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 Note on research as a “minor non-monetary benefit” according to the MiFID II regulation: This research meets the requirements for being classified as a “minor non-monetary benefit”. For more information, see the disclosure under “1. Research under MiFID II”  
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## 08/07/2019 – Interview with Agrios Global Holdings Ltd.

Company: Agrios Global Holdings Ltd.<sup>\*5a,5b,11</sup>

ISIN: CA00856K1003

CSE: AGRO

OTCQB: AGGHF

FSE: ØSA - WKN-A2N62K

Reason for the Research Comment: Interview with the CEO about the strategy

Analyst: Matthias Greiffenberger, Julien Desrosiers

Current Share Price: Frankfurt: 0.2497 € (03.07.19; 12:54)

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\*catalogue of potential conflicts of interests on page 4

### **GBC AG: Could you please describe the business model of Agrios Global Holdings (Agrios) and what makes it so unique?**

**Chris Kennedy:** Our business model is based on providing a comprehensive suite of services to licensed cannabis producers. What makes Agrios so unique is that we have focused on advancing the innovation in indoor growing science and have built a data driven agriculture technology platform that allows us to establish and control optimal growing conditions to maximize yield and produce consistent product. Today, one of the biggest challenges for growers is producing consistent product due to the number of variables that can influence a crops outcome. Agrios’ facility is 100% bio and environmentally controlled, so we are able to replicate exact growing conditions throughout the cultivation process to produce high-quality consistent product.

### **GBC AG: Tell us more about your data driven approach?**

**Chris Kennedy:** Agrios is collecting 100's of millions of data points throughout the cultivation process on a per strain basis. Sixteen environmental data points every two seconds, such as - Air temp, humidity levels, water temp, atmospheric pressure, etc. In addition, we collect nutrient levels and dosing data points, conduct water reservoir analysis to measure each strain’s nutrient requirements, take tissue samples and do genetic cannabinoid profile testing. Combined, the data we are collecting give us a comprehensive view of the plant. The data gives us real-time insights allowing us to make adjustments during the cultivation process if necessary, but more importantly provides us the information to correlate variable impacts to outcomes. Since we are able to control 100% of the variables throughout the cultivation process, we can begin to manipulate environmental variables to produce different outcomes. As we collect more data and continue to research impacts of intentionally introduced plant stressors, we can begin to identify the levers to influence a strains cannabinoid profile.

### **GBC AG: How do you see the current market that you operate in and what kind of changes do you expect? How is the legal environment?**

**Chris Kennedy:** Washington State is an evolving market projected to reach \$2.28 billion by 2020. Washington is considered to be a mature market which provides a stable regulatory environment, unlike new US markets which tend to be more volatile due to constant regulatory updates and rule changes. Washington is an extremely competitive

market and over production has led to significant price compression, making it difficult for groups that are not operationally and cost efficient to survive. We have seen massive consolidation in the market and prices are starting to rebound as a result. There is a good opportunity for a low-cost producer of high quality consistent product.

We can expect increased compliance, government involvement and evolving regulations. I feel our management team's background in heavily regulated sectors influenced our approach in raising the industry standard from the beginning. We are well positioned for the changes to come as the market continues to develop.

From a State level the legal environment is very stable and the industry is developing rapidly. From a federal level, there is a lot of momentum towards the legalization effort, especially on the medical side.

**GBC AG: How do you see the company positioned in two years?**

**Chris Kennedy:** In two years, Agrios will be a multi-state operator with a product portfolio and branding strategy to capitalize on both recreational and medical cannabis markets. Our brands will be known for providing a reliable experience due to our ability to replicate environments and growing conditions to grow consistent product. We will have a profitable model in Washington and will have built out our next gen facility in a new market with an emphasis on R&D setting the stage for us to broaden the profile of the company.

**GBC AG: What is your vision for the next five years and in the long run?**

**Chris Kennedy:** We believe that the platform we have built and the progress we have made on producing consistent product puts us in a very unique position to establish national brands. At the core, we will continue to focus on advancing the innovation in indoor growing, data science and automation. The real value in our approach is how fast we are able to learn because all variables are controlled, the data we collect and our ability to make real-time adjustments throughout the cultivation process.

We will begin to focus more on the medical cannabis sector due to our ability to produce consistent product. Recent research is suggesting that some strains are more effective than others in treating specific conditions, but it has to do with the total cannabinoid profile of the flower and the entourage effect of those cannabinoids. If a patient has success with a particular harvest, it is extremely important to be able to reproduce that product. Our ability to replicate the growing environment and conditions allows us to produce consistent product from one harvest to the next. We look to establish a full brand portfolio of medical products that offers a reliable consistent experience.

As we build out our next gen facility we will also begin R&D efforts and explore opportunities associated with other crops. With environmental variables constantly changing or not being available it is becoming more challenging to establish consistent food supply. We want to be part of the solution to this challenge.

**GBC AG: Mr. Kennedy, thank you for the discussion.**

## ANNEX

### I.

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