



April 8, 2021

Dear Shareholders and Stakeholders of AgraFlora,

Earlier this week, AgraFlora announced the transformational sale of the Edibles and Infusions Corporation (“EIC”) to Organigram for proceeds of up to \$35 Million. Our team enjoyed working towards the closing of the EIC transaction with Organigram and I personally view this not as the conclusion of a business disposition but as the beginning of a relationship that could hopefully lead to further initiatives. It is always a difficult decision to sell a significant asset, however, the timing of our review of all Company assets aligned well with the opportunity to receive the value that we did for this facility. Ultimately, the sale of AgraFlora’s share of EIC was a strategic decision made by Management and the Board of Directors to best position and evolve AgraFlora for success.

So what’s next, you may ask?

With the proceeds from the sale of EIC, as well as from the recent smaller sale of AAA Heidelberg, AgraFlora is now in the best financial shape that it has been in over 24 months. The sale these two assets gives us the financial flexibility to look at entering more lucrative markets that would be beneficial to the Company and ultimately to our shareholders. These resources also empower AgraFlora to redirect its focus toward generating meaningful revenue and growing great cannabis at our Delta facility. More importantly, the proceeds enable us to evaluate future opportunities in Canada and the United States.

The cannabis industry is evolving rapidly and I see a lot of potential south of the border, including but not limited to the recent embracing of recreational cannabis by the State of New York, as an example. If the trend continues to further decriminalize and/or legalize across the United States (which was a US\$22.9 Billion market in 2020, according to Reportlinker.com), and I believe it will, then one of my goals is to position Agra to be a participant in that ever growing and developing landscape. The moves we have made in the past few days will give AgraFlora the financial flexibility to not only develop our current assets but also to consider other potentially accretive acquisitions that we otherwise would not have been in the position to explore.

As Management and the Board of Directors are still evaluating AgraFlora’s other assets, I am also pleased with the sale of AAA Heidelberg for \$1 Million. As mentioned in the post-AGM business update presentation, my near-term efforts are focused on reshaping our Company so it can capture maximum revenues and profits from its best assets and, more importantly, set AgraFlora up to be successful long into the future. Further, I have been working with Farmako and see a lot of potential in its future as the management team of this subsidiary continues to execute on its business plan and be innovative in the German market.

I recognize the frustration that many of you have shared through emails and phone calls as a result of the recent changes, but I am confident in the decisions that have been made and am excited for the future of AgraFlora.

Sincerely,

Elise Coppens
CEO & Director

P.S.: I'll leave you with a quote and new photo from Ruben Houweling at the Propagation Services Canada facility in Delta, BC:

"The April weather in Delta is beautiful and it's our favourite time of the year for growing. It has been a busy and exciting spring, working with Elise on matching good seasonal growing varieties with her market preferences. Great collaboration."



Pictured above: an immature Gorilla Glue cannabis flower, April 2021.