



AGRAFLORA ORGANICS INTERNATIONAL INC.

NEWS RELEASE

AgraFlora Provides Guidance and Grow Update for its Delta Greenhouse

Vancouver British Columbia / December 10, 2020 – AgraFlora Organics International Inc. (“AgraFlora” or the “Company”) (CSE: AGRA) (Frankfurt: PU31) (OTCPK: AGFAF) is pleased to provide 2021 phase 1 guidance for its cannabis cultivation operations at Propagation Services Canada Inc., the Company’s flagship cultivation asset located in Delta, British Columbia (the “Delta Facility” or “PSC”).

2021 Guidance Highlights:

- * PSC to complete dry room infrastructure slated to provide capacity for ~500,000 grams of dried saleable product;
- * Projected to begin executing on wholesale transactions in May 2021;
- * Delta to grow 10,000 plants for first saleable harvest and expects to yield 50 grams per plant (Based on test 2020 test harvest);
- * PSC strategy remains to be positioned as the leader in pricing of low-cost, high THC cannabis for 2021;
- * AgraFlora to release 5 different varieties for first sale to wholesale partners

The Delta Facility will begin utilizing its recently received agriculture loan (see press release dated November 23, 2020) to complete the Phase 1 rollout of infrastructure required for saleable product. AgraFlora will commence upgrading the dry rooms at the Delta Facility to hold a capacity of 500,000 grams of dry saleable high potency varieties.

Based on the data collected from the test crop of genetics, which was harvested in Q4 of 2020, PSC will expect to cultivate 10,000 plants and aim to yield 50 grams per plant of saleable product. The grow team at the Delta Facility believes that their multi-generational experience and favorable growing environment will boost PSC to become a leader in pricing low cost, high-THC cannabis with first sales expected to commence mid Q2, 2021.

Ruben Houweling, general manager of Houweling Nurseries Stated “We are well positioned to roll out first sales in 2021 after careful review of the first test crop that was recently completed. Our well-integrated organization will look to over 5 different varieties of high potency low cost cannabis flower.”

“Our data shows that timing is right in the market for our product. Currently >20% THC cannabis flower varieties rising in value and we aim to solidify good partners for our product and also take advantage of the robust spot market.” Comment the AgraFlora Board of Directors.



Delta, BC. AgraFlora Greenhouse

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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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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.