

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

The Green Organic Dutchman Holdings Ltd. (the “Company”)
5520 Explorer Road
Mississauga, ON L4W 5L1

Item 2. Date of Material Change

January 20, 2023

Item 3. News Release

On January 23, 2023, a news release in respect of the material change was disseminated by the Company through Canada Newswire. A copy of the news release is appended as Schedule “A” and was filed under the Company’s profile on SEDAR at www.sedar.com.

Item 4. Summary of Material Changes

(a) description of the transaction and its material terms

In accordance with certain earn-out provisions relating to the Company’s acquisition (the “**Galaxie Acquisition**”) of all of the issued and outstanding shares (the “**Galaxie Shares**”) of Galaxie Brands Corporation on November 17, 2021, the Company released 1,142,857 common shares of the Company (the “**Released Shares**”) held in an indemnity escrow account upon closing of the Galaxie Acquisition, to two vendors of the Galaxie Shares (the “**Vendors**”).

Pursuant to the terms of a share exchange agreement dated October 18, 2022 (the “**BZAM Agreement**”) relating to the acquisition of all of the issued and outstanding common shares of BZAM Holdings Inc. (“**BZAM**”) by the Company, from BZAM International Ltd. (the “**BZAM Shareholder**”), the sole beneficial and legal owner of the outstanding shares of BZAM (the “**BZAM Acquisition**”) which closed on November 3, 2022, following the issuance of the Released Shares to the Vendors, an aggregate of 1,120,226 common shares of the Company (the “**BZAM Shares**”) was issued to Stone Pine Capital Ltd. (“**Stone Pine**”), the permitted assignee and affiliate of the BZAM Shareholder, at a deemed issuance price of \$0.596 per BZAM Share (the “**BZAM Issuance**”). Such BZAM Shares were issued in reliance on certain prospectus exemptions available under securities legislation and are subject to a four-month plus one day statutory hold period.

One of the Vendors and the BZAM Shareholder are insiders of the Company, and therefore the issuance of Released Shares to such Vendor (the “**Vendor Issuance**”), and the BZAM Issuance are considered to be “related party transactions” for the purposes of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Company is exempt from the formal valuation requirement in section 5.4 of MI 61-101 in reliance on section 5.5(a) of MI 61-101 as the fair market value of the Vendor Issuance and the BZAM Issuance is not more than the 25% of the Company’s market capitalization. Additionally, the Company is exempt from minority shareholder approval requirement in section 5.6 of MI 61-101 in reliance on section 5.7(1)(a) as the fair market value of the Vendor Issuance and the BZAM Issuance is not more than the 25% of the Company’s market capitalization.

(b) the purpose and business reasons for the transaction

The Vendor Issuance and the BZAM Issuance were undertaken by the Company in satisfaction of its closing obligations pursuant to the terms set forth in the share purchase agreement dated October 29, 2021, entered into by the Company relating to the Galaxie Acquisition (the “**Galaxie Agreement**”) and the BZAM Agreement.

(c) the anticipated effect of the transaction on the issuer’s business and affairs

The Vendor Issuance and the BZAM Issuance are expected to have a positive effect on the Company, in safeguarding it against liability for failure to satisfy closing obligations set forth in the terms of the Galaxie Agreement and the BZAM Agreement.

(d) a description of (i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties, and (ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person referred to in subparagraph (i) for which there would be a material change in that percentage

Pursuant to the Vendor Issuance, 554,583 common shares of the Company were released and issued to Aoco Ventures Inc., a company owned 50% by Olivier Dufourmantelle (“**Olivier**”) and 50% by Angus Footman (“**Angus**”), both directors of the Company. Pursuant to the BZAM Issuance, the Company issued 1,120,226 common shares of the Company to Stone Pine, the permitted assignee and affiliate of the BZAM Shareholder, the Company’s largest shareholder.

(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee,

The Board of Directors of the Company (the “**Board**”) considered the reasonableness and fairness of the Vendor Issuance and the BZAM Issuance, which were approved by disinterested members of the Board. No materially contrary view or abstention was expressed or made by any director of the Company in relation thereto. The participation by certain insiders and other related parties of the Company is not expected to have a material effect on the Company’s business and affairs. The Board did not establish a special committee to review the Vendor Issuance or the BZAM Issuance.

(f) a summary of the formal valuation, if any, obtained for the transaction

Not applicable.

(g) disclosure of every prior valuation in respect of the issuer that relates to the subject matter of is otherwise relevant to the transaction (i) that has been made in the 24 months before the date of the material change report, and (ii) the existence of which is known, after reasonable enquiry, to the issuer or to any director or senior officer of the issuer

Not applicable.

(h) the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction

On October 29, 2021, the Company entered into the Galaxie Agreement pursuant to which the Company, would acquire all of the issued and outstanding Galaxie Shares. Under the terms of the Galaxie Agreement, the Company paid an aggregate purchase price of \$22.3 million (the “**Purchase Price**”). The Purchase Price was comprised of common shares in the capital of the Company valued at \$21 million, and the assumption of \$1.3 million of existing shareholder loans of Galaxie, which were non-interest bearing until January 31, 2022.

In addition, pursuant to the terms of an indemnity escrow agreement dated November 17, 2021 (the “**Indemnity Escrow Agreement**”), between the Company, the Vendors, and Computershare Trust Company of Canada (“**Computershare**”), as amended on September 2, 2022 to replace Computershare with Odyssey Trust Company as the escrow agent, 85,714,286 common shares of the Company were held in escrow (adjusted to 8,571,428 common shares of the Company, in accordance with the share consolidation completed by the Company on November 8, 2022, on the basis of one post-consolidation common share of the Company for every ten pre-consolidation common shares of the Company). Pursuant to the terms of the Indemnity Escrow Agreement, the Released Shares were released to the Vendors on January 20, 2023, as a milestone set out in the Indemnity Escrow Agreement had been achieved, while the remaining 7,428,571 common shares of the Company held in the indemnity escrow account were returned to treasury and cancelled.

On October 18, 2022, the Company entered into the BZAM Agreement with BZAM and the BZAM Shareholder, pursuant to the Company acquired all of the issued and outstanding common shares of BZAM from the BZAM Shareholder, in exchange for common shares of the Company. The BZAM Acquisition resulted in the BZAM Shareholder ultimately holding an approximate 49.5% of the issued and outstanding shares of the combined entity upon closing of the BZAM Acquisition, subject to the ability to earn additional shares of the combined entity subject to achievement of certain financial milestones in 2023.

The Company, BZAM, the BZAM Shareholder, and Stone Pine entered into an assignment agreement dated January 13, 2023 (the “**Assignment Agreement**”), whereby the BZAM Shareholder assigned the rights and obligations set forth in the BZAM Agreement to Stone Pine. Pursuant to the terms of the Share Exchange Agreement and the Assignment Agreement, the Company issued the BZAM Shares to Stone Pine on January 20, 2023.

(i) disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying on, and the facts supporting reliance on the exemptions

The Vendor Issuance and the BZAM Issuance are exempt from the formal valuation and minority shareholder approval requirements of MI 61- 101 pursuant to subsections 5.5(a) and 5.7(1)(a), as the fair market value of the securities distributed to, and the consideration received from, related parties participating in the Vendor Issuance and the BZAM Issuance did not exceed 25% of the Company’s market capitalization.

For additional details of the material change, please see the Company’s news release dated January 23, 2023, a copy of which is attached as Schedule “A”.

Item 5. Full Description of Material Changes

See the news release disseminated by the Company on January 23, 2023 attached hereto as Schedule “A”

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

Sean Bovington
Chief Financial Officer
Telephone: 905-304-4201

Item 9. Date of Report

January 27, 2023

Schedule “A”

The Green Organic Dutchman Announces Release of Escrowed Shares and New Share Issuance

TORONTO, January 23, 2023 – The Green Organic Dutchman Holdings Ltd. (the “**Company**” or “**TGOD**”) (**CSE: TGOD**) (**US-OTC: TGODF**), a sustainable global cannabis company and leading producer of premium cannabis brands, announces that in accordance with certain earn-out provisions relating to the Company’s acquisition (the “**Transaction**”) of all of the issued and outstanding shares (the “**Galaxie Shares**”) of Galaxie Brands Corporation on November 17, 2021, the Company has released 1,142,857 common shares of the Company (the “**Released Shares**”) held in an indemnity escrow account upon closing of the Transaction, to two vendors of the Galaxie Shares (the “**Vendors**”). The remaining 7,428,571 common shares of the Company held in the indemnity escrow account will be returned to treasury and cancelled.

In addition, pursuant to the terms of the definitive agreement relating to the acquisition of all of the issued and outstanding common shares of BZAM Holdings Inc. by the Company, which closed on November 3, 2022, an aggregate of 1,120,226 common shares of the Company (the “**BZAM Shares**”) will be issued to the Company’s largest shareholder (the “**Shareholder**”), at a deemed issuance price of \$0.596 per BZAM Share (the “**BZAM Issuance**”). Such BZAM Shares will be issued in reliance on certain prospectus exemptions available under securities legislation and will be subject to a four-month plus one day statutory hold period.

One of the Vendors and the Shareholder are insiders of the Company, and therefore the issuance of Released Shares to such Vendor (the “**Vendor Issuance**”), and the BZAM Issuance are considered to be a "related party transaction" for purposes of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). Pursuant to MI 61-101, the Company will file a material change report providing disclosure in relation to each "related party transaction" on SEDAR under TGOD’s issuer profile at www.sedar.com. The Company did not file the material change report more than 21 days before the expected closing date of the Vendor Issuance and the BZAM Issuance as the details of such were not settled until shortly prior to the closing of the Vendor Issuance and the BZAM Issuance. The Company is relying on exemptions from the formal valuation and minority shareholder approval requirements available under MI 61-101. The Company is exempt from the formal valuation requirement in section 5.4 of MI 61-101 in reliance on section 5.5(a) of MI 61-101 as the fair market value of the Vendor Issuance and the BZAM Issuance is not more than the 25% of the Company's market capitalization. Additionally, the Company is exempt from minority shareholder approval requirement in section 5.6 of MI 61-101 in reliance on section 5.7(1)(a) as the fair market value of the Vendor Issuance and the BZAM Issuance is not more than the 25% of the Company's market capitalization.

About The Green Organic Dutchman Holdings Ltd.

The Green Organic Dutchman Holdings Ltd. (CSE: [TGOD](http://www.tgod.com)) (US-OTC: TGODF) is a multi-licensed Canadian cannabis producer with a focus on branded consumer goods, innovation, quality, consistency, integrity and transparency. The Company is committed to cultivating a better tomorrow by producing its products responsibly, with less waste and impact on the environment. In Canada, TGOD serves the recreational market with a brand portfolio including BZAM, The Green Organic Dutchman, -ness, Highly Dutch Organics, TABLE TOP, Cruzy and partner brands Dunn Cannabis, FRESH, Superflower and Snackbar. TGOD operates facilities in BC, Alberta, Ontario and Quebec, as well as retail stores in Winnipeg, Manitoba and Regina, Saskatchewan, and is rapidly expanding its offerings to a growing number of consumers across Canada.

TGOD's Common Shares and certain warrants issued under the indentures dated June 12, 2020, October 23, 2020 and December 10, 2020 trade on the Canadian Securities Exchange (the "CSE") under the symbol "TGOD", "TGOD.WR", "TGOD.WA", and "TGOD.WB" respectively. TGOD's Common Shares trade in the U.S. on the OTCQX under the symbol "TGODF". For more information on The Green Organic Dutchman Holdings Ltd., please visit www.tgod.ca and www.bzamheadquarters.com.

CONTACT INFORMATION

Matt Milich, CEO
mmilich@tgod.ca
778-655-6335

Sean Bovingdon, CFO
sbovingdon@tgod.ca
905-304-4201 x269

Neither the CSE nor the CSE's Regulation Services Provider (as that term is defined in the policies of CSE) accept responsibility for the adequacy or accuracy of this release.