

AgraFlora Organics International Inc.

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AgraFlora Organics wins controlled drug license in the UK

AgraFlora Organics International Inc (CSE:AGRA) (OTCMKTS:AGFAF) revealed Thursday that Farmako GmbH, through its wholly-owned subsidiary Farmako Limited, has received its UK Home Office Controlled Drug License.

AgraFlora completed the acquisition of The Good Company and its subsidiary European medical cannabis distributor Farmako GmbH, at the beginning of January.

In a statement, the company said that Farmako Limited was awarded the license less than a month after having successfully completed its inspection by the UK Home Office in December 2019. With the license in hand, Farmako Limited intends to start wholesaling medical cannabis in the UK by mid-year 2020, including importing Bedrocan products from the Netherlands to the UK for patient distribution.

READ: AgraFlora Organics German subsidiary Farmako posts C\$3.1M in FY2019 revenue

"The UK medicinal cannabis market has been estimated to reach US\$1.3 billion by 2024, with up to 1% of the UK's population expected to be eligible to receive medicinal cannabis prescriptions by 2028," said Farmako CEO Katrin Eckmans.

Eckmans said obtaining the license is a "key milestone" for the company's European business, positioning Farmako Limited as an "early leader in the rapidly developing UK medicinal cannabis market."

The UK cannabis market is still in its early stages with recent legislative changes allowing specialist physicians to prescribe medical treatments fulfilled through a pharmacy. In addition, UK medical cannabis patients benefit from broad insurance coverage for medical cannabis provided by the UK's National Health Service.

Tapping the UK medical cannabis market

According to the management, access to "broadly available insurance coverage" for medical cannabis is an "attractive" feature of the UK medical cannabis market. The company said pending regulatory changes in the UK may create a more "permissive environment" for importing and warehousing schedule 2 controlled drugs, including medical cannabis. If the regulatory changes pan out, it will further boost Farmako Limited's position by creating synergies with the company's operations outside of the UK, said AgraFlora Organics.

The license was issued by the UK Home Office in accordance with the Misuse of Drugs Act 1971.

Farmako Limited is now fully licensed to pursue medical cannabis trading in the UK, having earlier obtained its

Price: 0.025

Market Cap: \$34.85 m

1 Year Share Price Graph



Share Information

Code: AGRA
Listing: CSE
52 week High: 0.275
52 week Low: 0.02

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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certification for compliance with Good Distribution Practice. It has also been granted the authorization for wholesale distribution of medicinal products, including medical cannabis from the UK's Medicines and Healthcare Products Regulatory Agency.

This license gives Farmako an early mover advantage and access to the high-profile UK market. The company said this will be a key strategic element of AgraFlora's global cannabis revenue-generating trading platform over the coming quarters.

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

A diversified cannabis company, Vancouver-based AgraFlora owns an indoor cultivation facility in London, Ontario, as well as an edibles manufacturing facility in Winnipeg, which is 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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