



AGRAFLORA ORGANICS INTERNATIONAL INC.

NEWS RELEASE

AgraFlora's Delta Greenhouse Facility Receives Standard Cultivation License from Health Canada

Vancouver British Columbia / May 19, 2020 – AgraFlora Organics International Inc. (“AgraFlora” or the “Company”) (CSE: AGRA) (Frankfurt: PU31) (OTCPK: AGFAF) is pleased to announce that Propagation Services Canada Inc., the Company’s flagship cultivation asset located in Delta, British Columbia (the “Delta Facility” or “PSC”) has secured a Standard Cultivation License (the “License”) from Health Canada.

"Obtaining the License at the Delta Facility marks the end of a journey commenced in Q4 2018 and is the key milestone in beginning cannabis sales from what is the 2nd largest and one of the most advanced greenhouses in Canada," stated Brandon Boddy, AgraFlora Executive Chairman and CEO. "With license in hand, we're commencing the cultivation of a curated portfolio of elite live plant genetics that will enable us to execute on a focused strategy of high-potency, low-cost cannabis to drive high-volume value brands from coast to coast."

The Delta Facility's first phase represents 422,828 sq. ft. of cultivation space utilizing a state-of-the-art pressurized, semi-open Venlo greenhouse design considered to be one of the most technically advanced and environmentally friendly greenhouse platforms in North America and is uniquely located in an agricultural micro-climate on the shores of the Pacific. The Delta Greenhouse is scalable up to 2,200,000 sq. ft. Key features of the Delta Greenhouse include:

- Fully integrated on-site natural-gas-powered power plant;
- Advanced climate and humidity control management infrastructure;
- Proprietary energy-efficient air exchange to maintain stable climate conditions at a fraction of the cost of traditional HVAC systems;
- Ebb-and-flow watering systems to enhance complete irrigation recapture and water treatment;
- Multistage supplemental lighting augmented by natural sunlight to foster optimized illumination equilibrium; and
- A proprietary ERP system to allow for efficient resource management and cost tracking.



Delta, BC. AgraFlora Greenhouse

Ruben Houweling, general manager of Houweling Nurseries Stated “Our company brings 40 years of agricultural expertise to PSC, as well as decades of experience within this greenhouse. We have a well-integrated organization with more than 200 employees. Our facility is located in a unique agricultural micro-climate on the shores of the Pacific Ocean that will help the company produce high-potency, low cost cannabis.”

PSC will now commence the cultivation of its curated portfolio of elite live plant genetics ([See press release dated February 28, 2020](#)) which were specially curated by an award winning Canadian cultivator with a focus on combining high potency with above-average yields and favourable agricultural traits such as disease and pest resistance. Combined with the agricultural experience and expertise of the PSC management team, these genetics will support the Company’s strategy of producing high-potency, low cost cannabis to support national value brands.

With today’s granting of the standard cultivation license, the company's consultants, in conjunction with the PSC team, indicate that the inaugural harvest of high potency THC genetics at its Delta greenhouse complex will occur within the fourth quarter of 2020.

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About AgraFlora Organics International Inc.

AgraFlora Organics International Inc. is a leading cannabis company building shareholder value through the development of revenue generating operating assets in the global cannabis industry. AgraFlora is focused primarily on the Canadian cannabis industry; the world's most advanced and regulated legal cannabis market. Flagship Canadian assets include: Edibles & Infusions, a fully automated manufacturing facility in Winnipeg, MB for white-label and consumer branded edible production; Propagation Services Canada, a large-scale commercial greenhouse in Delta, BC focused on reshaping the Canadian flower market with high-potency, low cost cannabis flower, and AAA Heidelberg, a craft focused cannabis producer in London, ON. In addition, AgraFlora's wholly owned subsidiary Farmako GmbH is scaling towards its goal of being Europe's leading distributor of medical cannabis. Farmako currently has active distribution operations in Germany and expects to commence active operations in the United Kingdom in 2020. For more information please visit: <https://agraflora.com/>.

About Propagation Services Canada

Propagation Services Canada is a joint-venture formed between AgraFlora and the Houwelings Group, one of North America's leading producers and innovators in the greenhouse vegetable production industry. For three generations, Houwelings has been championing innovation in North American vegetable production, holding multiple patents and developing large-scale commercial greenhouses in British Columbia, California and Utah. The Houwelings Group was the first in the USA to utilize combined heat and power co-generation, and the first to develop a proprietary sealed growing technology. Through the JV, Propagation Services Canada will operate an automated greenhouse facility with an expandable footprint of up to 2,200,000 sq. ft. Propagation Services Canada is expected to commence cannabis operations and revenue in 2020 with a focus on producing high-potency cannabis at the lowest possible cost to drive margin growth and profitability.

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.