



AGRAFLORA

GROUP OF INDUSTRY EXPERTS

CORPORATE SUMMARY

Building a global brand in medical
and recreation cannabis

Phone: 800-783-6056
Email: ir@puf.ca
agraflora.com

804-750 West Pender Street
Vancouver, BC
V6C 2T7

AgraFlora Organics International Inc.

Welcome to AgraFlora Organics International Inc. (formerly PUF Ventures Inc.)

Our new brand better reflects the diversified nature of our business moving forward and our goal to become a premier cannabis company in Canada. We are very proud of our accomplishments and enter 2019 as a Licensed Producer with two Canadian locations preparing for cannabis production and sales.

Our Profile



Vision

AgraFlora's vision is to be a top performing international cannabis company providing shareholders with access to superior cannabis investment opportunities in Canada and around the world.

Mission

Led by our focus on science and innovation, our mission is to consistently produce quality, potent, GMP approved cannabis products that exceed the expectations of our customers.

About AgraFlora

AgraFlora is a growth oriented and diversified company focused on the international cannabis industry. It has ownership in several cannabis companies including AAA Heidelberg and Propagation Services Canada in Canada and is actively pursuing opportunities in the international cannabis industry. AgraFlora Organics has an option to purchase 100% of AAA Heidelberg Inc., a licensed producer under Health Canada's Access to Cannabis for Medical Purposes Regulations.

Highlights

- ✦ AgraFlora's majority owned subsidiary AAA Heidelberg received its cultivation license from Health Canada on October 12, 2018. AAA is growing high quality strains for CraftGrow family of boutique cannabis strains.
- ✦ The Company is a partner in Propagation Services Canada (PSC), a joint venture formed with the Houwelings Group to retrofit an existing 2,200,000 sq. ft. greenhouse complex in Delta, BC. PSC is bringing flower propagation science to the cannabis industry.
- ✦ AgraFlora is pursuing opportunities in pharma, food, and technology related cannabis businesses through partnerships and direct investments resulting in accretive shareholder value: Canvass MedTech Inc. (CSE: MTEC) and Natures Hemp Corp. (reporting issuer).

Canadian Locations

AAA Heidelberg

On October 12, 2018 AAA Heidelberg was granted a license to produce under Health Canada's Access to Cannabis for Medical Purposes Regulations for its facility in London, ON. AgraFlora owns a majority interest in AAA Heidelberg and is moving to acquire 100% of the ownership per a Share Exchange Agreement between AgraFlora and AAA.

AAA Heidelberg's cannabis production facility in London is a purpose-built operation of 8,800 sq. ft. facility and a capacity of 669 kilograms per year. The facility includes an option to expand to 35,000 sq. ft. With the receipt of the ACMPR cultivation license, AAA Heidelberg is working with Canopy Growth to prepare for the first crop of high-grade medical cannabis.



AgraFlora has an agreement with Canopy Growth Corp. to assist with AAA's cultivation and sell the final product online through Tweed Mainstreet's CraftGrow portal.



PROPAGATION SERVICES CANADA

AgraFlora's second Canadian location is the retrofit of the 2,200,000 sq. ft. greenhouse complex in Delta, BC.

The Company has joined forces with the Houweling's Group, a well-known greenhouse operator, plant propagator and owner of the Delta greenhouse complex based in British Columbia, to create one of the largest cannabis propagation companies in the world Propagation Services Canada (PSC).

AgraFlora is funding a retrofit of the 2,200,000 sq. ft. Delta greenhouse complex with partners Delta Organic Cannabis Corporation to prepare the facility for large scale flowering and propagation operations. The retrofit is to be completed in three phases:

Phase	Description	Completion
Phase 1	350,000 sq. ft. growing area 100,000 sq. ft. post-production facilities,	Q2 2019
Phase 2	1,450,000 sq. ft. additional growing area	Q4 2019
Phase 3	400,000 sq. ft. additional growing area	Q2 2020

The Delta greenhouse complex includes advanced growing systems for greenhouse HVAC, watering and lighting. It includes its own natural gas co-gen energy plant which provides cost effective electricity for lighting and heating of the large-scale greenhouse. The result is a highly efficient and cost effective growing operation.

Flower cultivation is likely to begin in the second half of 2019 with an estimated production capacity of 0.1 kg per square foot or approximately 17,500 kgs in 2019. Based on a wholesale price of \$4 per gram, the first half year of production could generate up to \$70,000,000.

The Houweling's Group

Houweling Nurseries Ltd. (dba, Houweling Tomatoes) is led by visionary Casey Houweling and operates over 5,400,000 sq. ft. of greenhouse space in British Columbia, California and Utah including the Delta greenhouse complex based in British Columbia. It has an impeccable reputation as a world leading greenhouse operator and plant propagator, and currently produces tomatoes and propagated vegetable seedlings for vegetable growers all over North America. The Houweling's Group are masters in every area of agriculture and have been doing business for over 50 years.



From the time Casey Houweling a small boy pruning and picking his father's vegetables, Casey has known what he wanted to do with his life: he wanted to be a farmer, but not a traditional one. Today he heads one of the most technically-advanced and environmentally-friendly greenhouse operations in the world.

"Growing the best tomatoes doesn't come easy," Casey likes to say. And he is quick to add that there are no shortcuts in craftsmanship. A man known for his work ethic, Casey's dedication to quality is rooted in his deep respect for his father's commitment to quality. The passion for growing the best tomatoes is in the blood. It's as simple as that, and those who know the Houwelings operation can attest to the fact that craftsman's care extends beyond Casey Houweling. It permeates the entire operation – from seeding and propagation through sales and service.

In a world where companies expand through broad and sometimes reckless diversification, Casey believes in specializing in one business – greenhouse tomatoes. The specialist philosophy isn't new; it's quite simple, really. He believes that focus and attention to one category (tomatoes) versus an array of fruits and vegetables is critical to enhancing one's know-how. Ultimately, know-how and passion are the keys to quality.

Delta Organic Cannabis Corp.

Delta Organic Cannabis Corp. (DOCC), a privately held Toronto-based cannabis investment company backed by preeminent leaders in Canadian cannabis enterprise, has partnered with AgraFlora to fund the retrofit of Propagation Services Canada's 2,200,000 sq. ft. greenhouse complex in Delta, BC to grow medical cannabis. DOCC has agreed to finance up to a \$40 million investment at a price of approximately \$0.45 per AgraFlora share (\$2.24 per PUF share) for the development of a large-scale, commercial medical cannabis cultivation operation.

AGRA and DOCC have agreed to modify the Agreement payment terms announced on September 25, 2018, October 11, 2018 and November 9, 2018 to the following draw down table:

- **October 18, 2018**, DOCC advanced \$12,500,000 for 5,572,755 PUF Ventures Shares (pre-split);
- **December 10, 2018**, DOCC advanced \$7,500,000 for 16,718,265 post-split AgraFlora shares (3,343,653 pre-split PUF shares);
- **January 15, 2019**, DOCC to advance \$5,000,000 for 11,145,510 post-split AgraFlora shares (2,229,102 pre-split PUF shares);
- **March 1, 2019**, DOCC to advance \$15,000,000 for 33,436,530 post-split AgraFlora shares (6,687,306 pre-split PUF shares).

Changes to the Agreement also result in modifications to the Earn-In Right to be exercised according to the following earn-in schedule from AGRA's current 50% portion of Propagation Services Canada Inc. ("**PSC**"):

- DOCC has earned a **6.25%** of PSC, by satisfaction of \$12,500,000 of the defined subscription obligation;
- DOCC has earned an additional **3.75%** (for a total of 10%) of PSC by satisfaction of a further \$7,500,000 of the defined subscription obligations;
- DOCC shall earn an additional **2.5%** (for a total of 12.5%) of PSC by satisfaction of a further \$5,000,000 of the defined subscription obligations;
- DOCC shall earn an additional **7.5%** (for a total of 20%) of PSC by satisfaction of a further \$15,000,000 of the defined subscription obligations

The proceeds of the subscriptions are to be used exclusively to develop the Delta propagation complex consisting of 2,200,000 square feet of illuminated greenhouse space and 1,700,000 square feet of "ebb and flood" irrigation space.

The Science of Propagation

Greenhouse plant propagation is a specialization that is used all over the world for a wide variety of plants. By using third party propagation plants to eliminating propagation costs and optimize growing operations, Licensed Producers can generate much more revenue and shareholder value over the long-term. As the first large-scale propagation operation in Canada, and likely the world, AgraFlora has “first mover advantage” over competitors and has generated much interest from Licensed Producers across the country.

In a recent review of opportunities within the Canadian cannabis industry, it was evident that there are significant benefits to providing flower ready plants to cannabis cultivators. Plant propagation simplifies growing operations while significantly enhances top line revenue and operating profits.

Approximately 20 to 30 percent of a license producer’s greenhouse is dedicated to cannabis propagation. By using third-party propagation services, this area can be repurposed to growing flowering plants and generate proportional topline revenue increases. In addition, third-party specialized propagation can improve horticultural and operational challenges:

- Clean stock genetics and offsite genetics bank for LPs.
- Reduced contaminates, pest and disease pressure on flowering plants without crop failures.
- Less complicated staffing requirements and easier training,
- One purpose facility with more efficient operating procedures.

Furthermore, propagation operations are complicated and require specialized knowledge and expertise to ensure high quality clones without disease and contaminates. Starter plants mitigate these challenges and allows cannabis cultivators to focus upon growing and processing flowering plants.

Vertical Markets

AgraFlora's management team has been successful creating ancillary businesses like Cannabis MedTech and Natures Hemp that adds to shareholders value. It will continue to review opportunities today and in the future.

Cannvas MedTech Inc.



Cannvas was created when non-strategic assets were spun out of PUF Venture to create a separate independent company. AgraFlora shareholders received one MTEC share for each seven PUF Ventures shares held on October 4, 2017.

Cannvas has established itself as a leading digital cannabis educator and business technology company within the cannabis health sciences space. It designs and builds customer-centric solutions that enable partners and clients to harness the power of data to truly understand their customers, industry, and key business drivers. Its first offering is a scalable, patient-centric life sciences learning platform for the medical cannabis industry Cannvas.Me. Patients, consumers, medical practitioners and licensed producers, will use the Cannvas.Me platform for global interaction and cannabis education.

For more information: www.cannvasmedtech.com.

MTEC began trading on the Canadian Stock Exchange with the symbol MTEC on July 3, 2018, and on the Frankfurt Exchange with the symbol 3CM on July 18, 2018.

The stock closed on the first day of trading at \$0.34 giving the company a market cap of approximately \$12 million.

Natures Hemp Corp.



PUF Ventures announced a plan of arrangement to spin-out Natures Hemp, a wholly owned subsidiary on April 4, 2018. Nature Hemp is a biotechnology and consumer products company focused on unlocking the true value of hemp and developing a new generation of plant-based, nutrient rich cannabidiol (CBD) food, beverage and healthcare related products. The Company is establishing its own farms to produce high quality organic hemp plants and using a proprietary extraction technology to produce legal hemp fibers and CBD extract. Natures Hemp is launching a premium brand of quality CBD products with an emphasis on health and wellness.

On August 28, 2018 PUF Ventures announced the closing of the plan of arrangement with Natures Hemp. Natures Hemp was spun-out of PUF to bring real value to the shareholders of PUF by way of a special dividend. PUF shareholders who held shares on June 18, 2018, the record date, received one Natures Hemp share for approximately 3.665 PUF shares held.

Natures Hemp is an reporting issuer and is applying to be publicly listed in Canada.

For more information:

<https://www.sedar.com/DisplayProfile.do?lang=EN&issuerType=03&issuerNo=00045768>

Partnerships



Canopy Growth Corp (TSX: WEED)

AgraFlora has joined the CraftGrow Program to produce high quality boutique strains of cannabis and sell it to Canopy's database of registered customers. Benefits: best growing practices, strains and lineage. technology and operational infrastructure, marketing and distribution channels.

Cannabis Compliance Inc.

CCI is one of Canada's original cannabis consulting firms offering risk mitigation, due diligence, and regulatory licensing consulting services for commercial cannabis producers and resellers. CCI has extensive expertise in cultivation/horticulture, security designs/tender, facility designs/build-outs, quality assurance programs, and financial planning.

Canvas MedTech Inc. (CSE: MTEC)

Canvas MedTech is a leading business technology company in the cannabis space. We design and build customer-centric solutions that enable our partners to harness the power of data to truly understand their customers, industry, and key business drivers.

Casey Houweling

Casey Houweling is a visionary. From the time he was a small boy pruning and picking his father's vegetables, Casey has known what he wanted to do with his life. He wanted to be a farmer, but not a traditional one. Now 60, he heads one of the most technically-advanced and environmentally-friendly greenhouse operations in the world.

David Hyde Consultants

David Hyde & Associates is an independent consulting practice with access to a national network of trusted, best in class consultancy partners.

Delta Organic Cannabis Corp.

DOCC is a privately held Toronto-based cannabis investment company backed by preeminent leaders in Canadian cannabis enterprise.

Natures Hemp Corp.

Nature Hemp is a biotechnology and consumer products company focused on unlocking the true value of hemp and developing a new generation of plant-based, nutrient rich cannabidiol (CBD) food, beverage and healthcare related products.

Corporate



Management Team

Mr. Derek Ivany, President & CEO and director
Mr. Christopher Cherry, Chief Financial Officer
Mr. Joseph Perino, Director
Mr. Jerry Habuda, Director

Advisory Board

Dr. Cezar Khursigara, a leading researcher focused on microbiology and biotechnology applications; and

Dr. Peter Tolia, the Professor and Chair of the Department of Chemistry and Chemical Biology and Director of the Center for Healthcare Innovation at the Stevens Institute of Technology.

Auditor

Wolrige Mahon LLP
400 Burrard Street,
Vancouver, BC
V6C1M2

Transfer Agent

Computershare Investor Services, Inc

Stock Information: (December 10, 2018)

Current:	\$0.14	Issued:	340,834,315
52 wk H:	\$0.41	Warrants/Options:	52,333,500
52 wk L:	\$0.08	Total Outstanding:	393,167,815

Market Cap: \$55.0 million

OTHER INFORMATION

SEDAR Filings -
<https://www.sedar.com/DisplayProfile.do?lang=EN&issuerType=03&issuerNo=00022839>

Canadian Stock Exchange
<https://thecse.com/en/listings/life-sciences/agraflora-organics-international-inc>

We seek safe harbour.