



AGRAFLORA ORGANICS INTERNATIONAL INC.

NEWS RELEASE

AgraFlora Organics Bolsters European Supply Agreement; Receives C\$2,000,000 Cash Infusion

Vancouver, British Columbia / September 27th, 2019 – AgraFlora Organics International Inc. (“AgraFlora” or the “Company”) (CSE: AGRA) (Frankfurt: PU31) (OTCPK: PUFXF), a growth oriented and diversified international cannabis company, is pleased to announce that further to a commercial rights and supply agreement (the “Agreement”), dated May 22, 2019, the Company has entered into a complementary cooperation agreement (the “Co-Op Agreement”).

Under the terms of the Co-Op Agreement, a party to the original Agreement has subscribed to a non-brokered private placement (the “Offering”) at a 28.2 per-cent premium to AgraFlora’s five day VWAP of C\$0.234; for total proceeds of C\$2,000,000. In consideration for the Offering, AgraFlora has agreed to defer payment (the “Deferred Payments”) for the initial C\$2,000,000 purchase of dried cannabis flower, under the previously announced Agreement. Such Deferred Payments shall be repaid in equal portions of C\$250,000 across the subsequent C\$8,000,000 in anticipated dried cannabis flower purchases.

In connection with the Offering, the Company has issued 6,666,667 transferable special warrants (the “Special Warrants”) to one purchaser at a price of C\$0.30 per Special Warrant. Each Special Warrant is convertible into units (the “Units”) with each Unit consisting of one common share (the “Shares”) of the Company and one transferable common share purchase warrant (the “Warrants”), with each Warrant entitling the holder thereof to purchase one additional Share of the Company at a price of C\$0.50 per Share for a period of 36 months from the date of issuance of the Warrants.

All securities issued are subject to a four-month hold period pursuant to applicable securities laws of Canada, after which time the Special Warrants are convertible into the Units.

The European medical cannabis cannabinoid-derived CPG markets continue to mature, thus affording qualified market participants to achieve robust margins via the distribution of premium cannabis flower and associated derivative products. The Agreement affords AgraFlora’s commercial partners with a consistent supply of high-grade cannabis flower, permitting the continued penetration of high-value EU patient populations.

The aforementioned Agreements are contingent on AgraFlora's receipt of a standard cultivation and accompanying sales licences from Health Canada for its flagship Delta Greenhouse Complex. AgraFlora's Delta Greenhouse Complex is widely considered to be one of the most technically advanced and environmentally friendly greenhouse operations in the world, equipped with industry-leading cultivation infrastructure.

About AgraFlora Organics International Inc.

AgraFlora Organics International Inc. is a growth oriented and diversified company focused on the international cannabis industry. It owns an indoor cultivation operation in London, ON and is a joint

venture partner in Propagation Service Canada and its large-scale 2,200,000 sq. ft. greenhouse complex in Delta, BC. The Company is also retrofitting a 51,500-square-foot good manufacturing practice (“GMP”) edibles manufacturing facility in Winnipeg, Manitoba. AgraFlora has a successful record of creating shareholder value and is actively pursuing other opportunities within the cannabis industry. For more information please visit: www.agraflora.com.

ON BEHALF OF THE BOARD OF DIRECTORS

Brandon Boddy
Chairman & CEO
T: (604) 398-3147

For additional information:

AgraFlora Organics International Inc.
Tim McNulty
E: ir@agraflora.com
T: (800) 783-6056

For French inquiries:
Remy Scalabrini, Maricom Inc.
E: rs@maricom.ca
T: (888) 585-MARI

The CSE and Information Service Provider have not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

Forward-looking Information Cautionary Statement

Except for statements of historic fact, this news release contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements including, but not limited to delays or uncertainties with regulatory approvals, including that of the CSE. There are uncertainties inherent in forward-looking information, including factors beyond the Company's control. There are no assurances that the business plans for AgraFlora Organics described in this news release will come into effect on the terms or time frame described herein. The Company undertakes no obligation to update forward-looking information if circumstances or management's estimates or opinions should change except as required by law. The reader is cautioned not to place undue reliance on forward-looking statements. Additional information identifying risks and uncertainties that could affect financial results is contained in the Company's filings with Canadian securities regulators, which are available at www.sedar.com.