

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item 1 – Name and Address of Company**

Greenlane Renewables Inc. (“**Greenlane**” or the “**Company**”)  
110 – 3605 Gilmore Way  
Burnaby, BC V5G 4X5

**Item 2 – Date of Material Change**

December 15, 2021

**Item 3 – News Release**

The Company disseminated a news release relating to the material change referred to in this report on December 15, 2021 through the facilities of Cision.

**Item 4 – Summary of Material Change**

The Company entered into a share quota purchase agreement dated December 15, 2021 (the “**QPA**”) with Mr. Andrea Valerio, as vendor (the “**Vendor**”), pursuant to which the Company has agreed to purchase of all of the issued and outstanding share quotas of Airdep S.R.L. (“**Airdep**”), an Italian corporation (the “**Airdep Shares**”) from the Vendor, as the sole owner of the Airdep Shares (the “**Transaction**”). Airdep is a provider of biogas desulfurization and air deodorization products based in Vicenza, Italy. As consideration for the acquisition of the Airdep Shares, the Company will pay and issue a combination of cash and common shares of the Company, as detailed in Item 5 below.

**Item 5 – Full Description of Material Change**

**5.1 – Full Description of Material Change**

The Company entered into the QPA with the Vendor on December 15, 2021. Under the QPA, the Company has agreed to purchase all of the issued and outstanding share quotas of Airdep from the Vendor. Upon the completion of the Transaction, the Company will be the owner of all of the outstanding share quotas of Airdep (comprising 100% of the equity of Airdep) and will continue the biogas desulfurization and air deodorization business of Airdep (the “**Airdep Business**”).

***Closing of the Transaction***

Closing of the Transaction (“**Closing**”) is anticipated to occur in January 2022 assuming satisfaction of conditions to Closing, including approval of the TSX. The acquisition of Airdep will not constitute a “*significant acquisition*”, as defined under Canadian National Instrument 51-102 – *Continuous Disclosure Obligations*, for the Company.

### ***Acquisition Consideration***

The Company will pay and issue the following consideration to the Vendor for the acquisition of the Airdep Shares:

- Cash consideration in the amount of €5,500,000 (equal to approximately \$8,000,000) to be paid to the Vendor on the date of closing of the Transaction (the “**Closing Date**”);
- Common share consideration in the aggregate amount of €1,000,000 (equal to approximately \$1,400,000) to be issued to the Vendor in four equal tranches of €250,000 on each of the three, six, nine and twelve month anniversaries of the Closing Date (with the number of shares calculated based on market price at the time of issuance); and
- Earn-out consideration of up to a maximum of €2,480,000 (the “**Maximum Earn-out Payment**”) (equal to approximately \$3,600,000), contingent upon meeting or exceeding a minimum financial performance threshold. The amount payable will be determined based on the financial performance of the Airdep Business from January 1, 2022 to December 31, 2024 (the “**Earn-out Payment**”). The Earn-out Payment is to be paid in early 2025 and will be paid 50% in cash (in Euros) and, at the discretion of the Company, the remaining 50% in cash or by the issuance of additional common shares of the Company (with the number of shares calculated based on market price at the time of issuance), or a combination thereof.

### ***Employment Agreement***

Mr. Valerio will continue as the managing director of Airdep following the completion of the Transaction pursuant to an employment agreement to be entered into between Airdep and Mr. Valerio on closing, as provided for in the QPA.

### **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**

Not applicable

### **Item 8 – Executive Officer**

Brad Douville  
President and Chief Executive Officer  
Telephone: 604.649.4459

**Item 9 – Date of Report**

December 22, 2021