

Clean.Green.Better.  
NASDAQ: AGRI

# AgriFORCE

Unlocking value from Seed to Table



INVESTOR PRESENTATION AUGUST 2023

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**Forward-Looking Statements.** This presentation and other written or oral statements made from time to time by representatives of AgriFORCE Growing Systems Ltd., contain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements reflect the Company’s current view about future events. Statements that are not historical in nature, such as forecasts for the industry in which we operate, and which may be identified by the use of words like “expects,” “assumes,” “projects,” “anticipates,” “estimates,” “we believe,” “could be,” “future” or the negative of these terms and other words of similar meaning, are forward-looking statements. Such statements include, but are not limited to, statements contained in this presentation relating to our business, business strategy, expansion, growth, products and services we may offer in the future and the timing of their development, sales and marketing strategy and capital outlook, and the consummation of the contemplated financing. Forward-looking statements are based on management’s current expectations and assumptions regarding our business, the economy and other future conditions and are subject to inherent risks, uncertainties and changes of circumstances that are difficult to predict and may cause actual results to differ materially from those contemplated or expressed. We caution you therefore against relying on any of these forward-looking statements. Should one or more risks or uncertainties materialize (or in certain cases fail to materialize), or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended or planned. Important factors that could cause actual results to differ materially from those in the forward looking statements include: a continued decline in general economic conditions nationally and internationally; decreased demand for our products and services; market acceptance of our products; the ability to protect our intellectual property rights; impact of any litigation or infringement actions brought against us; competition from other providers and products; risks in product development; inability to raise capital to fund continuing operations; changes in government regulation, the ability to complete customer transactions and capital raising transactions. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

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All of the statements made herein with respect to the projected operating results of the Company are based on information projected to the best of management’s knowledge, or sources believed by management to be reliable. No representations are made as to the accuracy or attainment of such statements, estimates or implications as to these future operations.

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Any investment will involve a high degree of risk. It is only appropriate for Investors who have the financial means to bear the possible loss of their entire investment.

AgriFORCE Growing Systems Ltd. (the “Company”) is subject to a substantial degree of risk in the execution of its business plan and its ability to succeed should be regarded as highly speculative due to the early stage of the development of the business of the Company. Please refer to the Risk Factors contained in the Company’s Form S-1, as amended.

# The challenges that fuel our vision

## CONSUMERS

are looking for safer,  
more sustainable, and  
nutritious food

## CULTIVATORS

are challenged in achieving  
consistent, high-quality,  
and environmentally  
friendly products

## GOVERNMENTS

are looking at the carbon  
footprint of agriculture  
and its use of water



# The AgriFORCE solution



## PURPOSE

We positively transform farm, food, and family every day, everywhere



## VISION

To be the world leader in delivering next-generation goods and services through advanced AgTech solutions

DRIVEN BY IP

## THE AgriFORCE GOAL

Focus on the development of advanced AgTech brands and solutions to deliver more sustainably produced and healthier goods and services (foods, pharmaceuticals, nutraceuticals, plant-based proteins and ingredients) to our customers.



# AgriFORCE

WHY US?

# AgriFORCE Solutions

## Creating an integrated AgTech 2.0 : Helping growers maximize yields from concept to operations

Our 360 approach is aimed at creating a new Integrated model for the AgTech industry: **Augmenting the Consulting arm by supplying an AgTech Platform, including advanced Facilities solutions**

### REVENUE DRIVERS

#### Consulting

Help growers define the best Strategies via Knowledge development, R&D Innovation, implementation and Operation

- ✓ JV with specialist Consultants
- ✓ Advanced AgTech R&D and Knowledge
- ✓ AG Solutions in crop optimization, operational expertise

#### AgTech Platform

Plant Propagation and Sustainable Crops  
Lighting, Climate Control, Fertigation & Nutrients  
Automated Control Systems and AI

+ Future M & A

#### Facilities Solutions

AgriFORCE design, build and operate solutions

- ✓ Building/Leasing Facilities, IP, Operational Know-How, and Management Services
- ✓ IP licensing opportunities
- ✓ Turnkey Operations

# Our business strategy

We drive our business through two operating verticals:

1

## AgriFORCE solutions

From Genetics to Operations, developing and delivering more Sustainable, Efficient, Healthier Crops.

- ✓ AgTech Consulting
- ✓ Integrated automated crop solutions
- ✓ Facilities Design/Build/Operations
- ✓ AgTech Platform (via Partnerships and M&A)

2

## AgriFORCE brands

Commercializing Ingredients, Products and solutions to provide more nutritious and safer food to the Table

- ✓ un(Think) Foods
- ✓ AgriFORCE/RCS Pathogens and VOC's elimination solutions
- ✓ Future Food Platforms (via M&A)

**B2B AND B2C FOCUSED**

# AgriFORCE Brands

## AgriFORCE Brands aims at challenging the norms

Through IP, partnerships and M&A of High-Value and Sustainable Plant Food Products, and solutions for safer Foods, we want to drive sustainability and increased value in the industry and cater to the core Millennials consumers group.

### REVENUE DRIVERS

#### High-Nutrition, Better-for-You Grains and Pulses

**UN(THINK) FOODS**  
*(Ceres-MNG FoodTech Patent)*

##### Revenue generation

- 2023: Awakened Flour launch to B2B and Consumers D2C
- 2024: Power Flour launch to B2B and Consumer D2C
- 2025: NA Retail expansion

B 2 C ( R E T A I L & D 2 C )

#### High-Nutrition Fruits

**BERRY PEOPLE**  
*(Acquisition in progress)*

##### Revenue generation

- 2022: \$37 million
- 2023: High growth anticipated

#### Air & Surface Cleaning Solutions

**AgriFORCE/RCS**  
**Hydroxyl Radicals**  
**Devices**

##### Revenue generation

- 2023 – Commercial Sales starting in September 2023

B 2 B

S O L U T I O N S , I N G R E D I E N T S , P L A N T & F O O D P R O D U C T S





# AgriFORCE SOLUTIONS

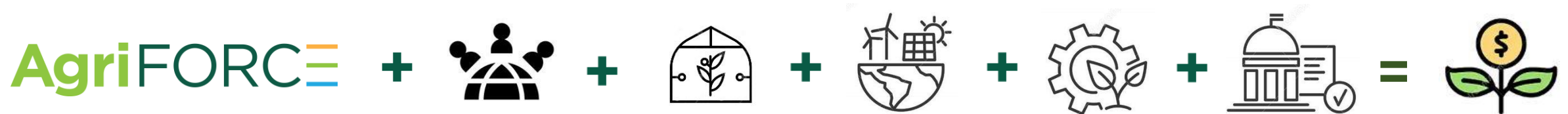
# Consulting

## Knowledge Development and Implementation

Together, AgriFORCE works with our partner Consultants, Industry and Academic associates to help create integrated AgTech solutions with our Customers.

These Joint-Venture relationships provide a multi-national presence at the forefront of AgTech knowledge, R&D, and operations practices in focus crop sectors and global regions.

By leveraging our networks expertise, and industry relationships, we aim to provide integrated AgTech solutions to our customers around the world.



### PRACTICE AREAS

### AREAS OF KNOWLEDGE

### KEY STRENGTHS

### GROWTH OPPORTUNITIES

- Knowledge development
- Knowledge implementation
- Operations Consulting

- ✓ R&D
- ✓ COFSE
- ✓ Cultivation
- ✓ Crop optimization
- ✓ SOP - best practices
- ✓ Turnkey projects
- ✓ Feasibility assessments
- ✓ Development management
- ✓ Operations management

- ✓ Decades of expertise in focus crop sectors
- ✓ Decades of expertise in project development
- ✓ Decades of diverse business management
- ✓ Global experience, network and operations

- ✓ Expansion focus in N.A., Middle East, Africa, Asia
- ✓ Performance based consulting revenue models

# Facilities Solutions

AgriFORCE patented and patent - pending IP, including FORCEGH+ (previously, the AgriFORCE GrowHouse), comprise environmentally intelligent and responsible forms of growing high-value crops to European Union Good Manufacturing Practices (EU-GMP) pharma-grade standards in virtually any weather environment.

The FORCEGH+ patented IP focuses achieving plants full genetic potential via four pillars that are designed for agricultural, nutraceutical and pharmaceutical crops



## AgriFORCE IP Pillars



FACILITY & LIGHTING DESIGN



AUTOMATION & ARTIFICIAL INTELLIGENCE



FERTIGATION & NUTRIENTS



MICROPROPAGATION & GENETICS

## AGRIFORCE IP Benefits

- ✓ Unique building structure and proprietary envelope that helps harness the power of the sun
- ✓ Sealed positive pressure providing optimal temperature and humidity
- ✓ R30 insulation value
- ✓ Proprietary supplemental lighting tech
- ✓ Proprietary automated grow technology/AI
- ✓ Optimized cellular cloning and tissue culture process

- 1 Low-cost producer
- 2 Disrupting profit margin model
- 3 Clean, green and better

# AgTech Platform

## Future M&A

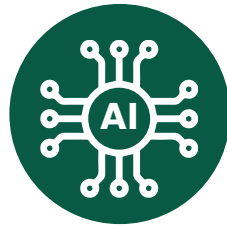
### Accelerating our growth through M&A to create an integrated AgTech 2.0

Through M&A, Strategic Alliances and Partnerships, we are looking to build an integrated AgTech company providing solutions to **Agricultural** and **AgTech** customers around the world with leading know-how or IP across the **AgTech Platform's pillars** that can be leveraged to develop next generation plant and food solutions.

Our philosophy is to target successful, private/family-owned established companies with strong management and growth potential and to link them where it make sense to maximize global growth.



- ✓ Lighting design
- ✓ Climate control
- ✓ Air/surface sanitation



- ✓ Automation & artificial intelligence



- ✓ Fertigation & nutrients



- ✓ Micro-propagation, genetics & tissue culture



- ✓ Facilities Design, Building and Operations



AgriFORCE BRANDS

# With the Manna IP, UN(THINK) Foods can change the game in nutrition

## UN(THINK FOODS - MNG (MANNA) IP

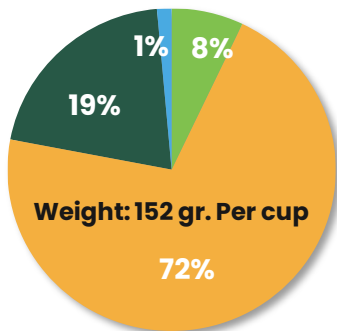
- ✓ Patented technology to **naturally process and convert** grain, pulses, and root vegetables
- ✓ Process resulting in **low-starch, low-sugar, high-protein, fiber-rich** baking flour products, and nutrition liquid
- ✓ Nutrition values of Flour has the potential to transform Consumers' diet in multiple verticals
- ✓ **First market focus is on Wheat Grain** as wheat represents 20% of worldwide caloric consumption (1)



## THE MNG PROCESS IMPACT ON WHEAT FLOUR

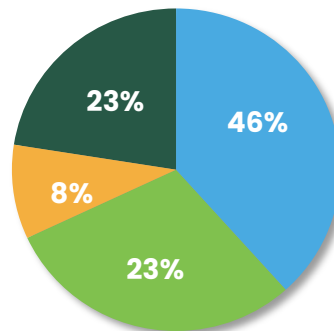
### All-purpose flour

● FIBER ● PROTEIN ● STARCH ● OTHER



### Un(THINK) soft white wheat specialty flour

● FIBER ● PROTEIN ● STARCH ● OTHER



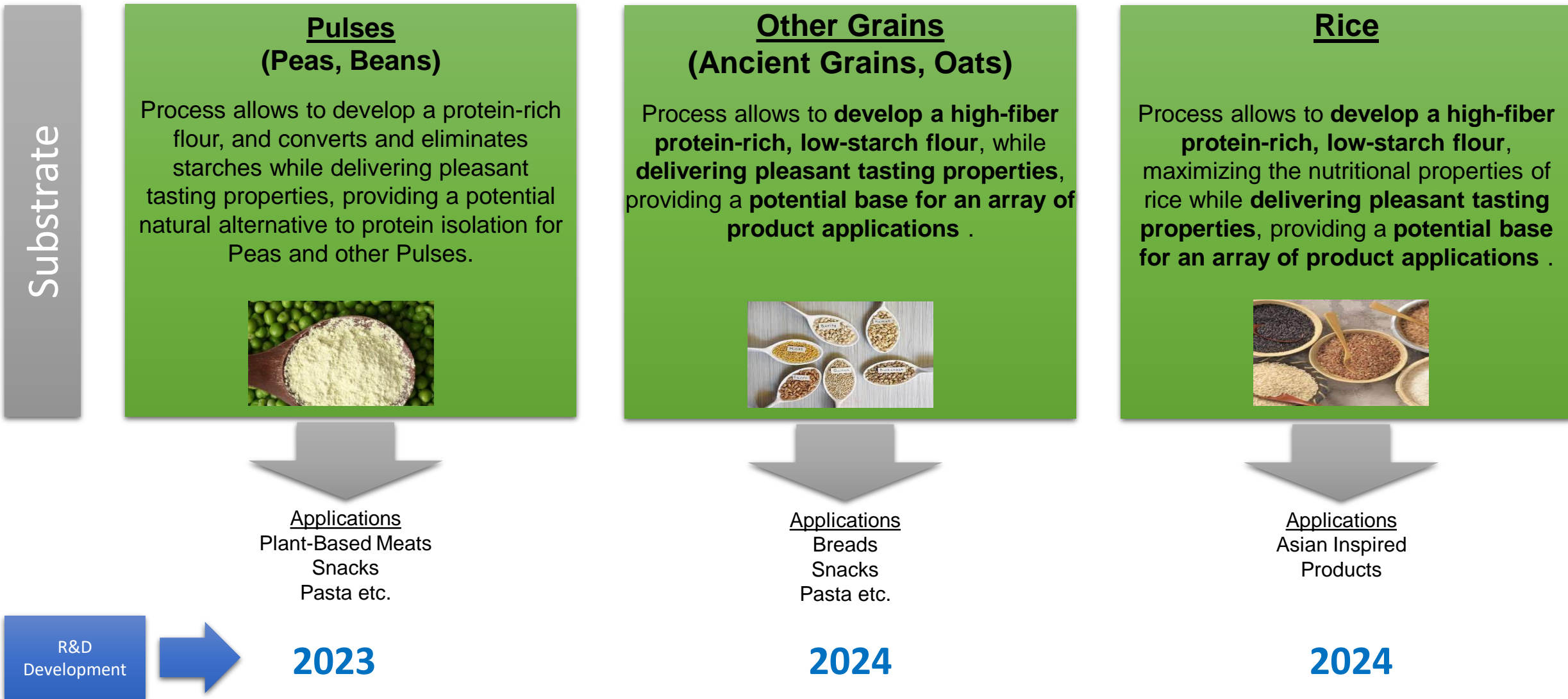
Un(Think) Wheat flour has **30 times more fiber, up to 3 times more proteins and less than 15% of the starch** as Regular All-Purpose Baking flour.

Tastes and performs the same in baked goods

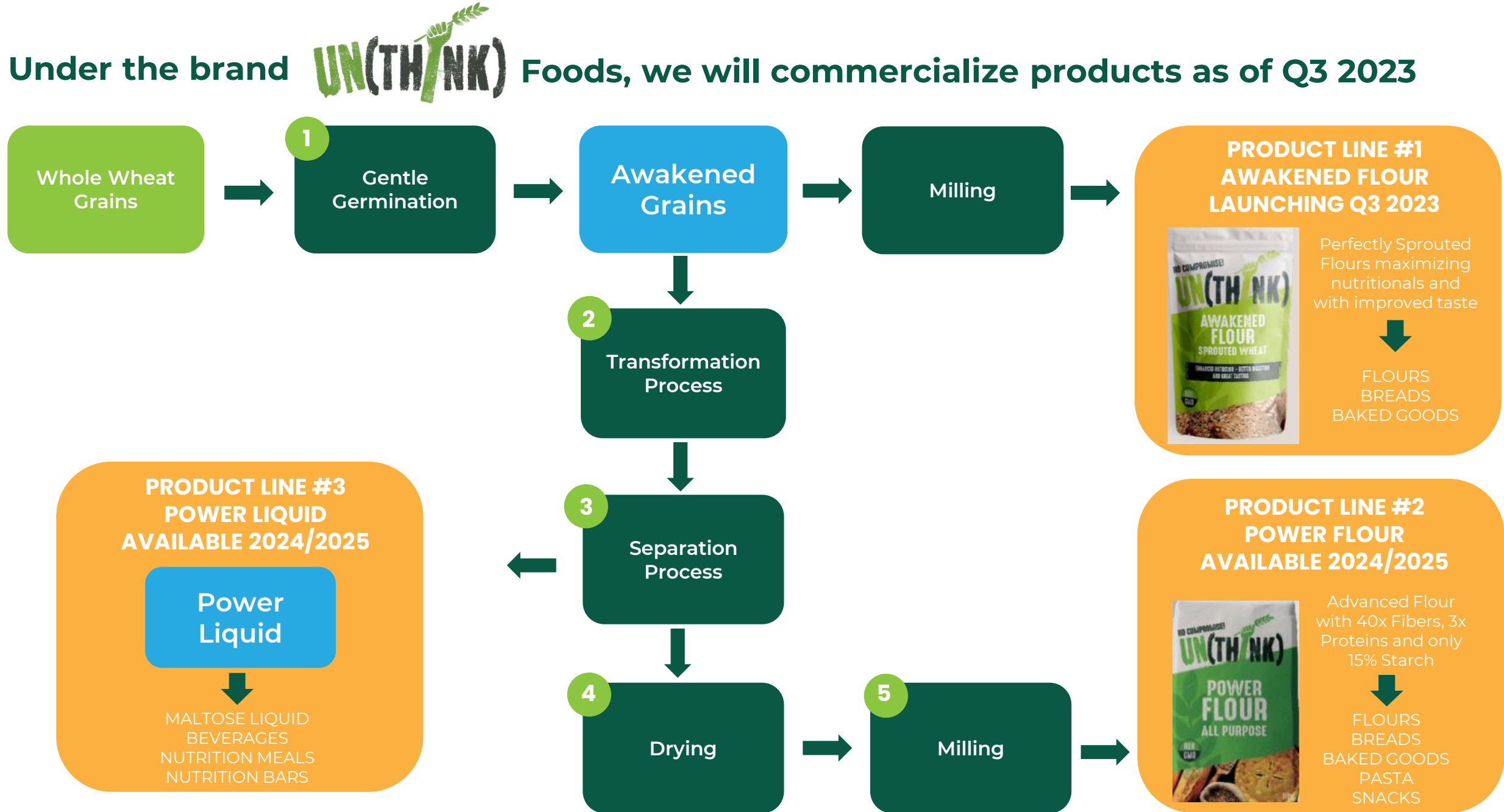
Addresses the 4 key consumer needs of **More Fiber, More Protein, Great Taste and Low Carbs**

(1) Food and Agriculture Organization of the United Nations – 2011 Report

# Besides Wheat, our first focus, UN(THINK) Foods' patented process can add value to most key crops



Under the brand **UN(TH)NK** Foods, we will commercialize products as of Q3 2023





# UN(THINK) Foods – Wheat flour opportunities

**We will drive a DUAL B2C and B2B commercial approach:**

- ✓ Develop UN(THINK) as a brand for consumers to establish the visibility and claims
- ✓ Extend reach as a premium branded ingredient for bakery, snacks, bread/dough manufacturers (UN(THINK) inside)

## UN(THINK) Branded Flours B2C

**Awakened Flour**  
Q3 2023

**Power Flour**  
2024/2025

Direct to Consumer  
Retail

Retailers:  
Whole Foods,  
Amazon

Awakened  
Flour

Core target  
Bakeries, Bread  
Manufacturers  
and Pastry  
Manufacturers

Fast Food Burger &  
Pizza Chains,  
Appetizers

Power Flour  
Pancake,  
Waffle Mix

- ✓ Lower calories
- ✓ Higher fiber
- ✓ Higher protein
- ✓ Nutrition with a clean label



## UN(THINK) Branded Premium Ingredient Commercial Strategy B2C

Power Flour  
Baking Mix  
Cookies,  
Muffins, Quick  
Breads

- ✓ Lower calories
- ✓ Higher fiber
- ✓ Higher protein
- ✓ Guilt-free indulgences



Power Flour  
Snacks  
Crackers, Cereal  
Bars, Bagels

- ✓ Lower calories
- ✓ Higher fiber
- ✓ Higher protein
- ✓ Better nutrition in the foods people love



Power Flour  
Pasta, Pizza  
Crust

- ✓ Lower calories
- ✓ Higher fiber
- ✓ Higher protein
- ✓ Better nutrition in the foods people love



## UN(THINK) Juice and Baking Enhancer B2C

“Power Juice”

Applications as a base  
for drinks

Application as a Dough  
Rising Process  
Speeding Enhancer  
(can speed up proofing  
process by a factor of 3x  
to 6x)

Bread and Pizza  
Companies  
Bakery Chains

Potential  
Targets

**Our acquisition in progress, Berry People LLC is a vertically integrated year-round full range grower-distributor of the top 4 berry categories, with an emphasis on organic berries, complemented by conventional varieties.**

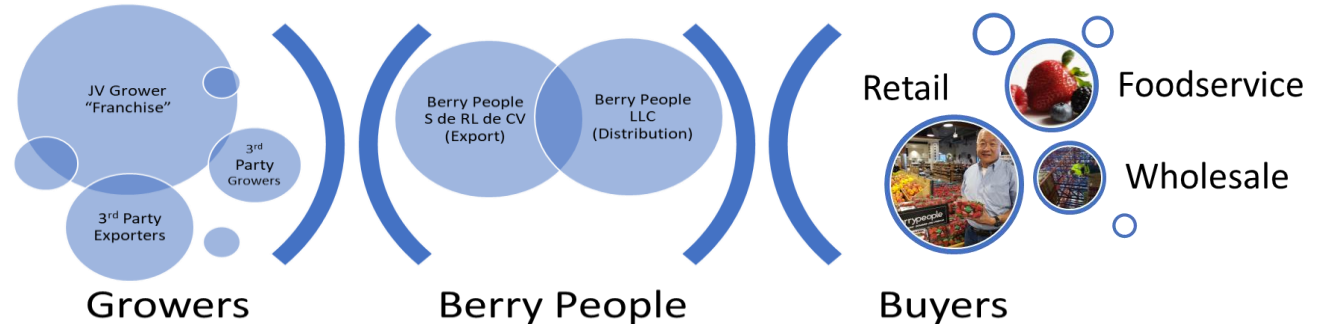
Founded in 2017, and based in Hollister, CA and Guadalajara, Mexico, Berry People is a new platform company which aims at fulfilling the North American market need for a branded year-round and full line supply of organic and conventional berries.

Since its inception, the Company has quickly established a recognized global trade-brand and a scalable beachhead operation, comprised of **over 200 retail and foodservice clients** and **over 100 grower and exporter clients** across the US, Canada, Mexico, and Peru.

With Revenues of \$37M in 2022, and a new grower base in Baja and Central Mexico coming online as of early 2023, Berry People looks to majorly grow revenue in 2023 and has a strategic plan to drive revenue 5x by 2027.

## BUSINESS MODEL

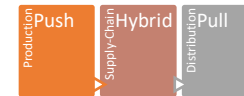
Berry People was conceived as an **integrated fresh berry platform company**, with distribution, export, and agricultural operations in the US, Canada, Mexico, and Peru.



## KEY STRATEGY



**Year-Round Supply from Calif., Mex., Peru, & Canada.**



**Hybrid "Push-Pull" Model. Market-driven plantings. Dynamic Supply-Sales Management.**



**One-Stop Shop for All Four Berries**



**Scalable Integration through controlled Joint Venture "Franchise" Farms**



**Berry People "Brand Billboard"**



**Licensed and eventually developed plant genetics for quality & productivity**



**Organic Production Emphasis**



**Protected Crop farm investments with emphasis in Baja California**

The Berry People acquisition presents a good strategic opportunity to build and complement our AgriFORCE Brands business by bringing more sustainably produced nutritious ingredients and products. It also will benefit from our AgTech platform and Pathogen and VOCs Elimination Solutions

#### Complementary Products

- ✓ Berry People product portfolio focuses on High Nutritious, High Margin Soft Fruits (Berries)
- ✓ Opportunity to exploit solutions

#### Allows to Focus on High Growth Food Segments

- ✓ Berries Markets poised to grow from \$11 B to \$27 B in 10 yrs.
- ✓ Organic Market
- ✓ Fits the Millennials and Gen Z Consumer Trends of seeking more nutritious products

#### Provides Operational & Route to Market Capabilities

- ✓ Retail Direct and Key Account Capabilities
- ✓ Fresh Produce Logistics
- ✓ Vertical Integration
- ✓ Sales Organization that could help jump start UN(THINK)

## AgriFORCE & berrypeople Opportunities

DRIVEN BY IP & KNOWLEDGE



IMPROVED OPERATIONS  
IMPROVED YIELDS  
TESTING NEW VARIETALS



TESTING OF HYDROXYLS DEVICES IN SUPPLY CHAIN TO MAINTAIN FRESHNESS & REDUCE SPOILAGE OF BERRIES (a multi-billion \$ issue) FOR POTENTIAL GAME-CHANGING SUPPLY CHAIN OFFERING

# Food and Plants Safety Solutions

AgriFORCE +



## Addressing Pathogens and VOC issues in CEA and Food Manufacturing by purifying and sanitizing air and surfaces

- ✓ Patent-pending system seeks out and destroys airborne and surface-based virus, bacteria, mold, odors, endotoxins and pyrogens. It also eliminates volatile organic compounds (VOCs) without aggressive and toxic sanitizing agents.
- ✓ Proactive air/surface sanitation expected to become a core part of the new "normal" for companies around the world.
- ✓ Offering standard equipment for facilities to meet the form, fit and function necessary for any space – from built-in units that attach to your existing ventilation systems to portable and wall mount units.



**Neutralizes 99.999% of Tested Pathogens**



**Safe for Humans, Pets, Plants**



**Only solution that eliminates Viruses, Bacteria, Mold and VOCs virtually everywhere**

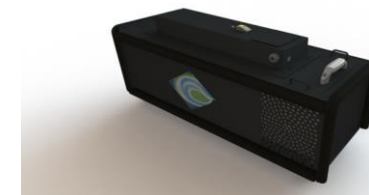
## Air & Surface Sterilization

Our Solutions are designed to adapt to any needs

**In-duct Units**



**Portable Units**



**Transportation Units**



**Wall Mount Units**



Compared to other solutions such as UVGI, HEPA filtration, ionization and ozone systems, AgriFORCE RCS Hydroxyl Generators show the best combination of effectiveness and safety.

**Total Addressable Market for CEA and Food Manufacturing Facilities is estimated to be upwards of \$10 Billion**

Source: Based on Estimated Revenue per facility for the US, Mexico, Canada and European markets in CEA, (US census of agriculture report 2017, AMHPAC - Association of Protected Agriculture, Statistics Canada and EUROSTAT 2017) and for US Food Manufacturing (US Economic Census 2017).

# AgriFORCE/RCS Applications

## The AgriFORCE RCS devices can bring the purifying benefits of Hydroxyls to many Ag and Food Supply Chain applications

- Continuous program managed sanitation of production, packing, distribution storage, transportation and retail storage facilities to remove effectively pathogens and VOCs.
- Continuous removal of ethylene from most indoor phases of the food supply chain.
- Supplements other IDM and IPM practices;
- Works well in low temp, moderate/high humidity
- Effective continuous VOC removal also help improve working conditions.



**GREENHOUSES and  
VERTICAL GROWHOUSES**



**FOOD WAREHOUSES**



**FOOD & BEVERAGE  
MANUFACTURING AND PROCESSING**



**FOOD TRANSPORTATION**



**RETAIL PRODUCE AND STORAGE AREAS**



**OFFICES, BREAKROOMS, COMMON  
AREAS, CONFERENCE ROOMS, LABS**

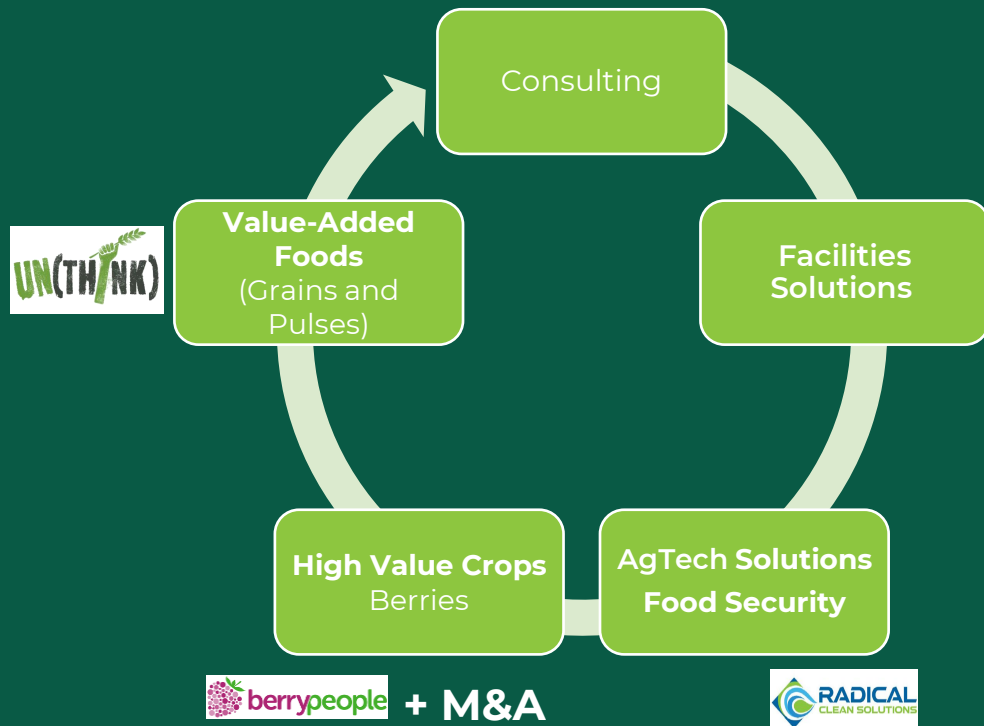


AgriFORCE

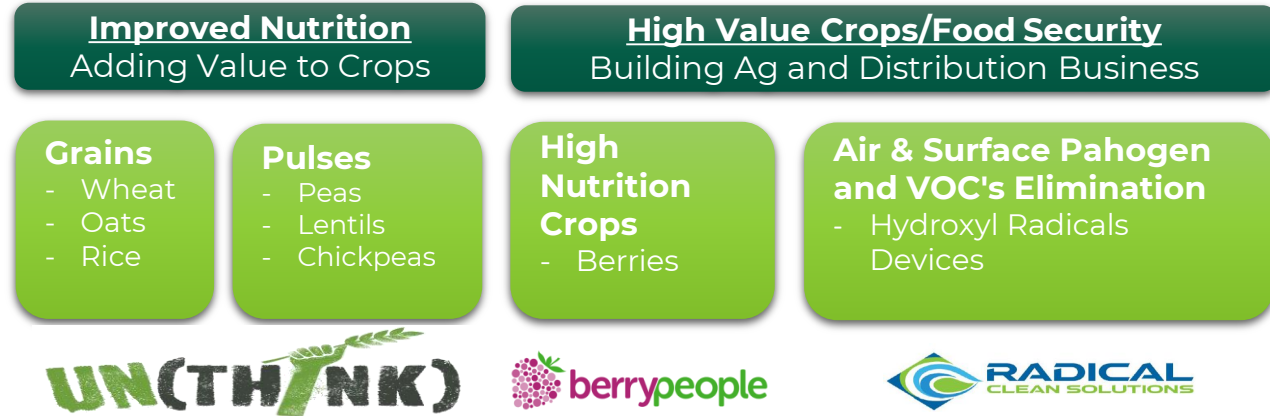
HOW DO WE BRING IT  
ALL TOGETHER?

# Our model for Integrated AgTech drives value from seed to table and addresses Sustainable High Value Crops and Food Security in and ever-changing world

Through our organic growth, partnerships and M&A, we aim to drive superior knowledge and IP as a catalyst for building a business around High Value Crops, Sustainability, Improved Nutrition and Food Security aimed at the core Millenials & Boomers consumers (60% of buying power)



## KEY PRODUCTS STRATEGY (what)



## M&A/PARTNERSHIPS STRATEGY (who)

1. Calculated view around Target Companies
2. Private or Family-owned Companies which would benefit from the Platform links
3. High-growth potential or Strong EBITDA/Cash Flow companies
4. Strong ESG Profile
5. Acquire at Price that allows for minimum 2x Market Value Improvement
6. Focus on Food and Plants that are high-value, address long-range Food Security
7. Focus on Food and Plants that are key for core Millenials/Boomers consumers

## BUSINESS GROWTH CATALISTS (how)

1. Drive our AgTech Solution consulting and projects
2. Drive Radical Clean Solutions in Fresh Food Chain and Food Manufacturing
3. Expand in Berries and M&A for Tropical/Arid Crops
4. Build un(Think) Foods in Grains (Wheat, Oat, Rice) and Pulses (Peas) consumer products

# AgriFORCE is an ESG investment opportunity



We positively transform farm, food, and family every day, everywhere.

## SMART & SUSTAINABLE FARMING

Drivers:

- ✓ Consulting
- ✓ AgriFORCE Facilities Solution
- ✓ Berry People

## RESOURCE EFFICIENT OPERATIONS

Drivers:

- ✓ FORCEGH+ design and building IP
- ✓ Automation & controls
- ✓ Improved plant growth IP

## GOOD PLANTS AND FOOD

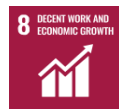
Drivers:

- ✓ UN(THINK) Foods IP
- ✓ RCS Sterilization devices
- ✓ Berry People

## THRIVING COMMUNITIES

Drivers:

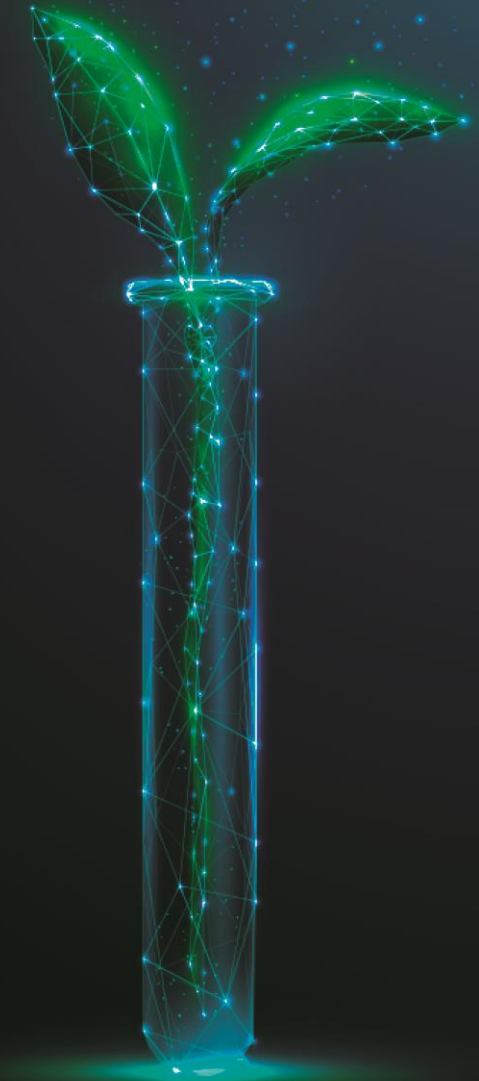
- ✓ UN(THINK) Foods impact on nutrition
- ✓ Partnership with nutritional flour medical research institute on impact on diabetes and obesity
- ✓ FORCEGH+ ability to operate in ag-unfriendly climates





## AgriFORCE – summary

- ✓ **Creating a disruptive, high-value food and plant business with an integrated seed to table platform**
- ✓ **Integrated AgTech Platform behind Knowledge, IP-based solutions and plant genetics to improve yields and profits for farmers and growers while reducing their environmental footprint**
- ✓ **Changing the norms in Food through UN(THINK FOODS IP-driven improved nutrition processes and RCS Hydroxyls supply chain's sterilization and spoilage prevention**
- ✓ **Strong growth plan leveraging organic development and augmented and accelerated through M&A**



# Management team

An experienced, driven and results-oriented executive team



Interim CEO and CFO

## Richard Wong

- 30+ years experience in start-up/public companies
- CFO of Emerald Harvest Co.
- CFO of Dan-D Foods
- Director of Finance and CFO of SUGOI Performance Apparel
- Partner at First Choice Capital Advisors



PRESIDENT OF AGRIFORCE SOLUTIONS

## Troy McClellan

- Focus on design and construction technology
- Masters Degree in Architecture
- VP of Design and Development at WIGU City
- VP of Design & Development at MGM
- Design Manager at Universal Studios



PRESIDENT OF AGRIFORCE BRANDS and CMO

## Mauro Pennella

- 30+ years experience in general management, marketing & sales
- Chief Growth & Sustainability Officer at McCain Foods
- President International at Combe Inc.
- Senior executive roles at Conagra/Lamb Weston (NYSE: LW)
- Senior executive at P&G (NYSE: PG) and Diageo (NYSE: DEO)



GENERAL COUNSEL

## André J. Beaulieu

- 20+ years public and private sector experience
- Former SVP, Head of Legal at Traction Sales and Marketing
- General Counsel for Finning International Inc., the British Columbia Automobile Association (BCAA), and the Insurance Corporation of British Columbia (ICBC)
- Pivotal role in Company's M&A activities



GENERAL MANAGER, UN(THINK) FOODS

## Hernando Ruiz-Jimenez

- Growth-oriented leader with consistent track record of building businesses and brands across different industries
- Held CMO, EVP, and GM roles at a wide range of companies, including Pepsico, Diageo and Triple-S Insurance.

# AgriFORCE – capitalization table

<b>TOTAL SHARES ISSUED &amp; OUTSTANDING</b>	<b>40,045,255</b>
Warrants (strike \$6.00)	3,224,197
Warrants (strike \$7.50)	2,546,065
Prefunded Warrants (Manna Acquisition)	4,837,101
Warrants from Convertible Debentures (strike \$0.12)	6,767,707
Private Place Warrants (strike \$0.50)	1,000,000
Convertible Debenture (strike \$0.12)	95,256,400
Stock Options	1,120,998
<b>TOTAL FULLY DILUTED SHARES OUTSTANDING</b>	<b>154,797,723</b>
<b>Shares in Public Free Float (as of August 15th, 2023)</b>	<b>38,963,625</b>
<b>Insider Ownership</b>	<b>1,081,630</b>

# AgriFORCE

Thank you

[agriforcegs.com](http://agriforcegs.com)



# Appendix A

The Company's EBITDA estimates are forward-looking statements that are based on management's current best estimates of the Company's revenue, costs, and proforma EBITDA projections under its current business model from its AgriFORCE cultivate facilities. These estimates are based upon the annual estimates of the amounts the Company expects to receive from its Independent Operator (IO) through an income stream based on property rental income, intellectual property licensing, and management services contracts. The IO is in discussion to sign offtake (customer purchase) agreements and operator agreements with operators of the facilities who will also act as the cultivator for the facility, thereby, the operator oversees cultivating the product they are purchasing from the IO of the facility. Each IO's facility has assumptions on the projections for revenue, cost of goods sold, operating expenses and are based on the designed standard operating procedures within the facility for cultivation. The assumptions include assumptions made by the IO with respect to labor costs, electricity and gas costs, water costs, cultivator flowering period, plant count, lack of disease or other adverse plant conditions, security costs, processing costs and overhead all of which either singularly or in totality may impact the IO's profitability and thus its ability to pay various IP licensing fees, equipment fees, management fees, and rent to the Company. Additionally, the IO's ability to pay the Company pursuant to its contracts with the Company which would generate the Company's EBITDA is entirely dependent on the Company being able to successfully finance and construct three AgriFORCE cultivation facilities. Failure to finance and construct one or more of the facilities will materially impact the Company's ability to meet its obligations under its contracts with the IO and thus earn its projected EBITDA. Additionally, there are no assurances that the IO's offtake agreements with its customers shall remain effective if the Company fails to finance and construct the cultivation facilities in a timely manner in which case the IO may have grounds to terminate one or more of its contracts with the Company. These cautionary forward-looking projections are based material risks that are faced by the Company in the execution of its business, including the financial ability of the IO to pay the revenue streams to AgriFORCE, the operator's performance of the facility in order to reach the production targets, operational costs, and the ability of each offtake customer to sell the amount they agreed to purchase in their offtake agreements.

# Appendix B

## Risk Factors

AgriFORCE Growing Systems Ltd. (the “**Company**”) is subject to a substantial degree of risk in the execution of its business plan and its ability to succeed should be regarded as highly speculative due to the early stage of the development of the business of the Company. The risks, uncertainties and other factors, many of which are beyond the control of the Company that could influence actual results include, but are not limited to:

- The Company is a development stage company with little operating history, a history of losses and the Company cannot assure profitability, accordingly any investment in the Company’s securities is highly speculative;
- The Company has not constructed any AgriFORCE micropropagation laboratories or cultivation facilities to date and costs of construction and operating may be greater than anticipated, and the laboratories and facilities may not achieve the anticipated production or operational results;
- uncertainty about the Company’s ability to continue as a going concern;
- The Company has negative cash flow for the year ended December 31, 2020 and the three months ended March 31, 2021;
- The Company’s actual financial position and results of operations may differ materially from the expectations of management;
- The Company expects to incur significant ongoing costs and obligations relating to its investment in infrastructure, growth, regulatory compliance, and operations;
- There are factors which may prevent the Company from the realization of growth targets;
- The Company is subject to changes in Canadian and United States laws, regulations and guidelines, which could adversely affect the Company’s future business, financial condition and results of operations;
- There is no assurance that the Company will turn a profit or generate revenues;
- The Company may not be able to effectively manage its growth and operations, which could materially and adversely affect its business;
- The Company may be unable to adequately protect its proprietary and intellectual property rights;
- The Company may be forced to litigate to defend its intellectual property rights, or to defend against claims by third parties against the Company relating to intellectual property rights;
- The Company may become subject to litigation, which may have a material adverse effect on the Company’s reputation, business, results from operations and financial condition;
- The Company faces competition from other companies where it will conduct business that may have a higher capitalization, more experienced management or may be more mature as a business;

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- If the Company is unable to attract and retain key personnel, it may not be able to compete effectively in the agricultural products market;
- There is no assurance that the Company will obtain and retain any relevant licenses;
- The size of the Company's target market is difficult to quantify and investors will be reliant on their own estimates on the accuracy of market data;
- The Company's industry is experiencing rapid growth and consolidation that may cause the Company to lose key relationships and intensify competition;
- The Company will continue to sell securities for cash to fund operations, capital expansion, mergers, and acquisitions that will dilute the current shareholders;
- The Company currently has insurance coverage;
- The Company does not anticipate the ability to immediately diversify its business;
- The Company may face significant competition from other facilities;
- The Company could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses to claims against the Company;
- The Company will be reliant on information technology systems and may be subject to damaging cyberattacks;
- The Company may be subject to breaches of security at its facilities, or in respect of electronic documents and data storage, and may face risks related to breaches of applicable privacy laws;
- The Company's officers and directors may be engaged in a range of business activities resulting in conflicts of interest;
- In certain circumstances, the Company's reputation could be damaged;
- The Company may not be able to obtain all necessary licenses and permits or complete construction of its facilities in a timely manner, which could, among other things, delay or prevent the Company from becoming profitable;
- regulatory scrutiny of the Company's industry may negatively impact its ability to raise additional capital;
- The Company's investments and operations in the United States may be subject to heightened scrutiny;
- The Company is subject to uncertainty regarding Canadian and U.S. legal and regulatory status and changes;
- The Company is subject to currency fluctuations; and
- The common shares of the Company are not publicly traded and there is no assurance that these securities will ever be publicly traded.

For a detailed description of certain risk factors relating to AgriFORCE, you should refer to the filings that AgriFORCE has made with the SEC which are available at [www.sec.gov/edgar](http://www.sec.gov/edgar).