

AgraFlora Organics International Inc.

08:05 29 Jan 2020

AgraFlora Organics to complete construction at its Winnipeg edibles facility in 60 days

AgraFlora Organics International Inc (CSE:AGRA) (OCTMKTS:AGFAF) indicated Wednesday that construction at its 51,500-square foot edibles-manufacturing facility and research lab in Winnipeg, Manitoba, would be completed in the next 60 days, with 75% of the work already finished.

AgraFlora's GMP-certified Winnipeg edibles facility, at the heart of the company's manufacturing strategy, is undergoing a retrofit which should be completed in early 2020.

Vancouver-based AgraFlora expects the Winnipeg edibles facility to submit its Health Canada affirmation of readiness and video evidence package after rounding out construction. The company is working with industry experts to manage the timing and quality of the evidence package submission. It expects the standard processing license to be granted for the Winnipeg edibles manufacturing facility by summer 2020.

READ: AgraFlora Organics intends to be a top cannabis player in Canada and Europe

"Completing the construction and licensing of the Winnipeg edibles facility is a strategic priority for AgraFlora in 2020," said AgraFlora Organics CEO Brandon Boddy in a statement.

Once activated, the Winnipeg edibles facility will be operated by chocolatiers and confectioners producing an assortment of cannabinoid and terpene-infused products for medicinal and adult use.

Delivering consistently dosed edibles

"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," pointed out Boddy.

"Once licensed, we expect to be disruptive in the edibles space," he added.

The company said 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.

In addition, strategic investments in automation will allow the Winnipeg edibles facility to reduce 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

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.

action@proactiveinvestors.com

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-programmed 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 facility is pharmaceutical grade, meaning it is capable of precisely dosing the edibles with cannabinoids.
- **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 joint venture partner has 100 years of experience producing candy confectionaries such as gummies," said Boddy.

Strategic investments in automation

"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," he said.

Boddy said that over time, the facility's equipment will allow the company to branch out "beyond gummies into chocolates, caramels, hard candies and more complex infused confections."

The company said that Edibles and Infusions Corporation holds a cannabis research licence from Health Canada.

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

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.

Contact the author Uttara Choudhury at uttara@proactiveinvestors.com

Follow her on Twitter: [@UttaraProactive](https://twitter.com/UttaraProactive)

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and

agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.

In exchange for publishing services rendered by the Company on behalf of AgraFlora Organics International Inc. named herein, including the promotion by the Company of AgraFlora Organics International Inc. in any Content on the Site, the Company receives from said issuer annual aggregate cash compensation in the amount up to Twenty Five Thousand dollars (\$25,000).