

December 28, 2022



AgriFORCE CEO Provides Year End Letter to Shareholders

Built Solid Foundation in 2022 and Anticipates Significant Growth and Success in 2023

VANCOUVER, British Columbia, Dec. 28, 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 processing across multiple platforms, today provided the following letter to shareholders from the Company's CEO, Ingo Mueller:

"From the outset of and throughout 2022, world events and global challenges including climate change, war, supply chain disruptions, scarcity of water and the rising cost of energy have underscored the importance of a transformative change to agriculture and food systems. It is becoming increasingly evident that having systems in place that allow for adaptation to such circumstances is crucial. With climate change impacting fertile regions in North America and Europe, we are going to need to look to places like Africa and South America, which are having their own challenges of feeding their growing populations.

From a consumer perspective, what is the result of these conflicts and disruptive forces? Inflation and supply chain disruption are leading to higher prices, making it more difficult for the average consumer to pay for necessities. In order to address these problems and pressures, we need to utilize technologies and innovation to find efficiencies and produce food intelligently. At the same time, we can identify ways to deliver more nutrition with commonly grown crops thereby transforming food to deliver more of what we need with less. For consumers, the importance of access to safe, healthy and nutritious food continues to be a priority. This also reflected in an increased emphasis on sustainability globally, including from governments, financial regulators, companies and customers.

It is apparent that the work we at AgriFORCE are doing is more important than ever. While there are challenges in front of humanity that need a progressive thinking business to tackle them, these challenges present vast opportunities for AgriFORCE - and with our unique knowledge, IP, and solutions, we are firmly positioned at the forefront of this critical sector.

At AgriFORCE, 2022 was our first full calendar year as a public entity and we achieved several noteworthy milestones.

First, we closed the acquisition of Manna Nutritional Group which set a solid foundation for commercialization and scale up of the revolutionary UN(THINK) Foods. The UN(THINK) processing IP touches a multitude of categories, not only wheat but also other grains, pulses, legumes and more. It provides the ability to transform proteins and optimize the natural fiber content of grains, thereby creating better-for-you products that are more sustainably produced. It represents an evolution around consumption, as consumers

transition from products with empty calories to highly nutritious foods. With its breadth of application, we believe UN(THINK) is set to transform the food industry.

Second, we have received shareholder approval for the acquisition of Delphy Groep BV (“Delphy”), and as a result this acquisition is expected to close in the upcoming weeks. This enables AgriFORCE to drive the vision and offering of AgTech 2.0 across multiple markets globally.

Delphy has demonstrated tremendous abilities in agriculture and horticulture and we have seen how powerful this expertise can be to effect change. With Delphy’s presence in a multitude of geographies and environments globally, their unique breadth of knowledge as well as digital capabilities will be critical to positively transform those environments.

We have been actively working with Delphy management to establish our five-year plan and are focused on geographic expansion with an emphasis on Germany and North America, as well as more value-added offerings. This includes a heavy emphasis on evolving Delphy’s knowledge and experience into digital offerings as the industry increasingly moves towards adoption of advanced technologies.

Third, with the licensing agreement for Radical Clean Solutions’ (RCS) patented technology, we are making important strides in finalizing its application for commercializing a set of solutions and devices to significantly reduce mold, pathogens and spoilage within food and greenhouse facilities, as well as in warehousing and transportation of food and plants. Given that so much food intended to be shipped to consumers ends up being disposed of due to contamination, the impact of this technology and how it can drive sustainability is significant.

Fourth, we continue to progress toward the acquisition of Deroose. We are actively taking the necessary steps to advance this deal to completion. We will provide additional updates as developments unfold.

Fifth, with AgriFORCE Growhouse, now referred to as FORCEGH+, we have secured a number of key patents in Canada and the U.S. this year and concluded the purchase of land property in Coachella, California, which will be our site for the deployment of our IP and first U.S. facility.

Throughout this year AgriFORCE continued to deliver and grow its M&A portfolio, delivering a robust pipeline to successfully integrate and build a comprehensive business to drive revenue and EBITDA, as well as maximize value for shareholders.

With this in mind, we continue to enhance the company and have bolstered our organizational capacity to manage and grow our operational activities and increased capacity for M&A with the addition of a number of strategic hires such as General Counsel.

We are conscious of the current market conditions and as a result have carefully refocused certain capital-intensive, longer-term activities. Our strategy is to utilize capital effectively and efficiently, thereby ensuring that the activities we undertake, which do require capital, provide shareholders value within the shortest timeframe possible. We will continue to explore and evaluate longer term investments and prioritize them based upon market conditions.

We believe 2023 will be a year where we will see catalyzing developments for AgriFORCE:

1. We will bring our first products under UN(THINK) Foods to market. In particular, with the B2B and direct to consumer launch of Awakened Flour, we hope to create a new standard for sprouted flours. Following this, we plan to launch our Power Flour which will bring superior nutrition with no compromise to consumers. Additionally, we have several other consumer products in the pipeline, for which we intend to provide additional details in 2023.
2. We will start advancing the expansion of Delphy into North America as well as continue to build our Delphy Digital platform and suite of services.
3. We will launch our first RCS products.
4. We will continue to drive our M&A strategy to further strengthen our AgTech 2.0 platform.

I'd like to highlight that our solutions, individually, address multi-billion-dollar markets globally. We continue to believe that as we hit major, meaningful milestones we are on a straight path to profitability.

As we look ahead, we believe we have secured the foundational pieces to transform our business in the near term. We believe 2023 will be a pivotal year in the company's history and that we have laid the foundation in 2022 to achieve major achievements and successes in the coming year."

About AgriFORCE

AgriFORCE Growing Systems Ltd. (NASDAQ: AGRI; AGRIW) is an agtech company focused on building an integrated agtech platform that combines the best technology, intellectual property and knowledge to solve an urgent problem – providing the best solutions to help drive sustainable crops and nutritious food for people around the world. Looking to serve the global market, the Company's current focus is on North America, Europe and Asia. The AgriFORCE vision is to be a leader in delivering plant-based foods and products through an advanced and sustainable agtech platform that makes positive change in the world—from seed to table. Additional information about AgriFORCE is available at: www.agriforcegs.com.

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Source: Agriforce Growing Systems Ltd.