

FORM 51-102F3
Material Change Report

Item 1: Name and Address of Company

Nabis Holdings Inc. (the “**Company**”)
1409 – 5000 Yonge Street
Toronto, Ontario
M2N 7E9

Item 2: Date of Material Change

November 23, 2020

Item 3: News Release

A news release disclosing the information contained in this material change report was issued by the Company on November 23, 2020 through the newswire services of Globe Newswire, a copy of which was filed under the Company’s profile on SEDAR at www.sedar.com.

Item 4: Summary of Material Change

On November 23, 2020, the Company entered into a support agreement, pursuant to which the Company has agreed to undergo a recapitalization transaction (the “**Recapitalization Transaction**”) with the support of certain holders of the Company’s outstanding \$35 million principal amount of 8.0% unsecured convertible debentures.

Item 5: Full Description of Material Change

5.1 Full Description of Material Change

On November 23, 2020, the Company entered into a support agreement (the “**Support Agreement**”) with certain of the holders of the 8.0% unsecured convertible debentures (the “**Debentures**”) issued by the Company pursuant to an indenture dated as of March 26, 2019 (the “**Indenture**”) among the Company, as issuer, and Odyssey Trust Company, as trustee, and which hold in the aggregate approximately 45% of the principal amount of the outstanding Debentures (the “**Initial Consenting Debentureholders**”).

Pursuant to the Support Agreement, the Initial Consenting Debentureholders have, among other things, agreed, subject to the terms of the Support Agreement, to support the Recapitalization Transaction and vote in favour of the approval, consent, ratification and adoption of the proposal filed on November 23, 2020 (the “**Proposal**”) pursuant to the *Bankruptcy and Insolvency Act* (the “**BIA**”) in respect of the Recapitalization Transaction. KSV Restructuring Inc. has been named as proposal trustee in respect of the Proposal (in such capacity, the “**Proposal Trustee**”).

Completion of the Recapitalization Transaction through implementation of the Proposal will be subject to, among other things: (i) approval of the Proposal by a majority in number of and two-thirds in the value of all proven claims against the Company (as determined in accordance with the BIA) held by holders of such proven claims who are entitled to vote on the Proposal in accordance with the voting procedures established by the Proposal and the BIA (collectively, the “**Affected Creditors**”), and who are present in person or represented by proxy at a meeting of the Company’s creditors to be held at 10:00 a.m. (Toronto time) on December 14, 2020; (ii) approval of the Proposal by the Ontario Superior Court of Justice

(Commercial List) (the “**Court**”) in accordance with the BIA; and (iii) the receipt or satisfaction of all other required stakeholder, regulatory and Court approvals (collectively, the “**Requisite Approvals**”).

If the Requisite Approvals are obtained, subject to satisfaction or waiver of the other conditions precedent, the Proposal will be implemented in accordance with its terms and will bind the Company, Affected Creditors, holders of the existing common shares of the Company (“**Common Shares**”) and all other holders of the Company’s outstanding options and warrants to purchase Common Shares.

The key terms of the Recapitalization Transaction are as follows:

Impact on Capital Structure

The Recapitalization Transaction will result in significant changes to the Company’s capital structure, a summary of which is as follows:

Treatment of Affected Creditors (other than Convenience Creditors)

Upon implementation of the Proposal, each Affected Creditor (other than Convenience Creditors (as defined below)) will receive its pro rata share of New Secured Notes (as defined below) and New Common Shares (as defined below) and all claims of such Affected Creditors (including but not limited to any claims under the Debentures, the Indenture and any other documents related thereto) will be irrevocably and finally extinguished. In connection with the Recapitalization Transaction, the issued and outstanding Debentures will be terminated.

Pursuant to the Support Agreement and the Proposal, the Company will enter into a new indenture with Odyssey Trust Company, pursuant to which the Company will issue an aggregate principal amount \$23 million of new first lien secured notes (the “**New Secured Notes**”) to Affected Creditors (other than Convenience Creditors), substantially on the terms set out in the Proposal, including (i) a maturity date of two years from the date of issuance, (ii) quarterly interest payments on February 15, May 15, August 15 and November 15 at an annual interest rate of 5.3%, (iii) a first-ranking security interest in all of the assets of the Company and any guarantors of the New Secured Notes, and (iv) such other terms and conditions as agreed to by the Company and the Initial Consenting Debentureholders, each acting reasonably.

Upon implementation of the Proposal, Affected Creditors (other than Convenience Creditors) will be issued their pro rata share of an aggregate of 3,700,000 Common Shares (“**New Common Shares**”), which, upon cancellation of the existing Common Shares pursuant to the Proposal (as set out below), will represent all of the Common Shares issued and outstanding immediately following implementation of the Proposal.

Treatment of Convenience Creditors

Upon implementation of the Proposal, each Affected Creditor with a proven claim (as determined in accordance with the BIA) of less than or equal to \$500 and any other Affected Creditor that elects to be treated as a convenience creditor in accordance with the Proposal (collectively, the “**Convenience Creditors**”), will receive the lesser of (x) \$500 and (y) the amount of its proven claim as determined in accordance with the BIA, and all claims of such Convenience Creditors will be irrevocably and finally extinguished. The aggregate amount available for distribution in respect of all Convenience Creditor claims is \$25,000.

Treatment of Common Shareholders

Upon implementation of the Proposal, all existing Common Shares will be cancelled for no consideration and all claims of the holders of such Common Shares will be irrevocably and finally extinguished.

Treatment of Holders of Options and Warrants

Upon implementation of the Proposal, all existing options and warrants to purchase Common Shares will be cancelled for no consideration and all claims of the holders of such options and warrants will be irrevocably and finally extinguished.

Board of Directors

Upon implementation of the Proposal, each of the directors of the Company will be deemed to have resigned and the board of directors of the Company will be reconstituted as determined by the Initial Consenting Debentureholders.

Releases

Upon implementation of the Proposal, the Company, each affiliate or subsidiary of the Company, the Initial Consenting Debentureholders and any other holders of Debentures that sign a joinder to the Support Agreement (collectively, the “**Consenting Debentureholders**”), the Proposal Trustee, and each of the foregoing persons’ respective general partners, managed accounts or funds, fund advisors, employees, financial and other advisors, legal counsel, including legal counsel to the special committee of the Company’s board and agents, each in their capacity as such (collectively, the “**Released Parties**”) shall be released and discharged from all present and future actions, causes of action, damages, judgments, executions, obligations, liabilities and claims of any kind or nature whatsoever arising on or prior to the date of implementation of the Proposal, including without limitation in connection with the Debentures, the Indenture and the other documents related thereto, the Proposal and any proceedings commenced with respect to or in connection with the Proposal, the transactions contemplated thereunder, and any other actions or matters related directly or indirectly to the foregoing, provided that nothing in this paragraph shall release or discharge (i) any of the Released Parties from or in respect of their respective obligations under the Proposal, the New Secured Notes or any order or document ancillary to any of the foregoing, or (ii) any Released Party from liabilities or claims which cannot be released pursuant to s. 50(14) of the BIA, as determined by the final, non-appealable judgment of the Court.

In addition, pursuant to the Support Agreement, the existing directors of the Company will receive full releases from the Consenting Debentureholders, effective upon implementation of the Proposal.

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

The following senior officer of the Company is knowledgeable about the material change and this material change report and may be contacted:

Nicole Rusaw, Chief Financial Officer
Telephone: 416-223-2300

Item 9: Date of Report

December 3, 2020