



AGRAFLORA ORGANICS INTERNATIONAL INC.

NEWS RELEASE

AgraFlora Organics Enters Into Preferred Supply Agreement with Distributor to Loblaws and Metro Supermarkets

Vancouver, British Columbia / November 20th, 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 entered into a preferred supply agreement (the “Supply Agreement”) with Canadian consumer packaged goods (“CPGs”) broker and wholesaler, Red Phoenix International Trading Ltd. (“RPI”).

Under the terms of the Supply Agreement, RPI will distribute AgraFlora’s portfolio of organic cannabis sativa seed oil infused CPGs, including its Whole Hemp Health (“WHH”) organic lip balm, as well as its Edibles & Infusions hemp-derived gummy stock-keeping units (“SKUs”) to domestic big box food retailers. RPI boasts wholesale distribution agreements with the following Tier 1 Canadian food retailers:

- Loblaws Inc.;
- Metro Inc.;
- Sobeys Inc.;
- The North West Company; and,
- Giant Tiger Stores Ltd.

The Company forecasts its Supply Agreement with RPI will accelerate its stock turn and sell-through metrics of associated organic cannabis sativa seed oil infused CPGs by a factor of three. Additionally, the Supply Agreement will augment AgraFlora’s pursuit to secure a critical mass of high visibility shelf space, whilst familiarizing consumers with its premium suite of cannabis 2.0 SKUs.

Brandon Boddy, Chairman and Chief Executive Officer of AgraFlora stated: “Our Supply Agreement with RPI communicates to the domestic marketplace that we have formulated a highly vendible suite of organic cannabis sativa seed oil infused CPGs. The Company’s quest to capture defensible, high visibility shelf space is derived from our internal thesis that within the cannabis 2.0 arena, consumers will gravitate towards recognizable brands, located on the shelves of trusted big box food retailers and c-stores.

Substantiated by ongoing discourse with industry experts and relevant policy makers, we remain optimistic that Health Canada’s anticipated cannabidiol regulations will classify CBD as a natural health product, enabling widespread proliferation across Canada and unlocking hidden value within AgraFlora’s cannabis value chain. Upon enactment of these anticipated CBD regulations, we will look to introduce CBD-infused varieties of our existing SKUs into our already mature distribution channels. Our product strategy is centred on the delivery of CBD-based solutions to already primed targeted audiences, which are both known and trusted across our entire distribution footprint. As CBD continues its ubiquitous permeation of CPGs, we remain well equipped to capitalize on a shifting regulatory environment, while capturing material market share of Canada’s adult-use arena.”

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

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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.