

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, Ontario M5C 2V9

Item 2. Date of Material Change

July 25, 2022.

Item 3. News Release

A news release was disseminated on July 26, 2022, via Newsfile Corp. and filed on the Company’s SEDAR profile at www.sedar.com, a copy of which is attached hereto as Schedule “A”.

Item 4. Summary of Material Change

On July 26, 2022, the Company announced that its newly formed wholly owned subsidiaries, Wellness World OSS B.V. and Wellness World Utrecht B.V., will acquire two wellness retail stores: SmartShop OSS and SmartShop Utrecht (together, the “**Wellness Shops**”), two of the Netherlands' premiere retail shops for quality psychedelic truffles and wellness products.

SmartShop OSS acquisition

Wellness World OSS B.V. and third-party vendors entered into an asset purchase agreement (the “**OSS Asset Purchase Agreement**”), pursuant to which the aggregate consideration payable for the acquisition is comprised of €100,000, of which €70,000 is payable in cash and €30,000 is to be satisfied through the issuance of common shares in the capital of Red Light Holland (“**Red Light Shares**”) calculated on the basis of a deemed price per Red Light Share equal to the greater of (i) the 10-day volume weighted average price of the Red Light Shares on Canadian Stock Exchange (the “**CSE**”) ending on the day three business days prior to closing, and (ii) the discounted market price as defined by the CSE as of the date the OSS Asset Purchase Agreement is publicly announced (the “**OSS Consideration Shares**”). The OSS Consideration Shares are subject to a statutory hold period of four months and one day and, pursuant to the terms of the OSS Asset Purchase Agreement, shall be deposited into escrow and be released every six months in 25% allotments.

SmartShop Utrecht acquisition

Wellness World Utrecht B.V. and third-party vendors entered into an asset purchase agreement (the “**Utrecht Asset Purchase Agreement**”), pursuant to which the aggregate consideration payable for the acquisition is comprised of €200,000, of which €140,000 is payable in cash and €60,000 is to be satisfied through the issuance of Red Light Shares calculated on the basis of a deemed price per Red Light Share equal to the greater of (i) the 10-day volume weighted average price of the Red Light Shares on the CSE ending on the day three business days prior to closing, and (ii) the discounted market price as defined by the CSE as of the date the Utrecht Asset Purchase Agreement is publicly announced (the “**Utrecht Consideration Shares**”). The Utrecht Consideration Shares are subject to a statutory hold period of four months and one day and, pursuant to the terms of the Utrecht

Asset Purchase Agreement, shall be deposited into escrow and be released every six months in 25% allotments.

Subsequently, on August 1, 2022, the acquisitions of the Wellness Shops closed. Each acquisition was considered an arm's length transaction.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

Please see news release attached hereto as Schedule "A" for more information.

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

Not applicable.

Item 8. Senior Officer

For additional information with respect to this material change, the following person may be contacted:

Todd Shapiro
Chief Executive Officer and Director
Tel: 647-643-TRIP (8747)
Email: todd@redlight.co
Website: www.RedLight.co

Item 9. Date of Report

August 3, 2022.

SCHEDULE "A"

(See attached.)

Red Light Holland to Acquire Two Wellness Shops in the Netherlands: SmartShop Utrecht and SmartShop OSS

- Acquisition of SmartShops provide Red Light Holland with full vertical integration from production, packaging, distribution and now retail shops sales coupled with online sales
- Red Light Holland to update and rebrand SmartShop Utrecht and SmartShop Oss to "Wellness World" in Q4 2022
- Red Light Holland to consider creation of multiple Wellness World SmartShops across Netherlands and Europe through acquisitions, franchising and / or constructing innovative stores in new locations
- Red Light Holland is committed to creating educational and responsible use messaging in relation to the use of any products made available via Wellness World, including media and technology education activations in each retail store

Toronto, Ontario--(Newsfile Corp. - July 26, 2022) - Red Light Holland Corp. (CSE: TRIP) (FSE: 4YX) (OTC Pink: TRUFF) ("**Red Light Holland**" or the "**Company**"), an Ontario-based corporation engaged in the production, growth and sale of functional mushroom home grow kits in North America, and a premium brand of magic truffles to the legal, recreational market within the Netherlands, is pleased to announce that its newly formed and wholly-owned subsidiaries, Wellness World OSS B.V. and Wellness World Utrecht B.V., will acquire two wellness retail stores: SmartShop OSS and SmartShop Utrecht (together, the "**Wellness Shops**"), two of the Netherlands' premiere retail shops for quality psychedelic truffles and wellness products. The Wellness Shops also sell CBD products, cannabis seeds, smart shop items, and other various popular wellness products. The Wellness Shops are profitable and have seen an increase in sales month over month during recent months.

The acquisitions are expected to close on or about August 1, 2022. With the acquisition of two premiere SmartShops, Red Light Holland is setting itself up to be a fully integrated company in the Netherlands:

- Creating coveted brick and mortar sales channels and necessary online direct to consumer sales channels to support the growth of the continuing trend towards increased usage of psychedelics
- The Wellness Shops will carry only Red Light Holland's Magic truffles products (iMicrodose, Maka and future brands) as Red Light Holland can curate the products sold by the retail locations
- Red Light Holland to provide easy access and education to many new, unique and thoughtful wellness products including Conor McGregor's TIDL Sport and the Mushroom Wellness Brand: MISTERCAP affiliated with multi-platinum-selling, GRAMMY® and Golden Globe® Award-nominated recording artist Wiz Khalifa, who provides marketing advisory services to the Company
- Red Light Holland plans to rebrand SmartShop Oss and SmartShop Utrecht to "Wellness World" for increased brand growth, exposure and expansion - focused on wellness products supporting a holistic view of mind and body health (www.wellnessworld.co - coming soon)
- Red Light Holland to learn from initial acquisitions and consider creating multiple Wellness World SmartShops across Netherlands and Europe through acquisitions, franchising and / or constructing innovative stores in new locations
- Allowing Red Light Holland a more robust direct to consumer business by expanding and selling their brands and other established brands, including a vast array of products in sectors outside of psychedelics, including existing inventory to increase sales opportunities and profit margins
- Immediately becoming a retail sales leader with expertise and know how, committed to creating educational and responsible use messaging in relation to the use of any products made available via Wellness World, including media and technology education media activations in each retail location
- Gaining invaluable access to data and personal connections and instantly growing the Red Light

Holland infrastructure and staff with current leaders in the psychedelic industry in the Netherlands

"The acquisitions, expected to close within a week, of two profitable businesses SmartShop Oss and SmartShop Utrecht is another important decision for the overall growth and expansion strategy of the Company. We will be fully vertically integrated in the Netherlands, from substrate to sale, and that's exciting as we look to increase sales around psychedelics responsibly," said Todd Shapiro, the Chief Executive Officer and a director of the Company. "We like companies that make money in the psychedelic sector! The goal is to learn quickly and to create the Wellness World retail shop strategy focused on achieving revenue growth, profitability and value creation for our shareholders. We will also continue to build some of the most recognizable brands in the world around affordable and equitable access to recreational psilocybin. As well, we remain committed to creating educational and responsible use messaging in relation to the use of any products made available, including media and technology education media activations in each new retail location."

"I've been observing the SmartShop business for quite some time, and the industry really seems to be picking up as more and more people learn about psilocybin," said Hans Derix, Red Light Holland's President and Dutch native. "What we are most elated by is our plan to rebrand with the focus on wellness products. We want to continue to end stigmas and help educate people to make informed decisions on the products they buy. The Netherlands, in my opinion, is definitely ready to see advanced, well-designed sharp looking Wellness World shops. And our team at SR-Wholesale is excited to supply the products to the new shops in two beautiful city centres: Oss and Utrecht with lots of tourism and tons of foot traffic."

"Securing these locations unlocks the potential to accelerate our consumer centric innovation pipeline, through capturing real time consumer purchase data and trends from the unique store sales, which then unlocks new product and brand launches in other potential markets. My belief is that through leveraging this data, we will be able to test and adapt far more efficiently and continually stay ahead of the category through this first party consumer data," added Ridley Doolittle, Chief Marketing Officer of the Company.

Transaction Details

SmartShop OSS

The SmartShop OSS acquisition, which is considered to be an arm's length transaction, is subject to customary conditions of closing and is expected to be completed on or about August 1, 2022. Wellness World OSS B.V. and third-party vendors entered into an asset purchase agreement (the "**OSS Asset Purchase Agreement**"), pursuant to which the aggregate consideration payable for the acquisition is comprised of €100,000, of which €70,000 is payable in cash and €30,000 is to be satisfied through the issuance of common shares in the capital of Red Light Holland ("**Red Light Shares**") calculated on the basis of a deemed price per Red Light Share equal to the greater of (i) the 10-day volume weighted average price of the Red Light Shares on Canadian Stock Exchange (the "**CSE**") ending on the day three business days prior to closing, and (ii) the discounted market price as defined by the CSE as of the date the OSS Asset Purchase Agreement is publicly announced (the "**OSS Consideration Shares**"). The OSS Consideration Shares are subject to a statutory hold period of four months and one day and, pursuant to the terms of the OSS Asset Purchase Agreement, shall be deposited into escrow and be released every six months in 25% allotments.

SmartShop Utrecht

The SmartShop Utrecht acquisition, which is considered to be an arm's length transaction, is subject to customary conditions of closing and is expected to be completed on or about August 1, 2022. Wellness World Utrecht B.V. and third-party vendors entered into an asset purchase agreement (the "**Utrecht Asset Purchase Agreement**"), pursuant to which the aggregate consideration payable for the acquisition is comprised of €200,000, of which €140,000 is payable in cash and €60,000 is to be

satisfied through the issuance of Red Light Shares calculated on the basis of a deemed price per Red Light Share equal to the greater of (i) the 10-day volume weighted average price of the Red Light Shares on the CSE ending on the day three business days prior to closing, and (ii) the discounted market price as defined by the CSE as of the date the Utrecht Asset Purchase Agreement is publicly announced (the "**Utrecht Consideration Shares**"). The Utrecht Consideration Shares are subject to a statutory hold period of four months and one day and, pursuant to the terms of the Utrecht Asset Purchase Agreement, shall be deposited into escrow and be released every six months in 25% allotments.

Red Light Holland is committed to creating educational and responsible use messaging in relation to the use of any products made available by the brand. Red Light Holland products are intended to help promote a healthy lifestyle. No products are intended to treat or cure any medical conditions and are in no event a substitute for professional medical care. No statements made by Red Light Holland have been evaluated by the United States Food and Drug Administration or any other similar body of another jurisdiction, and are in no event a substitute for professional medical care. Red Light Holland encourages all consumers to speak with their doctors and professional medical advisors for any solutions that may be appropriate for each person individually.

For more information on the Wellness Shops, please visit <https://SmartShop-utrecht.nl> and <https://www.SmartShoposs.nl>.

About Red Light Holland

The company is an Ontario-based corporation that specializes in the mushroom industry, and specifically home grow kits for functional natural mushrooms, while being engaged in the production, growth and sale (through existing SmartShop operators and an advanced e-commerce platform) of premium brands of magic truffles to the legal, recreational market within the Netherlands, in accordance with the highest standards, in compliance with all applicable laws.

For additional information:

Todd Shapiro
Chief Executive Officer, Chairman and Director
Tel: 647-643-TRIP (8747)
Email: todd@redlight.co
Website: www.RedLight.co

Neither the CSE nor its Regulation Services Provider have reviewed or accept responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements

This news release contains "forward-looking statements" within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature may constitute forward-looking statements. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved". The forward-looking information and forward-looking statements contained herein include, but are not limited to, statements regarding: the Company completing the acquisitions upon the terms and timelines disclosed herein; the Company updating and rebranding the Wellness Shops and creating the Wellness World brand upon the terms and timelines disclosed herein; the Company gaining and utilizing synergies from the acquisitions; the plans and goals of the Company; future product offerings of the Company; the timelines and markets associated with launching products; the future educational, marketing and advertising campaigns of the Company;

and future changes in legislation and the regulations surrounding, among other things, the ability to sell the Company's products in newmarkets.

Forward-looking information in this news release are based on certain assumptions and expected future events, namely: the Company completing the acquisitions upon the terms and timelines disclosed herein; the Company updating and rebranding the Wellness Shops and creating the Wellness World brand upon the terms and timelines disclosed herein; the Company gaining and utilizing synergies from the acquisitions; the Company meeting its future business plan targets; continued approval of the Company's activities by the relevant governmental and/or regulatory authorities; the continued growth of the Company; the Company meeting their anticipated timeline and process for growth, sales, production and commercialization; the Company's products being safe and providing their anticipated benefits; the Company fulfilling its future plans and goals; future product offerings of the Company succeeding; the Company, launching future educational, marketing and advertising campaigns; the Company's revenues will continue to grow, additional jurisdictions permitting sales of the brand's products in the future; and future changes in legislation and the regulations not impacting the Company's ability to fulfill its plans and goals, including the ability to sell the Company's products in newmarkets.

These statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements, including but not limited to: the Company will not complete the acquisitions upon the terms and timelines disclosed herein or at all; the Company will be unable to update and/or rebrand the Wellness Shops and/or be unable to create the Wellness World brand upon the terms and timelines disclosed herein or at all; the Company being unable to gain or utilize synergies from the acquisitions; expectations regarding future growth, expansion, production, sales and commercialization of the operations of the business; 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 industry, including the global regulatory landscape and enforcement related to the brand's products; 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 industry; risk that the Company's products will be unsafe for personal consumption and/or not provide their anticipated benefits; risk that there may not be continued demand for the Company's products and/or demand will plateau; risk that the Company may be unable to fulfill its future plans and goals; risk that the Wellness Word brand and/or the product offered under the brand will be unsuccessful and will not sell; risk that the Company will be unable to offer product under the Wellness World brand; risks surrounding future educational, marketing and advertising campaigns of the Company; risk that the Company will be unable to increase revenues; risks surrounding additional jurisdictions not permitting sales of the brand's products in the future; risk of future changes to regulations surrounding the brand's products and/or to the Company's business which may hinder the ability of the Company to attain its goals and/or pursue its plans and/or sell its products in additional markets; and such other risks contained in the public filings of the Company filed with Canadian securities regulators and available under the Company's profile on SEDAR at www.sedar.com.

Although the Company believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. The forward-looking information and forward-looking statements contained in this press release are made as of the date of this press release, and the Company does not undertake to update any forward-looking information and/or forward-looking statements that are contained or referenced

herein, except in accordance with applicable securities laws.

Readers are cautioned that the foregoing list is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions, or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated.

Forward-looking statements contained in this news release are expressly qualified by this cautionary statement and reflect the Company's expectations as of the date hereof and are subject to change thereafter. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, estimates or opinions, future events, or results or otherwise or to explain any material difference between subsequent actual events and such forward-looking information, except as required by applicable law.



RED LIGHT HOLLAND

To view the source version of this press release, please visit
<https://www.newsfilecorp.com/release/131900>