

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Innovative Properties Inc. d/b/a Nabis Holdings (the “**Company**”)
488 – 1090 West Georgia Street
Vancouver, B.C. V6E 3V7

Item 2. Date of Material Change

January 30, 2019

Item 3. News Release

A News Release dated January 30, 2019 was disseminated via GlobeNewswire and filed on SEDAR on January 30, 2019.

Item 4. Summary of Material Change

The Company announced a brokered private placement of convertible debenture units (the “**Debenture Units**”) at a price of \$1,000 per Debenture Unit for aggregate gross proceeds up to \$30,000,000 (the “**Offering**”).

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

The Company announced on January 30, 2019 that it had entered into an engagement agreement with Canaccord Genuity Corp. and Eventus Capital Corp. to act as co-lead agents and co-bookrunners, on behalf of a syndicate of agents (collectively, the “**Agents**”) on a commercially reasonable efforts basis in respect of a brokered private placement offering of up to 30,000 Debenture Units at a price of \$1,000 per Debenture Unit for gross proceeds of up to \$30,000,000, subject to completion of satisfactory due diligence.

Each Debenture Unit will be sold at a purchase price of \$1,000 per Debenture Unit, and each Debenture Unit will consist of \$1,000 principal amount of 8.0% unsecured convertible debentures (the “**Debentures**”) and 1,111 common share purchase warrants (each a “**Warrant**”).

The Company has granted to the Agents an option, exercisable in whole or in part at any time until 48 hours before the closing of the Offering, for the purchase of up to an additional 5,000 Debenture Units for aggregate gross proceeds of up to \$35,000,000, if the Agents’ option is exercised in full.

The Debentures will mature three years following the closing date (the “**Maturity Date**”) and bear interest at a rate of 8% per annum, payable on the last day of each calendar quarter. The principal amount and any accrued and unpaid interest on the Debenture may be convertible into common shares in the capital of the Company (“**Common Shares**”), in whole or in part, at any time prior to the close of business on the last business day prior to the Maturity Date at a conversion price of \$0.90 per

Common Share (the “**Conversion Price**”). The Debentures will be subject to redemption, in whole or part, by the Company at any time after the first anniversary of the date of closing at a price equal to the then outstanding principal amount of the Debentures plus all accrued and unpaid interest thereon up to and including the redemption date. If after four months and one day following the date of closing the daily volume weighted average trading price of the Common Shares is greater than \$1.65 for the preceding 10 consecutive trading days, the Company may, at its option, convert the Debentures into Common Shares. Holders having their Debentures converted will receive accrued and unpaid interest thereon in cash.

Each Warrant will entitle the holder to acquire one Common Share at an exercise price of \$1.50 for a period of 36 months from the closing date of the Offering.

All securities issued in the Offering will be subject to a statutory hold period expiring four months and one day after closing of the Offering. Completion of the Offering is subject to a number of conditions, including, without limitation, receipt of all regulatory approvals, including approval of the CSE.

On closing of the Offering, the Company will pay to the Agents (i) a cash commission of up to 6% of the gross proceeds of the Offering, and (ii) issue the Agents such number of warrants (the “**Agents’ Warrants**”) up to 6.0% of the gross proceeds of the Offering divided by the Conversion Price. Each Agents’ Warrant is exercisable at an exercise price equal to the Conversion Price to acquire one unit consisting of one Common Share and Warrant at any time prior to the date that is 24 months from the date of closing.

The Company intends to use the net proceeds of the Offering to fund cannabis related investments, for strategic investment opportunities and for general working capital purposes.

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

None.

Item 8. Executive Officers

The following senior officer of the Company is knowledgeable about the material change and this Material Change Report and may be contacted:

Shay Shnet, Chief Executive Officer and Director
Telephone: 604-687-7130

Item 9. Date of Report

DATED at Vancouver, British Columbia, this 5th day of February, 2019.