

**FORM 51-102F3
MATERIAL CHANGE REPORT**

ITEM 1 **Name and Address of Company**

Harborside Inc. (the “Company”)
181 Bay Street, Suite 1800
Toronto, ON
M5J 2T9

ITEM 2 **Date of Material Change**

March 1, 2022

ITEM 3 **News Release**

A news release announcing the material change was disseminated by the Company on March 1, 2022 through CNW and subsequently filed on the System for Electronic Document Analysis and Retrieval (“SEDAR”) under the Company issuer profile at www.sedar.com.

ITEM 4 **Summary of Material Change**

The Company announced that it completed the previously announced acquisition of UL Holdings Inc. (“**Urbn Leaf**”). The Company also announced that Ed Schmults was appointed as Chief Executive Officer and a director of the Company.

ITEM 5 **Full Description of Material Change**

The Company announced that it completed the previously announced acquisition of Urbn Leaf. Pursuant to the terms of the definitive agreement, the Company acquired 100% of the equity interests of Urbn Leaf through the issuance of 60,000,000 subordinate voting shares (“SVS”) and the restructuring and assumption of debt (the “**UL Acquisition**”).

Concurrent with the closing of the UL Acquisition, the Company entered into lock-up agreements with certain shareholders of Urbn Leaf (the “**Urbn Leaf Locked-Up Shareholders**”) in respect of the SVS received by such shareholders (the “**Urbn Leaf Lock-Up Agreements**”). Pursuant to the Urbn Leaf Lock-Up Agreements, the Urbn Leaf Locked-Up Shareholders agreed not to sell, assign or otherwise transfer the SVS received. The restrictions lapse in three installments, with each one-third of the SVS released from the restrictions six months, 12 months and 18 months from March 1, 2022, respectively.

The Company also announced that Ed Schmults was appointed as Chief Executive Officer and a director of the Company. The appointment of Ed Schmults to the board of directors fills a vacancy created by the previously announced resignation of Alexander Norman. The Company also announced that Will Senn was appointed Chief Corporate Development Officer of the Company.

ITEM 6 **Reliance on Subsection 7.1(2) of National Instrument 51-102**

N/A

ITEM 7 **Omitted Information**

N/A

ITEM 8 **Executive Officer**

Further information regarding the matters described in this report may be obtained from Tom DiGiovanni, Chief Financial Officer of the Company, who is knowledgeable about the details of the material change and may be contacted at 1-805-252-6280.

ITEM 9 **Date of Report**

March 4, 2022