

Form 51-102F3
MATERIAL CHANGE REPORT

- Item 1. Name and Address of Reporting Issuer
- AgraFlora Organics International Inc.(the “Company”)
Suite 810 - 789 West Pender Street
Vancouver, BC V6C 1H2
- Item 2. Date of Material Change
- February 23, 2021
- Item 3. News Release
- A news release was disseminated on February 23, 2021 through Globenewswire and subsequently filed on SEDAR.
- Item 4. Summary of Material Changes
- The Company announced that its board of directors has approved the settlement of services rendered through the issuance of common shares of the company. Pursuant to the debt settlements, the Company issued an aggregate of 1,420,018 common shares of the company at a deemed price of \$0.05 cents per share to settle \$71,000.92 with certain creditors.
- Item 5. Full Description of Material Change
- Please see attached news release dated February 23, 2021 for a full description of the material change.
- Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102
- Not applicable.
- Item 7. Omitted Information
- Not applicable.
- Item 8. Executive Officer
- For further information, please contact:
Peter Nguyen
Chief Financial Officer
Telephone: 604-687-2038
- Item 9. Date of Report
- February 24, 2021

AGRAFLORA ORGANICS INTERNATIONAL INC.

NEWS RELEASE

AgraFlora Organics Announces anticipated First Sales and Revenue for Summer 2021.

Vancouver British Columbia / February 23, 2021 – AgraFlora Organics International Inc. (“AgraFlora” or the “Company”) (CSE: AGRA) (Frankfurt: PU31) (OTCPK: AGFAF) is pleased to provide further detail regarding initial sales and revenue for its cannabis production facility, Propagation Services Canada Inc., the Company’s flagship cultivation asset located in Delta, British Columbia (“PSC”).

Propagation Services Canada (PSC) continues its momentum towards its first commercial sales and is expected to report initial revenue Summer 2021. The first commercial crop for commercial sale will include 3 proprietary strains Mimosa 37, Kosher Kush and Gelato. These strains have been selected for their strong demand in Canada’s dried flower market, as well as their growing attributes within the greenhouse environment which align with their low cost high-THC cannabis attributes. PSC has gathered valuable data from crops grown to date and continues to develop and strategize to further aid in its positioning as a leader in low cost product.

“We have made recent modifications to existing infrastructure which has allowed us to significantly increase our drying capacity and increase revenue for summer 2021” Ruben Houweling, general manager stated. Recent modifications and calibrations provided by an international partner to their existing drying rooms have allowed PSC to almost double anticipated drying capacity for a minimal investment.

PSC will be optimizing its propagation operations by fine-tuning its climate strategy to produce healthy, rooted cuttings more quickly with high success rate monitoring irrigation mixtures to produce custom nutrient formulations for each stage of plant growth. By developing novel production strategies PSC can maximize yield per square meter with minimal labour costs leveraging best growing practices and experience in vegetable cultivations and applying to them to their cannabis operation.

The Company also announces that its board of directors has approved the settlement of services rendered through the issuance of common shares of the company. Pursuant to the debt settlements, the Company issued an aggregate of 1,420,018 common shares of the company at a deemed price of \$0.05 cents per share to settle \$71,000.92 with certain creditors.

All securities issued will be subject to a statutory hold period which will expire on the date that is four months and one day from the date of issuance.

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.