



AGRAFLORA ORGANICS INTERNATIONAL INC.

NEWS RELEASE

AgraFlora Organics Announces Extraction Partnership with Top Tier Quebec based extractor.

Vancouver British Columbia / May 20, 2020 – [AgraFlora Organics International Inc.](#) (“AgraFlora” or the “Company”) (CSE: [AGRA](#)) (Frankfurt: [PU31](#)) (OTCPK: [AGFAF](#)) is pleased to announce its wholly owned subsidiary Sustainable Growth Strategic Capital Corp. (“SGSC” or “the Company”) a federally licensed cannabis company based in the Greater Toronto Area (“GTA”) has entered into an extraction partnership (the “**Extractor Partnership**” or the “**Agreement**”) for hemp processing with a top tier extractor located in Quebec.

The Extractor Partnership is in conjunction with SGSC’s joint venture partner [Micro C45 Inc.](#) (“MC45”), a Canadian hemp company that has developed a unique post-harvest mechanical separation process for hemp biomass that results in higher extraction values (“**Supply Partners**”).

Under the terms of the agreement, the Supply Partners will deliver to the extractor, 44,000kg of hemp biomass for crude and distillate extraction in four installments over six months. As the Supply Partners, MC45 will provide the high quality hemp biomass to the extractor with SGSC serving as the funding partner.

“Recognizing our extraction partner’s commitment to excellence with their GMP certification and advanced high volume extraction capabilities for hemp, we see this new partnership as a nod to our capacity to deliver a technically superior extraction-ready material and the ability to propel higher yields and throughputs resulting in efficiencies that drive costs down,” stated Brandon Boddy, AgraFlora Executive Chairman and CEO. “The efficiencies garnered from higher quality input material will finally allow for reduced production costs in creating CBD products derived from hemp, ultimately allowing for more economical solutions for users and patients in health & wellness products, as well as across multiple medical product formats.”

Furthermore, the Company announces it intends to complete a non-brokered private placement of up to 26,666,667 units of the company at a price of 7.5 cents per unit for gross proceeds of \$2-million.

Each unit shall consist of one common share and one transferable share purchase warrant. Each warrant entitles the holder thereof to purchase one additional share of the company for a period of five years from closing at a price of 10 cents per share.

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/>.

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.