

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1. Name and Address of Company**

Affinor Growers Inc. (“**Affinor**” or the “**Company**”)  
250-750 W. Pender Street  
Vancouver, B.C.  
V6C 2T7

**Item 2. Date of Material Change**

June 16, 2023

**Item 3. News Release**

A news release dated June 20, 2023 was disseminated and subsequently filed on SEDAR.

**Item 4. Summary of Material Change**

The Company announced that it has entered into an Agriculture Technology Agreement with Freshbay, Inc.

**Item 5. Full Description of Material Change**

**5.1 Full Description of Material Change**

The Company announced that, further to its news release dated February 10, 2023, it has entered into an Agriculture Technology Agreement dated June 16, 2023 (the “**Definitive Agreement**”) with Freshbay, Inc. (“**Freshbay**”).

Freshbay currently intends to build a geothermal agricultural site to be comprised of approximately 864,000 square feet of greenhouse facilities located in Hinton, Alberta (the “**Project Site**”). Pursuant to the terms and conditions of the Definitive Agreement, Freshbay has engaged the Company to provide certain products and services for use at the Project Site to support Freshbay in its production and commercialization of strawberries. More specifically, the Company will:

- supply and arrange for the installation of 17,530 vertical hydroponic towers with self-pollinating capabilities at the Project Site (the “**Towers**”);
- supply and arrange for the installation of 34 polycarbonate Atlantis greenhouses (the “**Greenhouses**”) at the Project Site;
- install or arrange for the installation of its automated irrigation and fertilization system (together with the Towers and Greenhouses ,the “**Equipment**”) for strawberry production using the Greenhouses and the Towers at the Project Site;
- arrange for the initial introduction between Freshbay and Berrymobile Fruit Distribution Inc. to explore the purchase of strawberries grown at the Project Site;

and

- grant Freshbay certain licenses to use certain trademarks, intellectual property, and standard operating procedures of the Company.

As consideration for the products and services to be provided by the Company, and in accordance with the terms and conditions of the Definitive Agreement, Freshbay has agreed to pay the Company an aggregate payment of CAD\$135,757,350 (the “**Contract Price**”). Prior to paying any portion of the Contract Price, it is a condition precedent that (a) Freshbay obtain adequate financing to pay the Contract Price, and (b) the parties agree to a work schedule for the project. Assuming the conditions precedent are satisfied, \$20,000,000 of the Contract Price will be payable within two business days of the satisfaction of the conditions precedent, and \$47,878,675 will be payable on the date that is thirty days thereafter. The remaining portion of the Contract Price is payable in installments based on the delivery of the Equipment at the Project Site.

### **About Freshbay**

Freshbay is an agriculture company planning to revolutionize indoor farming with deep earth geothermal energy for greenhouse production of strawberries starting in Alberta. They’re mission is to bring fresh, healthy, locally grown strawberries to your table using innovative patented vertical farming technology and sustainable energy sources. Our team of experts is dedicated to providing a sustainable, efficient, and economically viable solution for indoor agriculture.

#### **5.2 Disclosure for Restructuring Transactions**

Not applicable.

#### **Item 6. Reliance on subsection 7.1(2) of National Instrument 51–102**

Not applicable.

#### **Item 7. Omitted Information**

None.

#### **Item 8. Executive Officers**

The following executive officer of the Company is knowledgeable about the material change and this Material Change Report and may be contacted at:

Nick Brusatore  
CEO  
Telephone: 604 356 0411  
Email: [nick@affinorgrowers.com](mailto:nick@affinorgrowers.com)

#### **Item 9. Date of Report**

June 21, 2023.

## CAUTION REGARDING FORWARD-LOOKING INFORMATION

*All information contained in this material change report with respect to the Company and Freshbay was supplied by the parties, respectively, for inclusion herein, and the Company and its respective directors and officers have relied on Freshbay for any information concerning such party.*

*This material change report includes certain statements that may be deemed “forward-looking statements”. All statements in this material change report, other than statements of historical facts, that address events or developments that the Company expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential” and similar expressions, or that events or conditions “will”, “would”, “may”, “could” or “should” occur. Forward-looking statements in this material change report includes statements related to the Definitive Agreement, the transactions contemplated therein, and related matters. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company’s management on the date the statements are made. Except as required by applicable securities laws, the Company undertakes no obligation to update these forward-looking statements in the event that management’s beliefs, estimates or opinions, or other factors, should change.*