

**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

November 18, 2024, and November 22, 2024

Item 3. News Release

News releases dated November 27, 2024, and November 29, 2024, were disseminated and subsequently filed on SEDAR+.

Item 4. Summary of Material Change

The Company provided an update regarding its Agriculture Technology Agreement with Freshbay Inc. (“**Freshbay**”) and announced a License Agreement with FARMX Produce Inc. (“**FARMX**”).

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

Agriculture Technology Agreement with Freshbay

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, 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 Freshbay obtain adequate financing to pay the Contract Price

Subsequently, as announced on May 14, 2024, the Company and Freshbay entered into an Amending Agreement (the “**Amendment**”) to amend the terms of the Definitive Agreement. Pursuant to the Amendment, the Company granted Freshbay an exclusive license in Canada (the “**License**”) to use and exploit a certain patent, know-how associated therewith, and certain industrial designs held by the Company. 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, the 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.

Freshbay has not paid the Company the Funding Installment of CAD\$21,000,000 as required pursuant to the Amendment. Pursuant to the terms and conditions of the Amendment, the Company has the right, in its sole discretion, to terminate the Amendment or convert the license to a non-exclusive license. The Company has elected to convert the license to a non-exclusive license at the present time. Should Freshbay re-engage the Company once financing is arranged, the Company may consider granting future exclusivity, with the geographical area to be determined.

License Agreement with FARMX

The Company also announced that it has entered into a License Agreement (the “**License Agreement**”) with FARMX. Pursuant to the terms and conditions of the License Agreement, the Company will grant a 20-year non-exclusive, non-sublicensable, non-transferable, non-royalty bearing, term-limited worldwide license (the “**Non-exclusive Territory**”), to use the Company’s proprietary technologies, SOPs, and any other documentation or information (collectively, the “**Licensed IP**”) for the cultivation of strawberries.

As outlined in the terms of the License Agreement, the License granted and FARMX’s right to use the Licensed IP is subject to certain conditions, including but not limited to, the following:

- i. FARMX shall pay to the Company, upon the execution of the License Agreement, an initial deposit in the amount of CAD\$120,000.00 with respect to the initial project and construction of the first strawberry greenhouse (a “**Project**”) in British Columbia. FARMX shall thereafter pay any and all agreed deposit amounts necessary for the continuation of the initial Project and shall further be responsible to pay any future deposits in the amounts agreed between the parties related to the development of subsequent Projects;
- ii. FARMX shall have the right to use the Licensed IP anywhere within the Non-Exclusive Territory during the term, but FARMX acknowledges and agrees that the Company shall have the right, upon the delivery of a minimum of 120 days’ prior written notice to remove one or more geographies or territories within the Non-Exclusive Territory (the “**Removed Territories**”) in the event that the Company grants to a third party or parties the exclusive right to use the Licensed IP within those Removed Territories;
- iii. Notwithstanding any removal of territories from the Non-Exclusive Territory as contemplated under the License Agreement, FARMX shall have the irrevocable right to continue its operations at all existing project sites within the Removed Territory, subject to certain conditions as set forth in the License Agreement; and
- iv. FARMX will exclusively source any and all equipment required to the use of the Licensed IP, including but not limited to vertical towers, greenhouses and any other equipment required to utilize the Licensed IP (the “**Equipment**”), from the Company (unless the Company, in its sole discretion, waives the right to be the exclusive equipment provider for any Equipment).

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 changes and this Material Change Report and may be contacted at:

Nick Brusatore
CEO
Telephone: 604 356 0411
Email: nick@affinorgrowers.com

Item 9. Date of Report

December 4, 2024.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

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 License Agreement with FARMX. 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.