

**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 9, 2022
- Item 3. News Release
- A news release was disseminated on February 11, 2022 through Globenewswire and subsequently filed on SEDAR.
- Item 4. Summary of Material Changes
- The Company announces that it has entered into a settlement agreement (the “**Settlement**”) to resolve outstanding legal claims against the Company’s wholly owned subsidiary, Sanna Health Corp. (“**Sanna**”), initiated by a former Executive of Sanna (the “**Former Executive**”). Pursuant to the Settlement, the Company shall issue to the Former Executive 552,609 common shares of the Company in addition to a cash payment.
- Item 5. Full Description of Material Change
- Please see attached news release 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:  
Elise Coppens  
Chief Executive Officer  
Telephone: 604-687-2038
- Item 9. Date of Report
- February 11, 2022



NEWS RELEASE

## **Agra Ventures' Subsidiary Farmako Positioned to Benefit from Germany's Impending Legalization of Recreational Cannabis**

***The Company Congratulates the New German Government for Making the Legalization of Recreational Cannabis and Development of a Regulatory Framework a Priority for the Country in the Near Term***

Vancouver, British Columbia / February 11, 2022 (Globe Newswire) – Agra Ventures Ltd. (“AGRA” or the “Company”) (CSE: AGRA) (OTC: AGFAF) (FRA: PU31), a growth-oriented and diversified company focused on the international cannabis industry, is pleased to announce that its wholly owned subsidiary, Farmako GmbH (“Farmako”), is well positioned to benefit from Germany’s planned legalization of recreational cannabis as the new Chancellor of Germany, Olaf Scholz, has recently vowed to make the change a top priority. The legalization of recreational cannabis in Germany would enable Farmako to expand its offering of cannabis extracts and dried flower as well as CBD and THC Testkits, while potentially also increasing the manufacturing and distribution of other cannabis products and accessories. Based in Frankfurt, Farmako is a GDP-certified pharmaceutical wholesaler that is currently focused on the medical cannabis market to facilitate patient access to reliable cannabinoid therapies and provide support to healthcare professionals.

The new German government is a coalition of three parties including the German Social Democrats, the German Free Democrats, and the Green Party. Traditionally, the German government has been more conservative and, therefore, this shift in the mix of its ruling political parties is expected to result in substantial changes. In a recent survey by infratest dimap, 49% of German citizens are in favor of recreation cannabis legalization. In 2014, only 30% of German citizens were in favor of legalization, which means that medical cannabis legalization and its use, as well as more research and understanding of cannabis and its benefits, have been revolutionary in the eyes of German citizens.<sup>1</sup>

As of 2016, cannabis for medicinal purposes has been legal in Germany, however, further decriminalizing cannabis for recreational use is now a priority for the country's new government within the next two years. The German economy is expected to benefit from the change in law as it is projected that the government could earn \$5 billion Euros annually in tax revenue and save money on policing.<sup>2</sup> Not only do individual businesses like Farmako stand to benefit from the legalization of recreational cannabis in Germany, but its economy is predicted to grow, crime rate is forecasted to decrease and an estimated 27,000 new jobs are expected to be created.<sup>3</sup>

More details on Farmako's products can be found on its website at [www.farmako.de/en/](http://www.farmako.de/en/).

### **Management Commentary**

"Legalization of cannabis for recreational use in Germany is something that Farmako will definitely be happy to support and help to make happen. If cannabis is legalized and German citizens can get behind its responsible use based on a solid framework as we expect it, then we as a pharmaceutical cannabis provider are best positioned to import and supply our products to a significantly increased client base," said Katrin Eckmans, Managing Director of Farmako GmbH. "Sustainable production, highest medical quality and affordable pricing have always been priorities for our team, and legalization is expected to make it more efficient and effective for us to make a difference," added Ms. Eckmans.

"It only seems right for Germany to follow in Canada's footsteps when it comes to the legalization of cannabis for recreational purposes. We have seen how the addition of medical cannabis has benefited Germany in both economic and medicinal aspects, and AGRA believes that recreational cannabis will bring more positive outcomes for Germany just like it has for Canada," said Elise Coppens, Chief Executive Officer and Director of AGRA.

### **Settlement Agreement**

The Company also announces that it has entered into a settlement agreement (the "**Settlement**") to resolve outstanding legal claims against the Company's wholly owned subsidiary, Sanna Health Corp. ("**Sanna**"), initiated by a former Executive of Sanna (the "**Former Executive**"). Pursuant to the Settlement, the Company shall issue to the Former Executive 552,609 common shares of the Company (the "**Settlement Shares**") in addition to a cash payment. The Settlement Shares will be issued at a deemed price per share of \$0.4524. The Settlement Shares will not be subject to a four month plus one day hold as the Company is relying on the prospectus exemption for employees pursuant to Section 2.24 of National Instrument 45-106 – Prospectus Exemptions.

### **About Farmako**

Farmako GmbH is a GDP certified pharmaceutical wholesaler, focusing on medical cannabis and aiming at facilitating access to reliable cannabinoid therapy to patients with a high burden of

suffering as well as providing efficient support to healthcare professionals: via fair prices, reliable product quality and the ability to supply as well as efficient service. It has already distributed medical cannabis to pharmacies in Germany since March 2019 and is fully licensed in the United Kingdom. Farmako is a wholly owned subsidiary of Agra Ventures Ltd. For more information please visit: [www.farmako.de/en/](http://www.farmako.de/en/).

## **About Agra Ventures**

Agra Ventures (CSE: AGRA) is a growth-oriented and diversified company focused on the international cannabis industry. The company is dedicated to the cultivation, distribution and marketing of high-quality cannabis and cannabis-infused products worldwide. Agra Ventures' primary asset in Canada is Boundary Bay Cannabis located in Delta, BC, which is one of the largest cannabis greenhouse facilities focused on the cost-optimized cultivation of high-potency cannabis. Abroad, the company's wholly owned subsidiary, Farmako GmbH, is focused on becoming Europe's leading distributor of medical cannabis. Farmako currently has active product distribution operations in Germany and is fully licensed in the United Kingdom.

For more information about Agra Ventures, please visit [www.agraventures.com](http://www.agraventures.com) and its profile page on SEDAR at [www.sedar.com](http://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 Agra Ventures 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](http://www.sedar.com).

## Endnotes

1. "Legalization of cannabis", *infratest dimap*, October 29<sup>th</sup>, 2021, [https://www.infratest--dimap-de.translate.googleusercontent.com/umfragen-analysen/bundesweit/umfragen/aktuell/legalisierung-von-cannabis/? x tr sl=de& x tr tl=en& x tr hl=en& x tr pto=sc](https://www.infratest--dimap-de.translate.googleusercontent.com/umfragen-analysen/bundesweit/umfragen/aktuell/legalisierung-von-cannabis/?x_tr_sl=de&x_tr_tl=en&x_tr_hl=en&x_tr_pto=sc)
2. C.F. Schuetze, "German Start-Ups Lay the Groundwork for a Marijuana Bonanza", *The New York Times*, January 5<sup>th</sup>, 2022, <https://www.nytimes.com/2022/01/05/world/europe/germany-legalize-recreational-marijuana.html>
3. C.F. Schuetze, "German Start-Ups Lay the Groundwork for a Marijuana Bonanza", *The New York Times*, January 5<sup>th</sup>, 2022, <https://www.nytimes.com/2022/01/05/world/europe/germany-legalize-recreational-marijuana.html>

**SOURCE: Agra Ventures Ltd.**