

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

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

Item 2 Date of Material Change

June 16, 2021

Item 3 News Release

A news release announcing the material change was disseminated on June 16, 2021 through Newsfile and was subsequently filed on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com.

Item 4 Summary of Material Change

On June 16, 2021 Red Light Holland and Creso Pharma Limited (“**Creso Pharma**”) entered into a scheme implementation deed (the “**Deed**”) to implement statutory schemes of arrangement under the laws of Australia pursuant to which Red Light Holland will acquire (i) all of the issued fully paid ordinary shares of Creso Pharma (the “**Scheme**”), and (ii) all of the issued listed options of Creso Pharma (the “**Option Scheme**” and together with the Scheme, the “**Schemes**”) in exchange for the issuance of common shares in the capital of Red Light Holland (the “**Red Light Holland Shares**”). Under the terms of the Deed, (i) the shareholders of Creso Pharma (the “**Creso Pharma Shareholders**”) will receive 0.395 of a Red Light Holland Share for each fully paid ordinary share in the capital of Creso Pharma (each, a “**Creso Pharma Share**”) held immediately prior to the effective time of the Scheme (the “**Effective Time**”), subject to reduction in accordance with the terms of the Deed; and (i) holders of listed options of Creso Pharma (the “**Creso Pharma Listed Optionholders**”) will receive 0.257 of a Red Light Holland Share for each listed option of Creso Pharma (each, a “**Creso Pharma Listed Option**”) held immediately prior to the Effective Time. In addition, holders of the various other classes of unlisted Creso Pharma securities will be offered Red Light Holland options or warrants based on ratios detailed in the Deed.

In this material change report, references to the “**Combined Company**” are to Creso Pharma following the implementation of the Schemes.

Item 5 Full Description of Material Change

On June 16, 2021, Red Light Holland and Creso Pharma entered into the Deed to implement the Schemes under the *Corporations Act 2001* (Cth) pursuant to which, among other things, Red Light Holland will acquire all of the Creso Pharma Shares and Creso Pharma Listed Options. In consideration for the foregoing acquisitions by Red Light Holland, (i) each Creso Pharma Shareholder will receive 0.395 of a Red Light Holland Share for each Creso Pharma Share held immediately prior to the Effective Time, subject to reduction in accordance with the terms of the Deed; and (ii) each Creso Pharma Listed Optionholder will receive 0.257 of a Red Light Holland Share for each Creso Pharma

Listed Option held immediately prior to the Effective Time. In addition, on approval of the Scheme by the Supreme Court of Western Australia, unvested performance rights and performance shares of Creso Pharma will vest, and holders thereof will be entitled to participate in the Scheme as a Creso Pharma Shareholder. In addition, holders of the various other classes of unlisted Creso Pharma securities will be offered Red Light Holland options or warrants based on ratios detailed in the Deed.

Following the completion of the Schemes, it is expected that the former Creso Pharma securityholders will own approximately 57.4% of the pro forma issued and outstanding Red Light Holland Shares.

The Schemes will require approval of the Supreme Court of Western Australia, and the approval of the Creso Pharma Shareholders and Creso Pharma Listed Optionholders. The shareholders of Red Light Holland (the “**Red Light Holland Shareholders**”) will also be required to approve the issuance of the Red Light Holland Shares pursuant to the Schemes. In particular, the Schemes will require the approval of (A) (i) 75% of the votes cast by Creso Pharma Shareholders and more than 50% of Creso Pharma Shareholders present and voting at a meeting to consider the Scheme, and (ii) 75% of the votes cast by Creso Pharma Listed Optionholders and more than 50% of Creso Pharma Listed Optionholders at a meeting to consider the Option Scheme; and (B) a simple majority of votes cast by Red Light Holland Shareholders at a meeting to consider, among other things, the proposed issuance of the Red Light Holland Shares pursuant to the Schemes (the “**Share Issuance Resolution**”). The Schemes also require various regulatory and stock exchange approvals, including the approval of the Australian Securities and Investment Commission, and are subject to other closing conditions customary for a transaction of this nature.

The meetings of Creso Pharma and Red Light Holland are expected to be held in the third quarter of 2021. It is expected that, (i) in the case of Creso Pharma, a Scheme booklet, and (ii) in the case of Red Light Holland, a management information circular, detailing, among other things, the terms and conditions of the transaction and setting out the resolutions to be approved at the respective meetings of Creso Pharma Shareholders, Creso Pharma Listed Optionholders, and Red Light Holland Shareholders, as applicable, will be filed with regulatory authorities and mailed to the relevant securityholders in August 2021 in accordance with applicable securities laws.

Officers, directors and certain Creso Pharma Shareholders, who collectively hold approximately 15.31% of the issued and outstanding Creso Pharma Shares and approximately 73.03% of the issued and outstanding Creso Pharma Listed Options, have provided voting intention statements in support of the Schemes. Officers and directors of Red Light Holland who collectively hold approximately 5.0% of the issued and outstanding Red Light Holland Shares, have entered into voting support agreements in favour of the Schemes.

The Deed provides for, among other things, customary representations, warranties and covenants and customary deal-protection provisions, including mutual covenants in respect of the non-solicitation of alternative transactions, a right to match superior proposals and A\$1.7 million reciprocal termination fee payable by either party under certain circumstances.

Red Light Holland’s board of directors has approved the Schemes and has recommended that Red Light Holland Shareholders vote in favor of the Share Issuance Resolution. In addition, the Schemes have been approved by the board of directors of Creso Pharma (with

Adam Blumenthal abstaining), and each of Boaz Wachtel and James Ellingford (together, the “**Independent Directors**”) together recommend that Creso Pharma Shareholders and Creso Pharma Listed Optionholders (together, the “**Creso Pharma Listed Securityholders**”) vote in favour of the Schemes. The recommendation of the Independent Directors is subject to an independent expert opining that the Schemes are in the best interests of Creso Pharma Listed Securityholders.

The Red Light Holland Shares will continue to trade on the Canadian Securities Exchange (the “**CSE**”) and the Creso Pharma Shares and Creso Pharma Listed Options will continue to trade on the Australian Securities Exchange until the Effective Time. It is intended that Creso Pharma will be delisted from the Australian Securities Exchange on the close of trading on the implementation date of the Schemes or shortly thereafter. The Schemes are expected to be implemented in the third quarter of 2021, following the receipt of applicable regulatory, court and securityholder approvals and the satisfaction or waiver of other closing conditions. Following completion of the Schemes, the Red Light Holland Shares are expected to continue to trade on the CSE.

Upon completion of the Schemes, Red Light Holland’s current CEO, Todd Shapiro, will lead the Combined Company as Chief Executive Officer and Director. The board of directors of the Combined Company will consist of seven members, three of which, including Mr. Shapiro, will be current directors of Red Light Holland, and three of which, will be directors or nominees of Creso Pharma. Bruce Linton is also expected to join the board of directors of the Combined Company as non-executive Chairman. In addition, Mr. William Lay has been appointed Executive Vice President and Chief Strategy Officer of Red Light Holland and will continue to serve in that role with the Combined Company leading overall corporate strategy development.

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

Todd Shapiro, Chief Executive Officer and Director
Phone: 647-204-7129

Item 9 Date of Report

June 28, 2021

Forward-Looking Information

This material change report contains “forward-looking information” within the meaning of applicable Canadian securities legislation. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Red Light Holland or its subsidiaries

to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained in this material change report. Example of such information include statements with respect to: the timing and outcome of the Schemes; the anticipated timing of the meeting of Creso Pharma Shareholders, Creso Pharma Listed Optionholders and Red Light Holland Shareholders; the timing for delivery of the Scheme booklet of Creso Pharma and the management information circular of Red Light Holland; the satisfaction or waiver of the closing conditions set out in the Deed, including receipt of all regulatory, court and securityholder approvals; receipt of shareholder approval from the shareholders of Red Light Holland and Creso Pharma; and the proposed management team and board of directors of the Combined Company.

Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information, including the ability of the parties to receive, in a timely manner and on satisfactory terms, the necessary regulatory, court and securityholder approvals; the ability of the parties to satisfy, in a timely manner, the other conditions to the completion of the transaction; regulatory and licensing risks; changes in general economic, business and political conditions, including changes in the financial and stock markets; risks related to infectious diseases, including the impacts of the COVID-19 pandemic; legal and regulatory risks inherent in the cannabis and magic psychedelics industries, including the global regulatory landscape and enforcement related to cannabis and psychedelics, political risks and risks relating to regulatory change; risks relating to anti-money laundering laws; compliance with extensive government regulation and the interpretation of various laws regulations and policies; public opinion and perception of the cannabis and psychedelics industries; and such other risks contained in the public filings of Red Light Holland filed with Canadian securities regulators and available under Red Light Holland's profile on SEDAR at www.sedar.com, including Red Light Holland's annual information form for the year ended March 31, 2020.

Although Red Light Holland believes that the assumptions and factors used in preparing the forward-looking information in this material change report are reasonable, undue reliance should not be placed on such information and no assurance can be given that such events will occur in the disclosed time frames or at all. Should one or more of the foregoing risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although Red Light Holland has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. The forward-looking information included in this material change report are made as of the date of this material change report and Red Light Holland does not undertake any obligation to publicly update such forward-looking information to reflect new information, subsequent events or otherwise unless required by applicable securities laws.