

FORM 51-102F3
MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Plant-Based Investment Corp. (the “**Company**” or “**PBIC**”)
240 Richmond Street West
Toronto, ON, M5V 1V6

2. **Date of Material Change**

May 1, 2022 and May 12, 2022

3. **News Release**

News releases disclosing the material changes were disseminated on May 6, 2022 and May 12, 2022, through the facilities of Newsfile and subsequently filed on SEDAR.

4. **Summary of Material Change**

On May 1, 2022, the Company entered into a share purchase agreement (the “**SPA**”) with Four Eleven Technical Services Inc., Grayfor 2017 Trust, and 2017 Blundell Family Trust (collectively, the “**Vendors**”), pursuant to which the Company agreed to acquire 100% of the issued and outstanding shares of CGOC Management Corp. (“**Management Corp.**”), which provides management services to the Company pursuant to the management agreement (the “**Management Agreement**”) dated January 16, 2018, between Management Corp. and PBIC (the “**Acquisition**”). The Acquisition was completed on May 12, 2022.

5. **Full Description of Material Change**

On May 1, 2022, the Company entered into the SPA with the Vendors, pursuant to which the Company will acquire all of the issued and outstanding common shares of Management Corp. The Acquisition was completed on May 12, 2022.

According to the terms of the SPA, PBIC acquired beneficial ownership of all of the outstanding shares of Management Corp. through the purchase from the Vendors of 500,000 common shares of Management Corp., and all of the issued and outstanding shares of 2163777 Ontario Inc., for an aggregate purchase price of \$1,400,000 (Canadian dollars). The purchase price was satisfied and paid through the sale, transfer and assignment to the Vendors by the Company of an aggregate of 31,650,000 common shares (“**GRIN Shares**”) in the capital of Grown Rogue International Inc.

Management Corp. is a person that manages and directs the affairs and operations of the Company pursuant to the Management Agreement and, accordingly, the Acquisition constitutes a “related party transaction” within the meaning on Multilateral Instrument 61-101- *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”).

The SPA was negotiated and recommended for approval by a special committee (the “**Special Committee**”) of the board of directors of the Company (the “**Board**”), which consisted of all of the independent directors. The Board engaged Evans & Evans, Inc. to provide guidance on the valuation ranges and approaches for valuing Management Corp. to it and the Special Committee in connection with the Acquisition, and the purchase price consideration used in the Acquisition, and received

extensive advice and guidance from a leading governance and compliance advisory company, in addition to independent legal advice. Based on the foregoing, the Special Committee determined that the Acquisition on the terms set out in the SPA was fair and reasonable to the Company, and in the best interests of the Company, and recommended that the Board approve the Acquisition. Subsequently, the Board unanimously (with any interested directors having abstained from voting) approved the Acquisition and the entry by the Company into the SPA.

In connection with the Acquisition, Evans & Evans, Inc. provided the Board with (i) a valuation report (the “**Management Corp. Valuation**”) entitled “Comprehensive Valuation Report CGOC Management Corp.” dated June 11, 2021, and (ii) a valuation memorandum (the “**GRIN Share Valuation**”) dated March 21, 2022. The Management Corp. Valuation was solicited by the Board to provide an independent opinion as to the fair market value of the Management Corp. as at the date of the Management Corp. Valuation. The GRIN Share Valuation was solicited by the Board in contemplation of the Acquisition to assist in determining the appropriate discount for the lack of marketability on a block of GRIN Shares in connection with an exchange of such shares for an asset. A copy of the Management Corp. Valuation and the GRIN Share Valuation is available for inspection at the offices of the Company located at 240 Richmond Street West, Toronto, Ontario M5V1V6 and will be sent to any security holder of the Company without charge upon request by contacting Paul Crath, Chief Executive Officer of the Company, by telephone at (647) 660-0566.

Rationale and Benefits of the Acquisition

The Acquisition will effectively result in the in-housing by PBIC of management functions previously outsourced to Management Corp. under the Management Agreement. The Special Committee and the Board believe that the Acquisition will have the following benefits for the Company:

- Certain rights and obligations granted to Management Corp. to enable it to manage PBIC, including the right to nominate up to three directors and select the Chief Executive Officer, Chief Financial Officer, President, and Chief Investment Officer of the Company, will be terminated.
- Provides the Board with greater flexibility to determine the compensation of the Company’s senior management.
- Options previously held by Management Corp. will be cancelled in connection with the Acquisition, providing additional option-pool availability for key managers at the direction of the Board.

The Acquisition is designed to reposition PBIC to drive long-term shareholder value, by providing a more traditional corporate governance and operational structure, and to make it more attractive for future capital providers.

In respect of the Acquisition, PBIC is relying upon the exemptions from the formal valuation and minority shareholder approval requirements pursuant to sections 5.5(a) and 5.7(1)(a), respectively, of MI 61-101 on the basis that the time the Acquisition was agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Acquisition, insofar as it involved interested parties, exceeded 25% of PBIC’s market capitalization, as calculated in accordance with MI 61-101.

The Company did not file a material change report in respect of the related party transaction at least 21 days before the expected closing date of the of the Acquisition because the parties desire to complete the acquisition in an expeditious manner, which the Company has determined is necessary

and reasonable in the circumstances to allow for the Company's management to focus its attention on other matters related to the Company's business.

6. **Reliance on subsection 7.1(2) of National Instrument 51-102**

The report is not being filed on a confidential basis.

7. **Omitted Information.**

No significant facts have been omitted from this Material Change Report.

8. **Executive Officer.**

For further information, contact Paul Crath, Chief Executive Officer of the Company, at (647) 660-0566.

9. **Date of Report.**

This report is dated at Toronto, this 12th day of May, 2022.

Forward-looking Statements

This material change report contains certain forward-looking statements with respect to the Company, including with respect to the timing and completion of the Acquisition. These forward-looking statements, by their nature, involve risks and uncertainties that could cause actual results to differ materially from those contemplated in those forward-looking statements and information. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the risk that all of the conditions of closing of the Acquisition will not be met in order to meet the expected timing for closing the transaction or at all, risks associated with the Company's business plan and matters relating thereto, and risks associated with the Company's investments and financial objectives, as well as other risks and uncertainties, including but not limited to those detailed from time to time in the Company's public filings on SEDAR. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.