

AgriFORCE Announces Purchase Agreement with Stronghold Power Systems to Acquire Land for Planned Development of First Coachella Campus for Proprietary and State-of-the-Art CEA Facility

Represents collaboration with Stronghold Engineering Inc. and Stronghold Power Systems Inc. in the City of Coachella

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Multiple facilities planned to enable cultivators to produce high quality crops and intended to provide local jobs to support the community

VANCOUVER, British Columbia, Sept. 22, 2022 (GLOBE NEWSWIRE) -- [AgriFORCE Growing Systems Ltd.](#) ("**the Company**") (**NASDAQ: AGRI; AGRIW**), an intellectual property (IP)-focused AgTech company dedicated to advancing sustainable cultivation and crop optimization across multiple platforms, today announced it has entered into a three-way agreement with Stronghold Power Systems Inc. (SPSI) and Stronghold Engineering Inc. (SEI), whereby AgriFORCE will acquire and the Parties will jointly develop a 34-acre property, which will serve as the first Coachella Campus for AgriFORCE's proprietary and state-of-the-art controlled environment agriculture ("CEA") facilities.

The agreement represents a collaboration between AgriFORCE, SEI and SPSI, in the City of Coachella. SPSI is a subsidiary/division of SEI, a California-based, nationally renowned design and construction firm. SEI has been nominated as the general contractor for the project. The property is strategically located with access to power that will be provided by SPSI, as well as distribution networks supported by the City of Coachella.

At full operational optimization, each new facility is expected to generate in excess of \$40 million of annualized, high-margin IP royalty and leasing fees to the Company.¹ The purchase price for the land is \$2.8 million of AgriFORCE common stock and \$1.5 million of cash at the time of property transfer, which is expected during the first quarter of 2023. Additionally, according to the terms of the purchase agreement, infrastructure costs are to be principally born by SEI, which upon completion is expected to enhance the value of the AgriFORCE property. Through this property agreement, AgriFORCE estimates it will reduce the capital expenditures for the first site by \$4.8 million in Phase 1 of the development. The Parties expect to finance the balance of construction through project financing, based on

long-term customer agreements.

The campus will include cultivation facilities, featuring advanced facility design, automated integrated growing systems, and advanced environmental control systems, leveraging the Company's broad IP-based AgTech platform. These facilities are designed to utilize less resources than traditional CEA facilities, such as water and electricity, as well as deliver optimized crops for the benefit of customers.

Troy McClellan, President of AgriFORCE Solutions, stated "AgriFORCE is thrilled to collaborate with Stronghold Engineering and Stronghold Power Systems to acquire this strategic property to develop our Coachella Campus. This collaboration enables us to advance deployment of our proprietary IP to deliver cutting edge agricultural facilities and operating procedures, allowing the production of better crops. We believe that once completed, this development will bring enhanced agriculture, job opportunities, as well as community engagement activities, illustrating our commitment to positively transform farm, food, and family every day, everywhere."

Scott Bailey, Founder of Stronghold Power Systems, Inc. and COO of Stronghold Engineering, Inc. shared, "The team at Stronghold Power Systems is excited to be involved with this project. We have been working with AgriFORCE for approximately four years now and it's great to see this come to fruition. It is a culmination of many hours of hard work by all of our companies and stakeholders to bring a world class research and development center to the Coachella Valley, focused on new agricultural grow technologies. We are proud to be in this alliance with AgriFORCE, as we support their mission to making positive changes in the world through sustainability and improving agriculture for our future."

¹Based solely on current market prices (as of September 16th, 2022) and AgriFORCE's internal engineering and financial modelling. This is only an estimate and not a projection of future performance. The Company's ability to meet any estimates is subject to many factors, such as, but not exclusively, market conditions, demand, force majeure events, among others.

About Stronghold Power Systems Inc.

Stronghold Power Systems Inc. was formed to provide innovative solutions for Municipalities and Developers looking to build or expand their current power generation capabilities. The company specializes in providing multi-faceted solutions for clients which can include designing, building, financing, operating and maintaining their electrical systems. With extensive experience in mid to large scale solar development, as well as micro-grid design and construction, Stronghold Power Systems can offer turnkey solutions that extend outside of traditional power systems.

www.strongholdpowersystem.com

About Stronghold Engineering Inc.

Stronghold Engineering, Inc. is an ENR-ranked, award-winning design and construction firm specializing in renowned projects for some of the nation's largest organizations. Started as a small electrical contracting operation from their kitchen table, husband and wife team, Scott & Beverly Bailey, have invested over 30 years in Stronghold. Their efforts have helped grow

the company into a full-scale design and construction firm that has completed a wide array of technically challenging projects including high-profile ground-up facilities, historic renovations, significant seismic upgrades, and large power generation systems deriving from both renewable and non-renewable sources. Stronghold has also performed considerable work in the civil, electrical, and infrastructure fields, with over 500 federal contracts completed and total projects exceeding \$2.5 billion in construction cost.

www.strongholdengineering.com

About AgriFORCE

AgriFORCE Growing Systems Ltd. (NASDAQ: AGRI; AGRIW) is an AgTech company focused on the development and acquisition of crop production know-how and intellectual property augmented by advanced AgTech facilities and solutions. Looking to serve the global market, the Company's current focus is on North and Central America, Europe, and Asia. The AgriFORCE vision is to be a leader in delivering plant-based foods and products through advanced and sustainable AgTech solution platforms that make positive change in the world—from seed to table. The AgriFORCE goal: Clean. Green. Better. Additional information about AgriFORCE is available at: www.agriforcegs.com.

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