

## FORM 51-102F3

### MATERIAL CHANGE REPORT

#### **ITEM 1 - Name and Address of Company**

Red Light Holland Corp. (the “**Company**”)  
1 Adelaide Street East, Suite 801  
Toronto, ON M5C 2V9

#### **ITEM 2 - Date of Material Change**

January 7, 2021.

#### **ITEM 3 - News Release**

The news releases disclosing the material changes were released on January 7 2021, through the facilities of GlobeNewswire.

#### **ITEM 4 - Summary of Material Changes**

On January 7, 2021, the Company announced that it had entered into a “bought deal” financing (the “**Bought Deal**”) of units of the Company (the “**Units**”) for gross proceeds of \$5,000,550.

Also on January 7, 2021, the Company announced that it had upsized the Bought Deal for gross proceeds of \$8,500,170.

#### **ITEM 5 - Full Description of Material Change**

##### 5.1 – Full Description of Material Change

On January 7, 2021, the Company entered into an agreement (the “**Letter Agreement**”) with Eight Capital as underwriter (the “**Underwriter**”) pursuant to which the Underwriter agreed to purchase 19,610,000 Units on a “bought deal” basis pursuant to a short form prospectus offering, subject to all required regulatory approvals, at a price per Unit of \$0.255 (the “**Issue Price**”) for gross proceeds of \$5,000,550. Each Unit will be comprised of one common share of the Company (each, a “**Common Share**”) and one common share purchase warrant of the Company (each, a “**Warrant**”). Each Warrant will entitle the holder thereof to purchase one Common Share at an exercise price of \$0.38 for a period of 42 months from the closing of the Offering (as defined below). If the daily volume weighted average trading price of the Common Shares on the Canadian Securities Exchange (the “**CSE**”) for any 10 consecutive days equals or exceeds \$0.89, the Company may, upon providing written notice to the holders of the Warrants, accelerate the expiry date of the Warrants to the date that is 30 days following the date of such written notice.

On January 7, 2021, the Company agreed to amend the Letter Agreement to increase the size of the offering for gross proceeds of \$8,500,170 (the “**Offering**”). Pursuant to the amended Letter Agreement, the Underwriter has agreed to purchase 33,334,000 Units at the Issue Price.

The Company has also granted the Underwriter an over-allotment option (the “**Over-Allotment Option**”) to purchase up to an additional 15% of the Units at the Issue Price, exercisable in whole or in part, at any time on or prior to the date that is 30 days following the closing of the Offering. If this option is exercised in full, the Company will receive an additional \$1,275,025.50 in gross proceeds for total aggregate gross proceeds of \$9,775,195.50. The Over-Allotment Option may be exercised for any combination of Units, Common Shares, and/or Warrants.

The Company intends to use the net proceeds of the Offering for working capital and general corporate purposes.

In connection with the Offering, the Company has agreed to pay the Underwriter a cash commission equal to (i) 7.0% of the gross proceeds raised from the Offering, including on any exercise of the Over-Allotment Option, other than the proceeds from purchasers on the Company's president's list (the "**President's List**"), and (ii) 3.5% of the gross proceeds from purchasers on the President's List. The Company will also issue to the Underwriter that number of non-transferable compensation options equal to (i) 7.0% of the Units sold under the Offering, including on any exercise of the Over-Allotment Option (the "**Compensation Options**"), other than Units purchased by purchasers on the President's List, and (ii) 3.5% of the Units sold under the Offering purchased by purchasers on the President's List. Each Compensation Option will be exercisable at the Issue Price to acquire one Unit for a period of 42 months following the closing of the Offering.

The closing date of the Offering is scheduled to be on or about January 28, 2021 and is subject to certain conditions including, but not limited to, the Company fulfilling all of the listing requirements of the CSE.

#### *Forward-Looking Statements*

*This report contains forward-looking information based on current expectations. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Although such statements are based on management's reasonable assumptions, the Company assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by law. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based, including those regarding the Offering, the intended use of proceeds and fulfilment of all CSE listing requirements, are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. These statements speak only as of the date of this report. Actual results could differ materially from those currently anticipated due to a number of factors and risks including various risk factors discussed in the Company's disclosure documents, which can be found under the Company's profile on [www.sedar.com](http://www.sedar.com). This report contains "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E the U.S. Securities Exchange Act of 1934, as amended and such forward looking statements are made pursuant to the safe harbour provisions of the U.S. Private Securities Litigation Reform Act of 1995.*

#### 5.2- Disclosure for Restructuring Transactions

Not Applicable.

#### **ITEM 6 - Reliance of subsection 7.1(2) of National Instrument 51-102**

Not applicable.

#### **ITEM 7 - Omitted Information**

Not applicable.

**ITEM 8 - Executive Officer**

Todd Shapiro  
Chief Executive Officer  
(647) 204-7129

**ITEM 9 - Date of Report**

January 11, 2021.