FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company

Choom Holdings Inc. (“**Choom**” or the "**Company**")
191 W. 2nd Avenue
Vancouver, BC
V5Y 1B8

2. Dates of Material Change

April 22, 2022

3. News Release

The news release describing the material change was disseminated on April 22, 2022 through NewsWire and filed on SEDAR.

4. Summary of Material Change

On April 22, 2022, the Company announced that Choom and certain of its subsidiaries (Choom BC Retail Holdings Inc., 2151414 Alberta Ltd., 2688412 Ontario Inc., and Phivida Holdings Inc., herein the “Subsidiaries”, and together with Choom, the “Companies”) obtained an order (the “Initial Order”) of the Supreme Court of British Columbia (the “Court”) providing the Companies protection from their creditors pursuant to the *Companies’ Creditors Arrangement Act* (Canada) (“CCAA”).

The Companies have obtained CCAA protection for an initial period of 10 days, expiring on May 2, 2022 and the Court has set a further hearing date of May 2, 2022 at which time an extension of the protection under the CCAA will be sought. Pursuant to the Initial Order, Ernst & Young Inc. has been appointed as monitor in the Companies’ CCAA proceeding (in that capacity, the “Monitor”). While under CCAA protection, creditors and others are stayed from pursuing any claims or enforcing any rights against the Companies. The Companies are seeking creditor protection under the CCAA in order to permit the Companies to conduct a sale and investment solicitation process (“SISP”) and facilitate a transaction that will allow the Companies to address their liquidity issues and stabilize operations. The Companies intend to operate in the ordinary course throughout the CCAA proceedings and while conducting the SISP. Management of the Companies will remain responsible for the day-to-day operations of the Companies, under the general oversight of the Monitor. The Companies’ day-to-day obligations to employees and key suppliers of goods and services, from and after the filing date, is expected to continue to be met.

In order to fund the CCAA proceedings, the SISP and other short term working capital requirements, the Companies have executed a commitment letter with Aurora Cannabis Inc. (the “Lender”), pursuant to which the Lender will advance an interim financing loan in the aggregate amount of $0.8 million (the “Loan”). A portion of the Loan is available immediately, with the balance available if approved by the Court following the May 2, 2022 hearing. The Loan accrues interest at a rate of 12% per annum, and matures, at the latest, on August 31, 2022. The Loan is secured against all assets of the Companies pursuant to the Initial Order.

5. Full Description of Material Change

5.1 Full Description of Material Change

The material change is fully described in the news release of the Company dated April 22, 2022 (the “News Release”), which is attached as Schedule "A" to this report.

The following supplementary information is provided in accordance with Section 5.2 of *Multilateral Instrument 61-101 - Protections of Minority Security Holders in Special Transactions* (“MI 61-101”).

a) a description of the Initial Financing and its material terms

See Item 4 above and the News Release attached as Schedule “A” to this report.

b) the purpose and business reasons for the Initial Financing

See Item 4 above and the News Release attached as Schedule “A” to this report.

c) the anticipated effect of the Initial Financing on the issuer's business and affairs

See Item 4 above and the News Release attached as Schedule “A” to this report.

d) a description of:

i. the interest in the Initial Financing of every interested party and of the related parties and associated entities of the interested parties, and

ii. the anticipated effect of the Initial Financing 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,

See the News Release attached as Schedule “A” to this report. The Lender is a significant shareholder of Choom, holding in excess of 10% of the outstanding common shares of the Company. Accordingly, the Lender is a “related party” of the Company and the Interim Financing constitutes a “related party transaction” of Choom under MI 61-101. The Interim Financing is not anticipated to have an effect on the percentage of securities of the Company beneficially owned or controlled by the Lender.

e) 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 Initial Financing, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee,

Since March 2020, the Company’s business and operations have been negatively impacted by the emergency measures governments across Canada have enacted to combat the spread of the novel strain of coronavirus (COVID-19). In 2021, the board of directors of the Company (the “Board”) authorized management to consider and pursue other strategic alternatives, including a business combination, a sale of the company’s assets or other similar transactions, in order to address the Company’s operational issues. While the Company pursued these other strategic alternatives, the Company implemented a number of strategies to restructure its debt and improve liquidity in 2021, including a debt restructuring, a public offering and a private placement. However, notwithstanding the Company taking active steps to address its liquidity issues, the

Company’s business and operations continued to face financial challenges as a result of the effect of the COVID-19 pandemic on the Company’s operations, the increase in the number of cannabis retail licenses in circulation relative to 2002, and the presence of loss leading priced retailers in Alberta.

Between September 2021 and March 2022, the Company, with the assistance of its financial advisor, actively pursued a number of different strategic transactions with potential counterparties. From these discussions, the Company negotiated terms of a sale with one prospective purchaser, but the Company was ultimately unable to complete a sale because the prospective purchaser was unable to finance the transaction.

On April 22, 2022, following consultation with management and the Company’s financial advisor and legal counsel and consideration of the reasonable alternatives then available to the Company, the Board determined that it was in the best interests of the Company’s stakeholders for the Company to commence a voluntary process under the CCAA and seek creditor protection under the CCAA in order to permit the Companies to conduct a SISP and facilitate a transaction that will allow the Company to address its liquidity issues and stabilize operations. In connection with the CCAA proceedings, the Board also authorized the Company to seek out interim financing in order to support the Company’s existing operations and the CCAA proceedings, including the SISP process. The Company received several offers to provide an interim lending facility from different parties, and ultimately approved and presented to the Court two offers of Interim Financing, both of which were on similar commercial terms. Pursuant to the Interim Order, the Court authorized the offer of Interim Financing provided by the Lender.

f) a summary, in accordance with section 6.5, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction,

Not applicable.

g) disclosure, in accordance with section 6.8, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the Interim Financing (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 inquiry, to the issuer or to any director or senior officer of the issuer,

There has been no prior valuation in respect of the Company that relates to the subject matter of or is otherwise relevant to the Interim Financing that has been completed in the 24 months before the date of this report.

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 Interim Financing, and

See Item 4 above and the News Release attached as Schedule “A” to this report.

i) disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7, respectively, and the facts supporting reliance on the exemptions.

The Company is relying on the exemption from the formal valuation requirement contained in Section 5.5(b) of MI 61-101 (*Issuer Not Listed on Specified Markets*) in respect of the Interim Financing, as the Company’s common shares are listed on the Canadian Securities Exchange. The Company is relying on the exemption from minority approval requirement contained in Section 5.7(d) of MI 61-101 (*Bankruptcy , Insolvency, Court Order*) in respect of the Interim

Financing as a result of (i) the ongoing CCAA proceedings, (ii) the Court having been advised of the requirements of MI 61-101 regarding minority approval for related party transactions and (iii) the Court having advised that it will not require compliance with the applicable provisions of MI 61-101.

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

This Report is not being filed on a confidential basis in reliance on subsection 7.1(2) of National Instrument 51-102.

7. Omitted Information

No information has been omitted on the basis that it is confidential information.

8. Executive Officer

Chris Bogart
President & Director
Tel: (604) 683-2509

9. Date of Report

May 2, 2022

Schedule "A"

See attached.

Choomholdings.ca
CSE: CHOO
OTCQB: CHOOF

Choom Files for Relief under the Companies' Creditors Arrangement Act and Obtains Interim Financing

Vancouver, BC – April 22, 2022 – Choom Holdings Inc. ("**Choom**") (CSE: CHOO; OTCQB: CHOOF), announces today that Choom and certain of its subsidiaries (Choom BC Retail Holdings Inc., 2151414 Alberta Ltd., 2688412 Ontario Inc., and Phivida Holdings Inc., herein the "**Subsidiaries**", and together with Choom, the "**Companies**") have obtained an order (the "**Initial Order**") of the Supreme Court of British Columbia providing the Companies protection from their creditors pursuant to the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**").

As part of the Initial Order, the Companies are authorized to enter into an interim financing term sheet (the "**Interim Financing**") with Aurora Cannabis Inc. (the "**Lender**") pursuant to which the Lenders has agreed to advance to the Companies up to an aggregate of $0.8 million to fund the Companies' ongoing operations and CCAA proceedings.

CCAA Proceedings

The Companies have obtained CCAA protection for an initial period of 10 days, expiring on May 2, 2022 and the Court has set a further hearing date of May 2, 2022 at which time an extension of the protection under the CCAA will be sought. Pursuant to the Initial Order, Ernst & Young Inc. has been appointed as monitor in the Companies' CCAA proceeding (in that capacity, the "**Monitor**").

While under CCAA protection, creditors and others are stayed from pursuing any claims or enforcing any rights against the Companies. The Companies are seeking creditor protection under the CCAA in order to permit the Companies to conduct a sale and investment solicitation process ("**SISP**") and facilitate a transaction that will allow the Companies to address their liquidity issues and stabilize operations. The Companies intend to operate in the ordinary course throughout the CCAA proceedings and while conducting the SISP. Management of the Companies will remain responsible for the day-to-day operations of the Companies, under the general oversight of the Monitor. The Companies' day-to-day obligations to employees and key suppliers of goods and services, from and after the filing date, is expected to continue to be met.

All inquiries regarding the CCAA proceeding should be directed to the Monitor (Philippe Mendelson, 604-891-8491). Information about the Companies' CCAA proceeding, including all court orders and the Monitor's reports, will be available on the Monitor's website at www.ey.com/ca/choom.

Interim Financing

In order to fund the CCAA proceedings, the SISP and other short term working capital requirements, the Companies have executed a term sheet with the Lenders, pursuant to which the Lenders will advance an interim financing loan in the aggregate amount of $0.8 million (the "**Loan**"). A portion of the Loan is available immediately, with the balance available if approved by the Court following the May 2, 2022 hearing. The Loan accrues interest at a rate of 12% per annum, and matures, at the latest, on August 31, 2022. The Loan is secured against all assets of the Companies pursuant to the Initial Order.

Aurora Cannabis Inc. ("**Aurora**") is a significant shareholder of Choom and is the Lender in connection with the Interim Financing. Each of the aforementioned parties is a "related party" of Choom and, accordingly, the Interim Financing constitutes a "related party transaction" of Choom under MI 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). Related party transactions under MI

61-101 require a formal valuation and minority shareholder approval unless exemptions from these requirements are available. Choom will rely on the exemption from the formal valuation requirement contained in Section 5.5(b) of MI 61-101 (*Issuer Not Listed on Specified Markets*) in respect of the Interim Financing and the exemption from minority approval requirement contained in Section 5.7(d) of MI 61-101 (*Bankruptcy , Insolvency, Court Order*) in respect of the Interim Financing. Choom did not file a material change report more than 21 days before the expected closing of the Interim Financing transaction, as the details of the transaction were not finalized until immediately prior to the closing and Choom wished to close the transaction as soon as practicable for sound business reasons.

About ChoomTM

ChoomTM is a retail cannabis company that has established an extensive store network across Canada. ChoomTM is focused on delivering an elevated customer experience through high quality service. The Choom brand is inspired by Hawaii's "Choom Gang"—a group of friends in Honolulu during the 1970s who loved to have fun and smoke weed—or as the locals called it, "Choom". Evoking the spirit of the original Choom Gang, our brand caters to the Canadian market with the ethos of 'cultivating good times'.

For additional information contact:

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investors@choom.ca

Cautionary Statement on Forward-looking information

This news release contains forward-looking information relating to Choom's proposed activities and other statements that are not historical facts, including the successful completion of the SISP. Choom's intention to operate in the ordinary course during CCAA proceedings and the expectation that Choom's day-to-day obligations to employees and key suppliers of goods and services will continue to be met. Forward-looking information relates to management's outlook and anticipated events or results and includes statements or information regarding the future or prospects of Choom. When used in this news release, words such as "will", "hope", "could", "plan", "estimate", "expect", "intend", "may", "potential", "believe", "should" and similar expressions, are forward-looking statements. Although management of Choom has attempted to identify important factors that could cause actual results to differ materially from those contained in forward looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. These factors include risks and uncertainties associated with or arising as a result of delays in obtaining or an inability to obtain required regulatory approvals, access to sufficient quantities of cannabis, the actions of third parties, the results of negotiations with third parties, developments in the cannabis sector, the ability to access sufficient capital from internal and external sources, reliance on key personnel, regulatory risks and delays and other risks and uncertainties discussed in the management discussion and analysis section of Choom's interim and most recent annual financial statement or other reports and filings, including those made with the CSE and applicable Canadian securities regulators. There can be no assurance that such forward looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward looking information.

NEITHER THE CANADIAN SECURITIES EXCHANGE NOR ITS REGULATION SERVICES PROVIDER HAS REVIEWED OR ACCEPTED RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.