



AGRAFLORA ORGANICS INTERNATIONAL INC.

NEWS RELEASE

AgraFlora Organics Receives Purchase Order from Asian CBD Distribution Joint Venture

Vancouver, British Columbia / October 30th, 2019 – AgraFlora Organics International Inc. (“AgraFlora” or the “Company”) (CSE: AGRA) (Frankfurt: PU31) (OTCPK: AGFAF), a growth oriented and diversified international cannabis company, is pleased to announce the Company has received its inaugural purchase order (the “PO”) from its 50 per-cent owned joint venture, Eurasia Infused Cosmetics Inc. (“Eurasia Infused” or the “JV”).

Eurasia Infused, by way of a commercial concession with CBD Group Asia Ltd. (“CBD Group Asia”), controls distribution agreements for CBD and organic cannabis sativa seed oil infused consumer packaged goods (“CPGs”), for the territories of People's Republic of China, as well as the Hong Kong special administrative region. This distribution agreement extends to AgraFlora's existing portfolio of CBD-infused and organic cannabis sativa seed oil derived product suite.

Hong Kong domiciled CBD Group Asia Ltd., has previously distributed premium Canadian CPGs into China's largest retail chains and C-stores, including RT-Mart International Ltd. (“RT Mart”) and Carrefour SA. RT Mart alone operates over 484 retail locations covering 233 cities and 29 provinces in China and generated \$20 billion in sales in 2018.

On October 25, 2019, the JV issued AgraFlora an initial purchase order to supply its organic cannabis sativa seed oil infused face serum and lip balm. This initial purchase order will secure high-visibility Asia Pacific shelf space for AgraFlora's existing CPG product offering.

According to a report by Grand View Research, Inc., the Chinese CBD category is estimated to potentially be worth up to \$15 billion by the year 2024¹. Additionally, the global CBD skin care marketplace, including the Asia Pacific regions, is expected to reach \$1.7 billion by 2025, expanding at a CAGR of 32.9% over the forecast period.

Over the past 60 calendar days, AgraFlora and CBD Group Asia have collaborated on a variety of product customization, branding and distribution initiatives, with the objective of tailoring the Company's product offering for rapid uptake into the Asian CPG markets. The JV’s continuing CPG customization and distribution deliverables, culminating with this initial PO, include the following:

- Brand testing, focus groups and data mining initiatives;
- Successful YuShop Global (HK) Ltd. product listings for CBD-infused CPGs:
 - Active user footprint of over 500 million consumers; and
 - Permits immediate access to China/Hong Kong's burgeoning CBD-infused CPG marketplaces;

¹ <https://www.healtheuropa.eu/asia-pacific-cannabis-markets/93798/>

- National CPG listings, leveraging CBD Group Asia's high-traffic distribution channels, including the introduction of high-traffic retail channel partners, as well as 1,500 luxury health spas;
- Organic cannabis sativa certificate of analysis (“COA”) authorization;
- Product and packaging customization;
- Development of a full-spectrum CBD facial serum, infused with hemp root oil;
- Initial three SKUs fully customized/import certified for the Chinese/Hong Kong marketplaces packaged for shipment from the Company's co-packer to fulfill POs;
- Architecture of a network of Chinese Canutra/Whole Hemp Health-branded pop-up shops, further expanding the Company's retail footprint and brand presence in an economical and contemporary manner; and
- Integration into CBD Group Asia's proprietary direct to customer Asian sales WeChat platform providing unencumbered daily access to 1.08 billion current WeChat customers.

Brandon Boddy, Chairman and Chief Executive Officer of AgraFlora stated: “Asia is a largely untapped CBD marketplace and represents the next enormous market opportunity to benefit from the global secular trend towards the legalisation of cannabis. In an expeditious manner our JV with CBD Group Asia has allowed us to penetrate this growth-based marketplace with our existing suite of premium cannabinoid-infused CPGs and realize top line revenues.”

The JV is positioned to capitalize on current and future market trends in the rapidly expanding global cannabinoid-infused CPG space. Existing turnkey cultivation/manufacturing capabilities further bolster the Eurasia Infused’s ability to swiftly expand the breadth of its current product line to more than 40 SKUs. Eurasia Infused is finalizing the development phase of a suite of innovative SKUs, specifically tailored of the Asia Pacific theatre, including:

- Organic infused cosmetics with anti-aging properties;
- CBD tinctures;
- CBD capsules; and
- CBD-infused candies.

The JV will work to integrate Cannessence, AgraFlora’s recently announced terpene-infused, organic cannabis sativa seed oil formulation, into its distribution channels. Cannessence when coupled with organic cannabis sativa seed oil, will boast a uniquely formulated terpene profile resulting in amplification of the activation of the endocannabinoid system (the “ECS”), optimization of cannabinoid uptake and standardization of pharmacological effects within the ECS of both humans and pets.

Eurasia Infused anticipates that it will market its Cannessence product portfolio in capsule, topical and tincture format and aims to position Cannessence within the marketplace as an over-the-counter (OTC) substitute to conventional CBD.

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 Services Canada Inc. 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.