

FORM 51-102F3
Material Change Report

Item 1 Name and Address of Company

Planet 13 Holdings Inc. (the “**Company**”)
2548 West Desert Inn Road
Las Vegas, Nevada 89109

Item 2 Date of Material Change

December 20, 2021

Item 3 News Release

On December 20, 2021, a news release was disseminated through the facilities of Accesswire and subsequently filed on SEDAR.

Item 4 Summary of Material Change

On December 20, 2021, the Company entered into an arrangement agreement (the “**Arrangement Agreement**”) with Next Green Wave Holdings Inc. (“**NGW**”) pursuant to which the Company has agreed to acquire (the “**Acquisition**”) all of the issued and outstanding common shares of NGW (the “**NGW Shares**”) pursuant to a plan of arrangement (the “**Plan of Arrangement**”) under the *Business Corporations Act* (British Columbia) (the “**Transaction**”).

Item 5 Full Description of Material Change

On December 20, 2021, the Company and NGW entered into the Arrangement Agreement pursuant to which the Company agreed to acquire all of the NGW Shares for a total consideration of approximately C\$91 million. Under the terms of the Arrangement Agreement, based on pricing as of December 17, 2021, holders of NGW Shares (the “**NGW Shareholders**”) will receive 0.1081 of a common share of the Company (the “**Planet 13 Shares**”), subject to adjustment as set out below (the “**Exchange Ratio**”), and C\$0.0001 in cash, for each NGW Share held, representing an implied price per NGW Share of C\$0.465. The Exchange Ratio is subject to adjustment as follows: (i) if the 10-day volume weighted average price of the Planet 13 Shares on the second business day prior to closing (the “**Closing Price**”) is below C\$5.50 but above C\$4.06, the Exchange Ratio will be calculated as C\$0.465 divided by the Closing Price; (ii) if the Closing Price is less than or equal to C\$4.06, the Exchange Ratio will be fixed at 0.1145; and (iii) if the Closing Price is greater than or equal to C\$5.50, then the Exchange Ratio will be fixed at 0.0845.

Pursuant to the Arrangement Agreement, upon closing, all outstanding NGW options to acquire NGW Shares will be exchanged for options of the Company that will entitle the holders to receive, upon exercise thereof, Planet 13 Shares based upon the Exchange Ratio.

The Acquisition requires the approval of NGW Shareholders at a special meeting of NGW Shareholders (the “**NGW Special Meeting**”) expected to be held in February 2022 with the approval of at least 66 ⅔% of the votes cast in person or by proxy at the NGW Special Meeting. All of the directors and officers of NGW and a certain other NGW Shareholder, holding approximately 21% in aggregate of the issued and outstanding NGW Shares, have executed voting and support agreements with the Company pursuant to which they have agreed, among

other things, to support the Transaction and vote their NGW Shares in favour of the Transaction. The approval of holders of Planet 13 Shares is not required.

In addition to the approval of NGW Shareholders, the Acquisition is subject to approval of the Supreme Court of British Columbia and certain other regulatory approvals. Subject to the receipt of all necessary approvals and the satisfaction or waiver of other closing conditions, the Transaction is expected to be completed in the first quarter of 2022.

The Arrangement Agreement contains customary representations, warranties and covenants for a transaction of this type, including a termination fee in the amount of C\$3.25 million and C\$2 million payable by NGW and the Company, respectively, in the event that the Transaction is terminated in certain circumstances. In addition, the Arrangement Agreement contains an expense reimbursement fee of up to C\$1,000,000 payable by NGW to the Company if the Transaction is terminated in certain circumstances.

After giving effect to the Transaction, and based on pricing as of December 17, 2021, NGW Shareholders will hold approximately 9.2% ownership in the *pro-forma* company (on a fully-diluted basis).

The Transaction has been unanimously approved by the board of directors of both the Company and NGW. Beacon Securities Limited acted as financial advisor to the Company and provided a fairness opinion to the Company's board of directors that states that, as of the date of the opinion and subject to the assumptions and limitations contained in the opinion, the consideration to be paid by the Company pursuant to the Transaction is fair, from a financial point of view, to the Company.

The foregoing summary of the Arrangement Agreement and the Transaction does not purport to be a complete description of all the parties' rights and obligations thereunder and is qualified in its entirety by reference to the complete text of the Arrangement Agreement. A copy of the Arrangement Agreement has been filed on the Company's SEDAR profile.

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

The officers knowledgeable about the material change and this report are:

Robert Groesbeck and Larry Scheffler
Co-Chief Executive Officers of the Company
(702) 815-1313
ir@planet13lasvegas.com

Item 9 Date of Report

December 24, 2021