



AGRAFLORA ORGANICS INTERNATIONAL INC.

NEWS RELEASE

AgraFlora's Subsidiary Farmako Obtains Additional EU-GMP Cannabis for Distribution in Germany

Vancouver British Columbia / September 17, 2020 – AgraFlora Organics International Inc. (“AgraFlora” or the “Company”) (CSE: AGRA) (Frankfurt: PU31) (OTCPK: AGFAF) is pleased to announce that on September 9, 2020, its wholly owned subsidiary Farmako GmbH (“**Farmako**”) has entered into a binding distribution agreement (the “**Distribution Agreement**”) with Adjupharm GmbH (“**Adjupharm**”), the German subsidiary of IM Cannabis Corp. (“**IMC**”) (CSE:IMCC).

Under the Distribution Agreement, Adjupharm will supply EU-GMP medical cannabis flower to Farmako for distribution to medical cannabis patients in Germany over a 3 year term. Farmako will distribute the products in Germany under the IMC brand to its established network of German pharmacies. The Distribution Agreement is expected to launch with first products in October 2020.

The products provided by Adjupharm and distributed by Farmako include initially high potency THC flower. The portfolio is expected to be enhanced throughout Q1 2021 by balanced THC and CBD flower as well as CBD dominant flower.

Farmako CEO Katrin Eckmans stated: “We believe that Adjupharm’s IMC branded cannabis is a great fit for our product portfolio. Our goal is to provide a comprehensive and sustainable portfolio of high quality medical cannabis products, including both flower and ‘2.0’ ingestible products to patients in Germany. We believe Farmako’s established pharmacy network combined with IMC’s quality and manufacturing excellence will be a disruptive force in Germany’s rapidly evolving medical cannabis market.”

In addition to the IMC branded cannabis produced procured by this Distribution Agreement, Farmako intends to launch additional in-house and third party branded medical cannabis products over the balance 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 Farmako GmbH

Farmako GmbH is a pharmaceutical wholesaler based in Frankfurt, Germany. The company focuses on the distribution of medical cannabis to pharmacies with the aim of securing the supply for cannabis patients and closing the gap between supply and demand for medical cannabis. Farmako is planning to expand its business model into other European countries with a corresponding legal basis, scaling towards its goal of being Europe's leading distributor of medicinal cannabis. The company already distributes medical cannabis to pharmacies in Germany since March 2019 and is fully licensed in the UK to start distribution operations there in 2020. Farmako is a 100% subsidiary of AgraFlora Organics International Inc. For more information please visit: <https://www.farmako-global.com/>.

About IM Cannabis Corp.

IMC (CSE: IMCC) is a multi-country operator (MCO) in the medical cannabis sector headquartered in Israel and with operations across Europe. Over the past decade, IMC has built its brand as a provider of premium medical cannabis products in the Israeli market. The Company has also expanded its business to offer intellectual property related services to the medical cannabis industry based on proprietary processes and technologies it developed for the production of medical cannabis.

In Europe, IMC operate through a German-based subsidiary and EU-GMP certified medical cannabis distributor – Adjupharm GmbH. IMC's European presence is also augmented by strategic alliances with various pan-European EU-GMP cultivators and distributors with the objective of capitalizing on the increased demand for medical cannabis products and bringing the IMC brand and its product portfolio to European patients.

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.