



AFFINOR GROWERS PROVIDES UPDATE ON AGRICULTURE TECHNOLOGY AGREEMENT

VANCOUVER, British Columbia, July 31, 2024 (GLOBE NEWSWIRE) -- Affinor Growers Inc. (“**Affinor**” or the “**Company**”) (CSE: AFI; OTCQB: RSSFF) provides an update with respect to its Agriculture Technology Agreement with Freshbay Inc. (“**Freshbay**”).

Agriculture Technology Agreement

As announced on June 20, 2023, the Company entered into an Agriculture Technology Agreement dated June 16, 2023 (the “**Definitive Agreement**”) with Freshbay pursuant to which Freshbay engaged the Company to provide certain products and services for use at Freshbay’s geothermal agricultural site located in Hinton, Alberta. 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 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.

Subsequently, as announced on May 14, 2024, the Company entered into an Amending Agreement (the “**Amendment**”) with Freshbay dated May 10, 2024, to amend the terms of the Definitive Agreement. Pursuant to the Amendment, the Company granted Freshbay an exclusive license to use and exploit a certain patent, know-how associated therewith, and certain industrial designs held by the Company. Pursuant to the terms and conditions of the Amendment and as consideration for grant of the license, Freshbay agreed to pay the Company CAD\$33,500,000, as follows: (a) CAD\$21,000,000 (the “**Funding Installment**”) on such date that Freshbay receives any funding from an institutional investor in connection with the Project Solution (as defined in the Definitive Agreement), however, notwithstanding the foregoing, full Funding Installment is due and payable on a date that is six (6) months from the effective date of the Amendment; and (b) CAD\$12,500,000 on such date that is the earliest of (i) six (6) months from the date of the first shipment of any strawberries produced in connection with the licensed intellectual property, or (ii) June 16, 2025.

Management Update

The Company and Freshbay communicate multiple times a week with respect to the Definitive Agreement, as amended by the Amendment, and Freshbay’s efforts to obtain funding for the Contract Price. Freshbay has advised the Company that Freshbay is currently working with a financier to obtain a portion of the funding for the Contract Price. In an effort to meet the requirements of the financier, Freshbay has:

- entered into the Amendment and obtained a license to a portion of the Company’s intellectual property;

- entered into negotiations with produce vendors with respect to additional distribution agreements;
- appointed a Chief Financial Officer; and
- engaged an auditor.

Finder's Fee Agreement

As previously announced, in connection with the Amendment the Company entered into a finder's fee agreement (the "**Finder's Fee Agreement**") with an arm's length finder (the "**Finder**") pursuant to which the Company agreed to pay the Finder a finder's fee of CAD\$8,250,000 (the "**Finder's Fee**"). The Finder's Fee is payable from the Company to the Finder when the Company receives the Funding Installment from Freshbay pursuant to the terms and conditions of the Amendment. The Finder assisted the Company with the Amendment including facilitating the discussions between the Company and Freshbay as the parties negotiated the commercial terms and price payable by Freshbay for the license as set forth in the Amendment. Freshbay entered into the Amendment and obtained the License in part to meet the requirements of a potential financier to fund the Contract Price. As such, the Finder's assistance to the Company with negotiating the Amendment and License pushed the Company closer to closing its transaction with Freshbay which would mark a significant development in the Company's business.

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.

About Affinor

Affinor is a publicly traded company listed on the CSE under the symbol "AFI" and on the OTCQB under the symbol "RSSFF". Affinor is focused on developing vertical farming technologies and using those technologies to grow fruits and vegetables in a sustainable manner.

To learn more about Affinor, visit: www.affinorgrowers.com

On behalf of the Board of Directors,
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Neither the Canadian Securities Exchange nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This news release includes certain statements that may be deemed “forward-looking statements”. All statements in this new release, 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 news release includes statements related to the Definitive Agreement, the Amendment, the Finder’s Fee Agreement, and the transactions contemplated therein. 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.