of German medical cannabis distributor, Farmako GmbH.

Farmako is a leading European medical cannabis distributor, headquartered in Frankfurt, with affiliated companies in the United Kingdom, Luxembourg and Denmark. Farmako has a distribution network of 19,800 pharmacies covering 100,000 patients.

Boddy said the acquisition solidified AgraFlora as a global cannabis leader and further reinforced the firm's vertical integration.

AgraFlora is based in Vancouver and owns an indoor cultivation facility in London, Ontario, as well as an edibles manufacturing facility in Winnipeg, currently being retrofitted. The company is also a joint venture partner in Propagation Services Canada Inc, which operates a 2.2 million-square-foot greenhouse complex in Delta, British Columbia.

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