



AGRAFLORA ORGANICS INTERNATIONAL INC.

- NEWS RELEASE -

AgraFlora Announces Debt Settlements

Vancouver, British Columbia / May 26, 2021 (Globe Newswire) – AgraFlora Organics International Inc. (“AgraFlora” or the “Company”) (CSE: AGRA) (Frankfurt: PU31) (OTCPK: AGFAF) announces that it has reached agreements with certain arms-length parties (the “Arm’s Length Parties”) to settle outstanding amounts of indebtedness totaling \$262,500, for consulting fees owing and other liabilities incurred by the Company (the “Fee Settlements”). The Arm’s Length Parties have agreed to receive non-cash consideration in the amount of 5,250,000 common shares of the Company (“Shares”) issued at a deemed price of \$0.05 per Share. The Shares issued pursuant to the Fee Settlements will be subject to a statutory hold period lasting four months and one day (the “Hold Period”).

The Arm’s Length Parties shall be entitled to the issuance of additional common shares of AgraFlora (“Additional Shares”) in the event that the trading price closes below \$0.05 the day before the Hold Period expires (the “Market Price”). In such a case, the Arm’s Length Parties shall be entitled to such number of Additional Shares as is determined by multiplying the Market Price by the number of Settlement Shares (the “Settlement Shares Value”) and then subtracting the Settlement Shares Value from the Settlement Amount (the “Settlement Shares Shortfall”). The Settlement Shares Shortfall will then be divided by the Market Price to determine the amount of Additional Shares to be issued. In the event that Additional Shares are to be issued pursuant to the above, the CSE has confirmed that no hold period will be required prior to the sale of any Additional Shares and that the deemed price of the Additional Shares will be equal to the Market Price at that time.

The Company is also pleased to announce that its Board of Directors has approved the settlement of amounts owing for services rendered (the “Debt Settlements”) through the issuance of Shares. Pursuant to the Debt Settlements, the Company issued an aggregate amount of 657,481 Shares at a deemed price of \$0.05 per share. All securities issued will be subject to a Hold Period from the date of issuance. AgraFlora has also settled \$130,000 of debt with a consultant (the “Consultant Debt”) for past services rendered with respect to arranging the sale of its wholly-owned subsidiary, AAA Heidelberg Inc. The Company has agreed to pay \$86,900 of the Consultant Debt through the issuance of 1,738,000 Shares, with the remainder to be paid in cash.

About AgraFlora Organics International Inc.

AgraFlora Organics International Inc. is a cannabis company building shareholder value through the development of revenue-generating, operated 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. Its flagship Canadian asset is Propagation Services Canada, a large-scale commercial greenhouse in Delta, BC focused on reshaping the Canadian flower market with high-

potency, low-cost cannabis. In addition, AgraFlora's wholly-owned subsidiary, Farmako GmbH, is focused on becoming 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 2021. For more information about AgraFlora, please visit agraflora.ca and its profile page on SEDAR at www.sedar.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.