

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

The Green Organic Dutchman Holdings Ltd.
6205 Airport Rd, Building A - Suite 301
Mississauga, Ontario
L4V 1E3

Item 2 Date of Material Change

December 13, 2019

Item 3 News Release

A news release was issued by The Green Organic Dutchman Holdings Ltd. (the “**Company**” or “**TGOD**”) on December 13, 2019 and distributed through Canada Newswire and filed on SEDAR and is attached to this report.

Item 4 Summary of Material Changes

On December 13, 2019, the Company announced the signing of a binding term sheet with a private lender for a senior secured first lien credit facility of up to \$41.7 million (the “**Facility**”). Upon closing of the first tranche of the Facility (which consists of a secured loan (the “**Loan**”), the Company expects to receive gross proceeds of \$26.7 million, with a further \$15 million to be made available upon the achievement of certain conditions to be negotiated with the lender that the Company expects to achieve not earlier than the end of the third quarter of 2020. The Loan provides for an 18-month term, with 12 monthly interest only payments followed by 6 monthly payments of principal and interest, with the principal component based on a 15 year amortization, at an interest rate of 13% per annum, followed by a balloon payment at the end of the 18th month which includes all outstanding principal, interest, fees and expenses. Upon closing of the first tranche of the Facility, the Company has agreed to pay a one-time commitment fee of \$2,000,000 to the lender, of which \$1,700,000 will be financed by the lender, and issue the lender 7,000,000 common share purchase warrants of the Company. Each warrant shall be exercisable to acquire one common share of the Company for a period of 36 months from closing of the first tranche at an exercise price of \$1.00 per share. Closing of the Loan is conditional upon achievement of conditions precedent including obtaining a subordination agreement from a third party and valuations and environmental reports satisfactory to the lender.

The underwriter of the Company’s previously announced bought deal public offering of units has consented to the entering into of the Facility.

Item 5 Full Description of Material Change

5.1 - Full Description of Material Change

Please see the attached press releases for a full description of the material change.

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

No significant facts remain confidential in, and no information has been omitted from, this report.

Item 8 Executive Officer

Brian Athaide
Chief Executive Officer
Telephone: 905-304-4201

Item 9 Date of Report

December 13, 2019.

The Green Organic Dutchman Announces a \$41.7 Million Senior Secured Credit Facility

- **More funds available for the critical production ramp-up towards generating positive operating cash flow**
- **Interest only payments significantly reduce cash outflow**
- **Simpler capital structure**

THIS NEWS RELEASE IS INTENDED FOR DISTRIBUTION IN CANADA ONLY AND IS NOT INTENDED FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR DISSEMINATION IN THE UNITED STATES.

Toronto, ON, December 13, 2019 - The Green Organic Dutchman Holdings Ltd. (the “Company” or “TGOD”) (TSX:TGOD) (US:TGODF), a leading producer of premium certified organic cannabis, is pleased to announce that the Company has entered into a binding term sheet with Maynbridge Capital Inc. (the “Lender”), subject to satisfactory documentation and the fulfilment of all conditions precedent, for a senior secured first lien credit facility of up to \$41.7 million (the “Facility”). The Facility will replace the proposed mortgage loan as well as the sale and leaseback of its Ancaster Energy Centre, which are no longer being pursued by the Company at this time.

The Facility consists of a committed \$26.7 million senior secured term loan (the “Loan”) with an 18-month term and 12 monthly interest only payments followed by 6 monthly payments of principal and interest, with the principal component based on a 15-year amortization, and an additional uncommitted \$15.0 million senior secured term loan (the “Accordion Loan”), with terms to be agreed between the Lender and the Company. The interest rate on the Loan will be 13% per annum and the Loan will be secured by a first lien against all assets of the Company and its material subsidiaries. The Company will issue 7,000,000 common share purchase warrants of the Company (“Warrants”) to the Lender, subject to standard adjustment provisions, on the date of closing of the Loan. Each Warrant shall be exercisable to acquire one common share of the Company for a period of 36 months from closing of the transaction at an exercise price of C\$1.00 per Warrant.

Upon closing of the Loan, TGOD will receive \$26.7 million. A further \$15 million may be made available by the Lender under the Accordion Loan upon the Lender’s credit approval and the achievement of certain operating and financial milestones, to be agreed, which the Company expects to obtain and achieve not earlier than the end of the third quarter of 2020.

The Loan’s gross proceeds of \$26.7 million to be received on closing (which includes the financed portion of a fee in the amount of \$1.7 million) compares to the combined total of \$26 million that was expected in the first tranches of the mortgage loan and the sale and leaseback previously considered by the Company. In addition, the interest only payments under the Loan in the first-year amount to only \$3.5 million in cash outflow, compared to a total of \$7.1 million in cash outflow for interest and lease payments that would have been due under the mortgage loan and the sale and leaseback agreement. As such, this new lending arrangement represents a net positive for committed cash flow. The Company does not consider the difference in amounts from the Accordion Loan expected later in 2020 to impact the viability of the production ramp-up to operating cash flow by the second quarter of 2020.

The Loan is subject to completion of customary closing conditions, including satisfactory documentation, with expected completion of conditions precedent and closing on December 20, 2019 and in any event

prior to December 31, 2019. The underwriter of the Company's previously announced bought deal public offering of units has consented to the entering into of the Loan.

About The Green Organic Dutchman Holdings Ltd.

The Green Organic Dutchman Holdings Ltd. (TSX: TGOD) (US-OTC: TGODF) is a premium certified organic cannabis company focused on the health and wellness market. Its certified-organic cannabis is grown in living soil, as nature intended. The Company is committed to cultivating a better tomorrow by producing its products responsibly, with less waste and impact on the environment. Its two Canadian facilities are being built to LEED certification standards and its products are sold in recyclable packaging. In Canada, TGOD plans to expand its product portfolio by launching a series of next-generation cannabis products such as organic teas, infusers and vapes. Through its European subsidiary, HemPoland, the Company also distributes premium hemp CBD oil in Europe. By leveraging science and technology, TGOD harnesses the power of nature from seed to sale.

TGOD's Common Shares and warrants issued under the indenture dated November 1, 2017 trade on the TSX under the symbol "TGOD" and "TGOD.WT", respectively. For more information on The Green Organic Dutchman Holdings Ltd., please visit www.tgod.ca.

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Cautionary Statements

This news release includes statements containing certain "forward-looking information" within the meaning of applicable securities law ("forward-looking statements"). Forward looking statements in this release includes, but is not limited to, statements about timing or likelihood of closing of the first tranche of the Facility and the ability to receive additional funds under the Facility, the ability of the Company to achieve certain operating cashflow conditions required by the Lender, the statement about the offering of any particular products by the Company in any jurisdiction and statements regarding the future performance of the Company. Forward-looking statements are frequently characterized by words such as "plan", "continue", "expect", "project", "intend", "should", "believe", "anticipate", "estimate", "may", "will", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur. These statements are only predictions. Various assumptions were used in drawing the conclusions or making the projections contained in the forward-looking statements throughout this news release. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made and are subject to a variety of risks and uncertainties (including market conditions) and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements, including those risk factors described in the Company's most recently filed Annual Information Form available on SEDAR. The Company is under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements,

whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

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